

立法會

公營房屋建築問題專責委員會

第三次研訊的逐字紀錄本

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地點： 立法會會議廳

出席委員

劉健儀議員, JP (主席)

何俊仁議員(副主席)

何鍾泰議員, JP

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證人

公開研訊

房屋署署長

苗學禮先生, JP

Legislative Council

Select Committee on Building Problems of Public Housing Units

Verbatim Transcript of the Third Hearing
Held on Saturday, 28 April 2001, at 9 am
in the Chamber of the Legislative Council Building

Members present

Hon Miriam LAU Kin yee, JP (Chairman)
Hon Albert HO Chun-yan (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, JP
Dr Hon LUI Ming-wah, JP
Hon CHAN Yuen-han
Hon CHAN Kam-lam
Dr Hon Philip WONG Yu-hong
Hon Howard YOUNG, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP
Hon Michael MAK Kwok-fung
Hon LAU Ping-cheung
Hon Audrey EU Yuet-mee, SC, JP

Members absent

Hon LEE Cheuk-yan
Hon James TO Kun-sun

Witness

Public hearing

Mr J A MILLER, JP
Director of Housing
Housing Department

主席：

歡迎各位今天出席公營房屋建築問題專責委員會的公開研訊。

我想提醒各位委員，整個研訊過程必須有足夠的法定人數，即連主席在內共5名委員。此外，我亦想再次提醒出席今日研訊的公眾人士及傳媒，在研訊過程以外場合披露研訊上提供的證據，將不受《立法會(權力及特權)條例》所保障。因此傳媒應就他們的法律責任，如有需要的話，徵詢法律意見。

今日的研訊將會繼續向房屋署署長苗學禮先生索取證供，取證的範圍包括房屋署為配合建屋量而採取的人手安排，以及在保證公營房屋建築質素方面所採取的各項措施。如果大家沒有其他問題的話，我現在邀請證人苗學禮先生進入會議廳。

(苗學禮先生進入會議廳)

苗學禮先生，多謝你再次出席本專責委員會的研訊。我想提醒苗學禮先生，你是繼續在宣誓下作供的。

苗學禮先生，你在昨天即2001年4月27日向專責委員會秘書提交了一系列文件，包括：

- (1) 1995-96年度至1999-2000年度建築小組委員會委員名單，當中屬建築專業背景的委員已作標示；
- (2) 在1995-96年度至1997-98年度期間建築小組委員會外判工程的分項數字；
- (3) 為房屋署人員舉辦工作坊的有關資料；
- (4) 房屋署人員就同時興建大量房屋單位及人力資源問題提交的意見書及所作的投訴；
- (5) 有關撥予房屋委員會的30公頃土地如何反映於公營房屋發展計劃內的文件；
- (6) 有關直接聘任分判顧問的資料；及
- (7) 有關670個新增職位的細項分析。

苗學禮先生，你是否同意正式向專責委員會提交上述文件為證據？

Mr J A MILLER, Director of Housing:

Yes.

主席：

秘書處已為這些文件作了初步的編號。第一份文件是有關建築小組委員會委員名單，編號為SC1-H0041，請各委員寫上編號；第二份文件是有關建築小組委員會外判工程的分項數字，編號為SC1-H0007(c)，編號有c字的文件，即代表保密或機密文件；第三份文件是有關工作坊的資料，編號為SC1-H0042；第四份文件是有關人力資源問題所提交的意見書及所作的投訴，編號為SC1-H0043；第五份文件是有關撥予房屋委員會的30公頃土地如何反映於公營房屋發展計劃內，編號為SC1-H0045；第六份文件是有關分判顧問的資料，編號為SC1-H0008(c)，這也是一份機密文件；最後一份文件是有關670個新增職位的細項分析，編號為SC1-H0009(c)，這同樣是一份機密文件。我宣布上述7份文件獲接納為向專責委員會出示的證據。

現在我們可以繼續今天的研訊。首先是何俊仁議員。

Hon Albert HO Chun-yan:

Thank you, Madam Chair. Mr MILLER, in the last two hearings you did tell this Committee a number of measures that the HA adopted to enable the HA to cater for the peak production period from 1995 to '96 onwards. Now, all these measures were set out in the information paper provided to us, but for the purpose of the record as well as for the benefit of the public, could you tell us in a summarised form all these measures, and also explain to us how did it serve the purpose of enabling you to meet with the target?

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair, with your indulgence could I first clarify one point from the last meeting very briefly?

Chairman:

Yes.

Mr J A MILLER:

Madam Chair, at one point which was cut short in the last meeting I think there was a risk of myself and the Hon HO Chung-tai and the Hon P C LAU talking at cross-purposes. This related to a demarche which was made by the Association of Consultant Engineers on the Department in 1998. I think the confusion arises because of two different systems, and I had assumed the questions related to the systems in place at the time of the contracting-out of the two consultant management contracts which are the subject of this Select Committee.

The demarche to which the two Members referred was in the context of a review of what was then called the "two envelope" system, and of course I was aware of that demarche. I was also aware of the fact that this was discussed by the Building Committee. Indeed the comments of the Association were conveyed to the Committee. But they are not relevant to the previous system. Both of the consultancies which are the subject of this Select Committee were let in the earlier bunches of outsourcing, and they were let under a system known as "negotiated fee", which is rather different from the matter to which I think reference was made. The negotiated fees were the equivalent of 90 percent of scale fee. Thank you.

Chairman:

Thank you. Yes, can you answer Mr HO's question now?

Mr J A MILLER:

Certainly.

Chairman:

Thank you.

Mr J A MILLER:

Madam Chair, I think it is useful to set it out under different levels. There is a sort of corporate level, a management level and the supervision level, and before doing that, if you would allow me to set a little bit of context? When I joined the Department in July 1996 the bad news was that there were internal problems. The good news was that the then chairlady had encouraged discussion of these problems. And senior staff of the Department had got past

the denial stage and were freely discussing what needed to be done to change the organisation, both the organisational structure and also cultural reform, and were keenly aware of the challenge which was presented to them by the increase in production.

At that time the Department comprised some 15,000 staff in approximately 90 different grades represented by some 24 different unions or staff associations. And I met quickly with these, both to get a feel for staff mood but also to signal a willingness for, or a desire for, direct and frank communication. It was clear from those initial meetings that such contact was a bit of a novelty. It was also clear that there were some quite long-standing rivalries and resentments concerning relative rankings, concerning opportunities for advancement within the organisation and so on. And I encouraged the associations to air their grievances and to feed in their very practical concerns into the various reform agendas which were under discussion.

The same impression was confirmed by a series of informal workshops with senior staff. They were very clear about the organisational failings and the need to address these if we were to cope with the challenges ahead. On the "Works" side, for example, there was a clear understanding that as the organisation had grown it had become more complex and communication had become difficult. There were examples of communication between different grades going all the way up one grade hierarchy and down the other where it would have been more sensible to solve the problem by team work lower down. Similar problems on the "Management" side, which I think I will not mention here.

In summary, the way I approached these problems at the corporate level first, I involved the entire directorate, including chief professional level staff, in talking through and implementing a major reorganisation which divided the Department into four clearly defined businesses: development and construction, which had previously been somewhat fragmented; management and maintenance; allocation and marketing; and the management of the commercial properties. Each of these businesses was put under the head of a D3 directorate officer.

As part of this we introduced a corporate planning process under which each business director was required to seek the approval of the relevant standing committee of the Housing Authority for his annual operating plan and these operating plans then came together for Housing Authority approval as part of the annual budgetary exercise. I secured LegCo approval for the strengthening of the directorate with the creation of a supernumerary deputy director post for the duration of the increase and peak in production.

I argued for a flattening of the peak, which I have referred to earlier, as the results of the slippage of the original development programme became clear in an increased bunching at the end of the relevant period. There were considerable

concerns at the time that there would be constraints not simply within the Department but also within the industry, and so I worked with the Hong Kong Construction Association and with colleagues in the Housing Bureau, the Works Bureau and the Education and Manpower Bureau, in looking for, devising measures which would address the forecast shortage of particular skills during that period. In the event, with the economic downturn, those measures were not required.

I argued for clear targets and a steady and sufficient land supply, land which was identified sufficiently early to allow for a realistic completion date. I argued for simplification of central planning procedures, and better co-ordination between different bureaux to ensure that sites were made available to the Authority fully formed and serviced ahead of time. Those last two very practical matters were ultimately, largely addressed by the setting up of the HOUSCOM Committee in the second half of 1997.

At the management level my first task was, my first priority, was to establish better communication within the Department. As part of the reorganisation each of the four staff departmental consultative committees was headed up by a D3 officer, the D3 officer most relevant to the task, and these met quarterly. I launched an ambassador's scheme under the MEP under which non-directorate officers were sent to the front line to hear, listen for complaints and suggestions for improvement, and to pass these back up to management anonymously, but otherwise unscreened, and these would be passed to the relevant business director for resolution. I held a series of open fora with staff to again hear out complaints in an open manner. I met informally with staff representatives on as many occasions as possible and revamped the internal newsletters and communication machinery and so on.

The point which came out of some of the early meetings was that staff were concerned about rogue contractors and the problem of supervising rogue contractors, but as time moved on, and this is I think a consequence of some of the other reforms which were going on, attention shifted towards discussion of the changes on the management and maintenance front, the phased transfer of services and so on.

I encouraged reform by seeking out bright young high flyers at the chief and senior level and appointing them to a steering committee for the co-ordination of the management enhancement programme, and each of them was given responsibility for teasing out, discussing, developing ideas for a particular area of reform. I encouraged and facilitated the early implementation of recommendations flowing from the business process re-engineering, to which I have previously referred, the reform of the development and construction process, including the streamlining of procedures and the establishment of the project management system. I encouraged the engineers to take up the challenge of this

new opportunity of project management, and I was not disappointed by their response.

Above this I urged early completion of the resource planning in preparation for the peak, including both the vigorous programme of outsourcing to architect-led consultancies, the creation of a significant number of new posts and recruitment of additional staff. Papers have been tabled which relate to that. I might take this opportunity to say that a paper which is missing from those which were furnished is the paper I referred to in answer to a question from the Hon Audrey EU which is the strategic planning behind that manpower, and with your permission I will have that furnished quickly. Without it the other papers do not make much sense.

At the supervisory level, apart from the progressive increase in staff strength on which details have been provided, I set a particular tone. I took a hard line on quality and I took a flexible line on timing. I made it clear to the project managers that if they said that a project could not be ready to standard by a certain date then I would back their judgement. But the 31st of March, as far as I was concerned, which previously had been a key date in bringing projects to a close, as far as I was concerned that date was irrelevant, and I was not prepared to allow that date to put us in a position of jeopardy in relation to contractors.

And I gave an unequivocal message on quality. "Get it right first time or do it again". This was underlined by a number of examples of failings both inside and outside from which we learnt. For example in mid-'97 we had a case where there was a misconnection of water pipes between two projects in Ma On Shan both under the same consultant management. The consultant manager was suspended. In October the same year we had a case in Ho Man Tin where we discovered sub-standard concrete. There was no sensible engineering solution so the instructions were that the six stories above the podium which had already been built would have to be demolished and the work reinstated. That was done. A very clear example.

Over the three-year period from 1997 we re-entered a total of eight building contracts because work could not be delivered to standard. Over the same period we de-listed eight building contractors because either they could not meet the standard, or financially they did not meet our criteria. Over the same period we de-listed I think seven, sorry, five piling contractors and seven maintenance contractors, again for the same reasons. The message was we were not prepared to do business with people who could not meet our standards. I insisted on transparency. Which is not to say we dealt unfairly with the contractors. As the financial crisis began to bite, some of them got into trouble. We dealt with them fairly. We secured Building Committee's approval to shorten the payment periods from, I think the then 48 days standard to 28 days to alleviate the problem of tight credit, and so on.

I also strengthened the Consultant Management Unit by the setting up of an Independent Audit Unit to look at the performance of consultant managers, and after that our own performance. I gave a clearer focus to my own internal Audit Unit and I worked proactively with the ICAC to detect and stamp out corrupt practice and to remove opportunities for graft through the review of procedures. When the evidence of the first piling problems came to light in the private sector, we immediately issued instructions for enhanced and heightened staff awareness on the ground. And, when front-line staff detected the first problems on one of our own sites, we went hunting.

The one thing I did not tinker with, Madam Chair, was the systems. The systems had been put in place by serious professionals based on years of experience and with reference to external advice on best practice elsewhere. The systems were well oiled and had served the Housing Authority for many years. It is only in retrospect that some of the deficiencies become more apparent. I think that summarises what we did to prepare for the peak.

Allow me just to add that, as I said on the first day, while we prepared carefully for the bunching of production, in my mind it is not the fundamental cause of these problems. It may have contributed. It is a very convenient theory, but it does not fit. In particular it does not fit Tin Chung Court and the private sector problems. Thank you, Madam Chairman.

Chairman:

Thank you, Mr MILLER. 何俊仁議員。

Hon Albert HO Chun-yan:

Yes, Mr MILLER, before the Housing Authority decided to implement the number of measures including the organisational and management changes as proposed by Cooper & Lybrand in 1996, what consultation, could you tell us how did the decision-making process take place? Were all these proposals discussed in all the relevant committees within the Housing Authority, and also prior to discussions within these committees, were consultations conducted first among the departmental staff? And then how did you respond to and deal with all the comments and proposals made by the staff?

Chairman:

Mr MILLER?

Mr J A MILLER:

Thank you, Madam Chair. The consultancy started on the 5th of March 1996, which is before I arrived. It was already well under way when I arrived,

and it was completed in October '96. The process of discussion, sorry, the approvals were approvals which were made by the Authority earlier that year. The discussions were, sorry, the research was done initially by the consultant by, as I understand it, a series of interviews with the key players within the organisation. And they then conducted a series of internal discussions with the Department involving many of the senior professionals as well as the directorate to identify the problems as perceived by staff of the Department and to propose solutions. The solutions which were put forward essentially required the Department to move from what is known as a discipline-based approach to building to a project-management based approach. I understand the discussions were intensive and I believe we have already provided a summary which was made by the consultant of this process of consultation.

Following that we had to make a key decision which was when to implement, and how to migrate from the pre-existing system to the new system. That work was carried out from the end of '96 through to Spring '97 and we had a brainstorming session, as we called them, involving members of the Building Committee in which we looked at the final version of that migration plan. Then the proposal was put to the Building Committee formally for approval.

Chairman:

Mr HO?

Hon Albert HO Chun-yan:

So, all the proposals made by the staff unions and associations were discussed in the committees, including particularly the Building Committee and also maybe the Manpower Resources Committee, etc. And also I believe all the major proposals were also discussed in the Executive Board's meetings. Am I right in saying that, such that all these proposals were treated seriously and cautiously, and eventually you came up to a decision whether to accept the proposals or any part of them?

Chairman:

Mr MILLER?

Mr J A MILLER:

The short answer is yes, though at the time the Executive Board, I think, was called the Heads of Branches Board. That is a detail. This was quite an intensive process of internal soul-searching by a very large part of the organisation. The Development and Construction Bureau was 2,000 plus people. There were clearly differences of view amongst different professionals

and different grades about the best way forward, and there was quite a lot of caution about trying to change too much too soon.

In the event even before I arrived I understand that the Engineering Association within the Department, for example, had responded to the then Deputy Director saying that they fully supported the idea of project management as the basis for moving forward and that they hoped that these posts would be open-discipline, i.e., they would not be posts which would be solely occupied by architects. Clearly there is a historic tension there.

But I assure you, yes, the proposals were thought out carefully. They were discussed carefully. Inevitably there are some compromises between the views of all parties in this sort of process, and these were discussed carefully by the, we will call it the Executive Board, before final brainstorming with the Building Committee, not least because we needed to get, if we were going to make the change, we had to make it then or leave it until after the peak in production. We had to have enough time to run it in, and I am confident today, from the way it has worked out in practice, that we could not have managed what we did under the old system. It was absolutely right to get the new system in.

主席：

何俊仁議員。

Hon Albert HO Chun-yan:

Chairman, now actually we have seen the letters sent to you from the various staff associations and in fact it was apparent from all these papers that the staff had feelings of certain dissatisfaction, particularly about manning ratios in the engineering professions, for instance, the structural engineering professionals. Now, in that connection I think they have also submitted to you a paper making certain proposals for change. Now, apart from manning ratios they also mentioned two other proposals, namely, they suggested that a vetting strategy for consultant designs should be put in place?

Now, I am referring you, Mr MILLER, to the papers that were handed to you in the last hearing. Now have you got that paper?

Mr J A MILLER:

I am familiar with the document.

Hon Albert HO Chun-yan:

Now, actually in the second and third column, horizontal columns, you would see that there are two concrete proposals with regard to the vetting

strategy for consultant designs and in that proposal they suggested that the extent of technical vetting should be improved because, as I understand it, they are complaining that at that time the system did not contain clear directives on the extent of technical vetting required. And secondly they also proposed the setting up of resident engineer system.

Now, they also referred to the system that was then in place for major projects in private sectors. Now, all these are quite major proposals. Did you recollect how these proposals were considered in the relevant committees as well as in the Executive Boards and the reasons for rejecting these proposals, as I understand it?

Chairman:

For the benefit of Members the relevant document number is SC1-U0001. Members, please identify the relevant document. Mr MILLER, you are aware of this document? I think it is in the bundle in front of you.

Mr J A MILLER:

I am aware of this document. I said in answer to a previous question that I have only recently been made aware of this document. But I am aware of the document. It arrived before I did, shall we say.

On manning ratios generally, the professional manning scales for the Department in the Development and Construction Bureau were last reviewed in 1991, and they were promulgated in June 1992 as part of the setting out of the quality management system which we have discussed earlier. That quality management system sets out, amongst other things, it sets out the ratios applied between different ranks within each of the grades, whether it is architects or engineers, and the workloads which would normally be expected for each individual to carry.

The three proposals in the document you refer to, the first one you have referred to is the vetting. That was addressed after the completion of the organisational change, i.e. after the putting in place of the project management system. It was researched by the Business Director/Development and resulted in the setting up of the Consultant Audit Unit under the Consultant Management Unit to which I referred earlier.

The proposal for what I think is described as the proper establishment of a resident engineer system was not apparently addressed. But, as I have said earlier in trying to secure an answer to this question, I have looked back over the records and in fact a project resident engineer, project resident engineer posts were first approved in the Department in 1986 and they were approved specifically to deal with either distant sites where the travel time was unnecessarily high, and I am

told that a total of 21 such posts had been created by 1995, again to address the problem of distant or complex posts. Within the quality management system responsibility is given quite clearly to the chief professional to determine whether or not a particular site requires a resident professional. Thank you.

Chairman:

Mr HO?

Hon Albert HO Chun-yan:

Yes, Mr MILLER, but I think the proposals were made in 1996 under the cover of a letter dated the 26th of April 1996. Now, concerning the proposal for establishment of resident engineer system, certain concerns were made with regard to the point that there were more sites with foundation difficulties, and also comparison was drawn with the systems in the private sector. So obviously they would like the Housing Authority to address concern to the establishment of a system even at an early stage, namely at the piling stage. So obviously it is more than the reason arising from the remoteness of the site. So has any thought been given to that, the establishment of the resident engineer system even at the piling stage?

And secondly about the vetting of, the technical vetting of the consultants. Now I think this concern is also pertinent because at that time the Department were contemplating outsourcing a significant percentage of work to consultants. And obviously quite a number of in-house staff might not be experienced in dealing with outsourced consultancy firms. And also the design of these outsourcing projects was to reduce the workload, so how should the in-house project management team readjust their duties is a matter of concern. So obviously they would like you to give them clearer directives and guidelines before they could embark on their new duties. So it appears that these two concerns were not addressed adequately at that time. Do you agree with this view, and maybe if you do not agree can you explain to us how these concerns were dealt with adequately?

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair, I think it is perhaps inappropriate for me to either agree or disagree because, as I have said, I was not aware of it at that time. What strikes me as curious though, looking back, is that once the reorganisation had been put in place these concerns do not resurface. In fact they did not resurface until 1998, after the discovery of problems, at which point I have to say the advice

which was sent to me by the Structural Engineers Association was extraordinarily helpful. It led to the proposals which have since been implemented in the reform process. They were very carefully thought out and I was very grateful for them.

In the interim the guidance for staff involved with either difficult sites or projects which have been outsourced is clearly stated in the quality management system. It is there in the manuals. There are specific manuals both for in-house and those related to outsourcing. It is in the letters, the standard letters of appointment for consultants who take work with the Authority, that they are obliged to follow the details of our quality management system. It is specific to their contracts.

主席：

何鍾泰議員。

Ir Dr Hon Raymond HO Chung-tai:

Thank you, Madam Chairman. I would like to continue with our discussion on the human resources since the time when the Director, Mr MILLER, realised that the volume of work was going to be threefold the previous volume of work, as given in our reference SC1-H0023. There is a table there telling us that the amount of piling work would be three times as much during the three-year period, 1995/96 to 1998/99. To deal with this very substantial peak of piling work and also following on with the superstructure work which will also be substantially increased, Mr MILLER, you said that you had a major look at the resources, human resources. But then under this reference, SC1-H009(c) there is an Annex A to it. I have counted the number of qualified civil engineers, structural engineers and geotechnical engineers, not including the assistant engineers because they are only graduates, not qualified people. Since out of the 686 additional posts which you mentioned a couple of times, only three percent of qualified relevant professionals have been included as your additional posts to cater for this very substantial or sharp increase of workload. But also at the same time you restructured the professional positions within the management structure. For instance, previously some of the posts called assistant directors, they were changed to project directors. These are the D2 grades. You open up all these later on. Previously they were occupied by, for instance, architects. Once they were opened up only non-professionals took up the positions. I would like you to explain whether this was the case and why the number of additional professional posts was so small compared with other positions which are not really relevant to the supervision of the very substantial increase in piling works at that time.

Thank you.

Chairman:

Mr MILLER?

Mr J A MILLER:

Thank you, Madam Chair. As I said earlier the Department prepared very carefully for the change in the level of work. The assessment of workload was carried out by the Business Director/Development and his staff following the completion of the business process re-engineering. And a composite paper was put to the Building Committee and the Human Resources Committee in 1998 setting out what we believed to be the appropriate strategy for addressing a significant but short-term increase in workload.

Traditionally the Department has been staffed to deal with work equivalent to an annual production of about 35,000 units of housing, so we were coming through a trough and then going into a peak. We had to look at where the organisation would be after the peak, how many units would we be expected to produce after the peak on a steady basis, and that calculation is included in the paper. The assumption is that we would be required after the peak to produce an annual production of about 40,000 units. So the recommendations for increase in permanent establishment of various grades, ranks and disciplines was designed to meet that long-term expectation of production of about 40,000 units per annum.

Anything in excess of that was to be met by either outsourcing or by the recruitment on contract terms of additional staff. Bear in mind that the impact of this increase in production affects every part of the Department at a different time. First it affects the planners, then it moves into the development of tender documentation, project design and so on. And it flows right the way through to where it is today, which is the inspection and taking over of flats. So, at different times during this period you will notice that there is an intake of staff of different sorts, and this picture does not include the management side. So we believe that the estimate of the staff required on permanent terms was correct.

In retrospect, as the Hon HO Chung-tai already knows, we have taken a very different view of the need for much closer supervision on site. We now know that we cannot rely solely on the presence of the contractors' professionals on site to ensure that there is no malfeasance. I think that is sad but that is the view we have had to take.

As regards the opening up of the D2 posts, this was part of a corporate decision that, in order to breed up a new leadership within the Department, we needed to ensure that no particular discipline should dominate the senior ranks of

the directorate. In practice, contrary to the earlier statement, there was no reduction in the posts to a particular discipline, nor was there any crowding out of any particular discipline. For example, one of the D2 posts, one of the project management, sorry, project directors, was an engineer. One of the project managers was an engineer. For many grades the opening up of the D2 level posts represented the possibility of advancement which had not been there previously.

Thank you, Madam Chairman.

Chairman:

Mr Raymond HO?

Ir Dr Hon Raymond HO Chung-tai:

Madam Chairman, now you are saying that, Mr MILLER, you cannot rely on contractors. You think that they should have carried out the work in accordance with the contract but it seems that you are not very conversant with the construction industry's practice. Not only the private sector but also the works departments, they all employ works consultants if necessary, and they will ask consultants to establish site staff positions to supervise the works, and also they will have their own people within the departments to manage the consultants. But even if contractors have their own technical people, they need to be supervised so that specifications given in the contract documents are strictly followed. This has been the practice all over the world, not only in Hong Kong, not only in works departments, not only in the private sector. But you are saying you would rely on the contractors, and of course you also said you were disappointed with the performance of some of the contractors. But you have been ignoring the other parts of the whole team, construction team.

Now you are talking about partnering. Partnering means working together between different parties, but then being a technical client that the Housing Department as it is, you need to have your own technical people to supervise the work, but you have been giving a lot of emphasis on positions other than the relevant technical people to supervise the piling works. Just now you mentioned about 1998 when you submitted the paper to deal with this aspect, but 1998, that was three years after the peak on piling work based on the number of housing units only escalated continuously from some 16,000 to ...

Chairman:

Could you ask your question, Mr HO?

Ir Dr Hon Raymond HO Chung-tai:

That is part of the question, actually. I am sorry, it is an important question, Madam Chairman.

Chairman:

Every question is important. Please ask the question.

Ir Dr Hon Raymond HO Chung-tai:

Can I carry on, Madam Chairman? I have got to think back what I wanted to say.

Chairman:

Please do not repeat.

Ir Dr Hon Raymond HO Chung-tai:

I am not repeating, Madam Chairman. Now if at that time when the piling work was already completed on quite a number of sites, in fact many of these sites could reveal some problems. Some of these are already being investigated. Would you not say that was rather too late when you submitted that paper in 1998, and would you agree that you actually were ignoring the aspect, the important aspect of supervision of contract work at site when you just relied on the contractors' performance? At the same time you did not specify the number of technical people within the contractors' organisations in the contract documents. Is that the case? Thank you.

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair. That is quite an involved question. I think the first point I need to make is that whatever the deficiencies in retrospect, the arrangements both in contract and in supervision which were in place in 1996 had been in place for many years as had the systems. These were systems and manning ratios which were the result of careful consideration by the Department's professionals over many years and they had worked very satisfactorily. So in retrospect they may look deficient. In retrospect, in comparison with best practice in the private sector they are deficient. The Department, the Authority, has recognised that very publicly in the reform document.

On the preparations I am sorry I cannot agree. The sites in questions, the sites which are the subject of investigation by this Select Committee were fully manned under the terms or under the manning scales in place at that time.

Ir Dr Hon Raymond HO Chung-tai:

Madam Chairman, I would like to ask Mr MILLER to give us the information on the D2 posts during the five-year period from 1995/96 to year 1999/2000. I do not want the names. I would like to have whether they were architects or engineers or non-professionals. That would be enough. I would not want the names of the people filling the posts. Is that possible?

Chairman:

Mr MILLER?

Mr J A MILLER:

I would be happy to provide it.

Chairman:

OK, thank you. 下一位，余若薇議員。

Hon Audrey EU Yuet-mee:

Thank you, Madam Chairman. Mr MILLER, last time I asked you for the composite resource paper that was put to Human Resources and the BC, and you said you would supply it at a later stage and without that the other papers do not seem to make much sense, so I am not going to ask you about the details. But I just wanted to ask you about the year. In fact it is part of the Hon Ho Chung-tai's question just now. Because by 1995, and certainly by 1996 you already knew, the Housing Department, the Housing Authority already knew that there was going to be this bunching. And why is it that it was only in 1998 that this composite human resource paper was prepared? Was there any earlier paper or earlier discussion to prepare for the bunching which already was anticipated in the year 1995 and 1996?

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair, the composite paper to which I have referred, and I must apologise that it was not included in the batch of papers delivered last night, the

composite paper was a deliberate look at the strategy moving forward to see what modifications needed to be made to existing deployments and systems.

Prior to that date the Department was simply relying on the established manning ratios to bring in staff as necessary to deal with the increased workload.

主席：

余若薇議員。

Hon Audrey EU Yuet-mee:

Thank you, Madam Chairman, so Mr MILLER, is it your evidence that prior to that the Authority, or the Department did not see the need to have an overall review of human resources?

Chairman:

Mr MILLER?

Mr J A MILLER:

No, Madam Chair. In fact the preparations go back to Strategic Building Committee, sorry, Building Committee strategy paper in 1995 at which the decisions to commence outsourcing were originally taken, I believe. From that date the build-up, the initial build-up through to the peak is catered for by the progressive outsourcing of work and, as I have said the reliance on existing manning scales for the recruitment of additional staff as necessary.

Chairman:

Ms Audrey EU?

Hon Audrey EU Yuet-mee:

Yes, thank you, Madam Chairman. Mr MILLER, have you provided to us, therefore the paper that provides the grounding ratios? You understand my question? I mean you have to have a starting point somewhere and you keep referring to manning, or human resources being adequate and you say this complies with the manning ratio. Have you given us the paper that relates to this manning ratio for the purpose of '95 and '96?

Mr J A MILLER:

Hand on heart, Madam Chair, I cannot say yes because there is a pile of stuff here but I know where they are, and they form part of the quality management system, and I would be happy to provide them.

Chairman:

The Secretariat informs me that the information is not available so can you give us a paper on the established manning ratio between the year 1995 to say 1999, year 2000? Or before, whatever you think is available. It can date back to '92/93, but if it is relevant to the study of this Select Committee please provide us with that information. Ms Audrey EU?

Hon Audrey EU Yuet-mee:

Madam Chairman, can I just clarify? You see, because from time to time in your answers you say, for example "we made a strategic decision to outsource 40 percent", or you say "the Department is staffed to manage 35,000 or 40,000 units at a time." You see, what I am asking is that these figures must have been discussed at some stage and then agreed, and what I am asking is really for the document that evidences such discussion and such agreement, because without that foundation you cannot then build on it and say, "well, now we have 80,000 and therefore we need so many extra percentage of increase". You see, what I am asking for is really the grounding document rather than the subsequent increases.

Mr J A MILLER:

Perfectly understood.

Hon Audrey EU Yuet-mee:

Yes, Madam Chair, then can I ask something else?

Chairman:

Yes.

Hon Audrey EU Yuet-mee:

Mr MILLER, you have been shown this letter which is SC1-U0001, and you have told us that you were only recently aware of this letter which is dated April of 1996. Can you for the record tell us when you were first aware of this letter?

Chairman:

Mr MILLER?

Mr J A MILLER:

I believe I was first made aware of it in the prelude to the SELBY enquiry.

Chairman:

You still want to follow up?

Hon Audrey EU Yuet-mee:

Yes, just, thank you, Madam Chairman. Mr SELBY? You said in your answer on the last occasion when the Honourable HO Chung-tai asked you about this letter, and you said you were not aware of that and you said, "I wish I had been". I can give you the correct form to that. You said: "I have to say I should have been aware of the letter. I was not. I wish I had been aware of the letter." Can you tell us why? Can you explain that answer, and also follow up by saying what would have been different, or what would you have done or what would have been done differently if you were aware of the letter earlier?

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair, I think that is a hypothetical question.

Chairman:

Is there any explanation why you were not aware of that letter?

Mr J A MILLER:

No.

Chairman:

You still want to follow up on this line of questioning, or shall I put you ...?

Hon Audrey EU Yuet-mee:

Madam Chairman ...

Mr J A MILLER:

Madam Chair, I do not wish to be coy or seem coy. The reason is in here. The reason is the wisdom of hindsight. The reason is in what I have already described as an extraordinarily helpful letter which the Structural Engineers Association furnished in the wake of these problems.

Chairman:

Ms Audrey EU?

Hon Audrey EU Yuet-mee:

Yes, Madam Chairman, although Mr MILLER said that my question was hypothetical, I think it is important that he does answer that because we are here trying to find out what was the problem, what had gone wrong and we are also looking into the question of improvements and structures and so on, so I think with the benefit of his experience it would be helpful to us if he explains his answers when he said that "I wish I had been aware of the letter." I mean it implies that had he been aware something would have been different. So that is why I am asking him what would have been different with the benefit of hindsight. I am sure his experience would be helpful in this respect.

Chairman:

Would you be prepared to answer this question in this particular light, with hindsight, and supplementing what you said earlier in evidence?

Mr J A MILLER:

With hindsight it is quite clear that the best practice in the private sector, as the Hon HO Chung-tai has pointed out, has been to use resident professionals to represent the client directly on site, rather than to rely on resident professionals hired under contract by the building contractor.

主席：

陳婉嫻議員。

陳婉嫻議員：

我的問題跟較早前同事的提問有點相似，卻非完全相同。我參閱了政府今天所提供的員工意見書，以及副主席剛才所提及的 SC1-U0001 號文件。此外，我亦參考了立法會就短樁問題所擬備的資料。苗學禮署長剛才表示，當時署方在處理這些意見時，事實上已採取了一系列的措施及提出了一些方法；但我們卻發覺這些意見從未中斷。雖然剛才署長表示，不知道是甚麼原因，他其後再沒有聽到任何意見，直至 98 年，這些意見才再度湧現。但我翻看有關文件，發覺在這期間，承建商及房屋委員會的有關委員都覺得，儘管署方把如此龐大的建屋量稍作調整，可是仍須於 2000 年達到所定的建屋量；他們都認為這是不可能的。看到這些意見，

我想問，你除了要面對員工的意見外——你剛才表示曾把承建商的付款期由48天縮短至24天，但在這問題上，他們仍有意見。另一方面，房屋委員會的委員在97年的會議席上亦提出了相同的問題；他們認為，要達到如此龐大的建屋量是不可能的。他們反映了這些問題，而署長剛才亦說已採取了一系列的處理方法，並於98年重新評估人力資源後考慮把工程外判。既然署方已有方法處理這些問題，為何仍有這些聲音呢？對此你又如何處理呢？謝謝主席。

Chairman:

Mr MILLER.

Mr J A MILLER:

Madam Chair, as I endeavoured to point out in my earlier remarks, this is a very large organisation with a very large number of grades, and I should say that the letters which were furnished to the Select Committee in response to an earlier request represent only a fraction of the regular correspondence between management and staff representatives. This sort of correspondence goes on year in, year out and, as I think all of us know, results in incremental improvements, increases, changes in manning structures and so on, or changes in conditions of service over a long period.

The measures which we put in place in response to expressions both of staff concern and our own observations of potential constraints within the industry and elsewhere have, I think, been really quite comprehensively described. We made careful preparations. I think we made the best possible preparation to cope with what was going to be a short, sharp and difficult period of production.

主席：

陳婉嫻議員。

陳婉嫻議員：

主席，署長沒有回答我的問題，他只就問題中有關員工的部分作答。我剛才指出，承建商和房屋委員會的委員都對最後要達到相當於平時數量兩至三倍的龐大建屋量表示憂慮。署長表示，政府在處理這問題上已採取了一系列的改善措施，既然如此，理論上便應該不會有問題，但為何卻又發生問題呢？我試舉一個例子：有承建商來到立法會向我們表示，他們希望與房屋署建立一種夥伴關係；但由於面對如此龐大的建屋量，令他們覺得情況並

非如此，彼此的關係很惡劣，他們為了要趕及完成工程而面對頗大的困難。署長剛才所指的只是員工的意見，而我的問題則包括了三方面的不同意見。我想知道他如何處理這些問題，如果署長認為他已把這些問題處理，請他提供有關文件給我們參考。

Chairman:

Mr MILLER.

Mr J A MILLER:

If I could elaborate? As regards the industry, I thought I had already said on an earlier occasion that in advance of the peak we continued discussions with the Hong Kong Construction Association on preparations for the anticipated peak. These translated into serious consideration of where the constraints would ultimately lie, bearing in mind work elsewhere in the public and private sector over this period. And we discussed with colleagues in the Works Bureau and the Education and Manpower Bureau potential measures for alleviating those constraints.

On the piling issue by itself the Hong Kong Construction Association's Piling Committee was consulted over the volume of work which was anticipated, and they confirmed to the Housing Authority that they were confident that they would have the capacity for this work. They noted in passing that there might be a small increase in tender prices given the amount of work put forward, but they were confident they could do it. So I would have to disagree that on that particular aspect there was no concern about the ability of the industry to cope.

As regards reservations expressed by members of the Authority, I have previously also said that the Development Committee of the Authority expressed a view about the reasonableness of this bunching and this view was conveyed to Government.

主席：

陳婉嫻議員。

陳婉嫻議員：

主席，我覺得署長並未正面回答我的問題。他剛才指出，建築界覺得本身沒有問題。但不久前，即去年，建築界的代表曾來到立法會向我們表示，業界與房屋署的關係並非一如現在所說的情況。他們為了趕及完成工程，與房屋署再沒有合作關係可言，而且他們要承擔這些後果，當我參閱有關文件時.....

主席：

由於承建商不在現場，有關他們在立法會另一場合提供的資料，請你以其他方法提問，好嗎？

陳婉嫻議員：

謝謝主席。我覺得在該段期間內，社會各界對房屋委員會的龐大建屋量都提出了意見，正如我剛才所說，不單止是議員，連房屋委員會的委員都提出了意見。我參考了一些文件，從中發現即使房屋委員會的委員，在97年的會議席上都認為這建屋量是不可行的。因此，我覺得署長應考慮一點，按照你剛才所說的一系列方法，理論上各方面都應該再沒有意見，但我們收到的意見似乎並非如此。除了你剛才提出的幾項簡單措施外，請問還有沒有其他措施呢？例如，他們說你把工程外判，可是，所有外判工程的監督工作都交由承建商負責，他們覺得這是不可行的。在這情況下，房屋委員會本身的工程便須有人監察，這是他們在97年提出的意見。此外，我們察覺到承建商當時亦有提出自己的看法。雖然署長覺得在建屋高峰期內沒有出現問題，並已完成了所有工作，但我卻質疑：為甚麼會有這些意見呢？而且，這些意見並非始於今天，在97至98年期間已經有人提出。謝謝主席。

Chairman:

Mr MILLER. I think the question is over and above what you have already told us, were there any additional measures you took, or steps you took to address the concerns that repeatedly came up, not only from the staff members but also from members of the Housing Authority and the contractors. Can I just summarise your question in this way? Mr MILLER?

Mr J A MILLER:

I think I have to stress the concerns of the contractors which have been referred to surfaced largely after the event, and they surfaced in response to a conscious effort by the Authority to provoke a dialogue which led to the reform document, but these comments were not in evidence beforehand. And, as I said earlier, it has puzzled me that if there were such deeply-seated, deeply-held views, why were they not expressed before?

主席：

陳婉嫻議員。

陳婉嫻議員：

主席。

Mr J A MILLER:

But over and above the measures which I have already described, over and above the concerns which the Authority and myself expressed about what was clearly going to be an unhealthy peak in production, no other measures.

主席：

陳婉嫻議員。

陳婉嫻議員：

主席，我明白署長所說，很多人都是“馬後炮”。不過，根據署長昨天向專責委員會所提交的文件，當中載有員工的意見。事實上，他們很早便提出了一些看法，雖然你其後已處理了這些意見，但以我看來，這些意見似乎一直並未平息，接着你便指這些是“馬後炮”。因此，我覺得作為署長的苗學禮先生，你必須衡量當時所採取的措施是否足以應付龐大的建屋量。我的意見是，你身居署長之職，以你的管理技巧，在面對這些情況下，我覺得如果你只是指這些都是“馬後炮”……

主席：

你是指員工方面，還是……

陳婉嫻議員：

我指的是三方面。因為署長在多次回答我或其他委員的問題時，都表示有些人是“馬後炮”，他們是在問題發生後才提出這些意見；所以，我想指出，職方或委員其實在事前都已提出了這些意見，只不過署長作出處理後，以為已把問題解決。然而，問題其實並未解決，可是，署長卻認為他們只是“馬後炮”。理論上，你擔當署長角色，便應該在處理過程中加以衡量，作出客觀分析，並考慮如何確保在建屋量龐大的情況下保持良好質素，我想提出的就是這方面的問題。

主席，如果署長說他所收到的意見都只是“馬後炮”，我便覺得他身居署長之職，下此評語似乎有點問題。

主席：

我覺得這番話會引起辯論。

陳婉嫻議員：

主席，我並非在辯論。

主席：

你可以作出結論，但你不如尋求事實，究竟他當時有沒有作出處理？對於這些問題，我們都已問過了，亦已得到答案。至於我們對其答案是否滿意，稍後我們可以再作討論。即使你再提出這方面的問題，他又如何作答呢？

陳婉嫻議員：

主席，多謝你的提醒。我剛才所問，並非質疑署長，亦沒有任何立場。我只是問他從management的角度，從作為署長的角度，應如何處理呢？

主席：

好吧，就讓他有一個回應的機會。請他從身居署長職位的角度，就面對你剛才所描述的當時情況作出回應，好嗎？

Mr J A MILLER:

Madam Chair, I am tempted to claim 25(1)(c) in relation to the question in the use of the word. I am content, I am convinced that the best possible preparations were taken by the Authority, by the Department, myself and my staff included. I am concerned, I have to say, that from the line of questioning there is a fixation with bunching as a cause which I believe to be entirely misplaced. Thank you.

主席：

好的。下一位議員，劉炳章議員。

劉炳章議員剛離開了會議廳，請石禮謙議員。

石禮謙議員：

Thank you, Madam Chairman. I would like to ask Mr MILLER that earlier he had told us that upon his arrival at the HD in mid-'96 he said that the Department is facing a series of problems. He told us this earlier. I would like to know what are those problems first.

Chairman:

Mr MILLER?

Mr J A MILLER:

It is quite a broad question. There had been a number of, well, there was a problem of friction at the ground level in estate management which had become quite serious and which had manifested itself in the form of repeated, frequent, quite large-scale demonstrations outside the Authority which suggests a level of discontent with the services provided by the Authority. That was on the management side.

On the construction side there had been a series of problems related to the quality of the finished product and that had caused a certain amount of soul-searching. And at the time that I arrived these were being quite freely discussed, and they were in simple terms concerns that, as the organisation had expanded rapidly in response to a growing workload and as the complexity of the structures it was required to build and the complexity of management on the ground had grown in response to changes in the political environment, that it was no longer able to cope, that there was a lack of clarity about lines of responsibility, levels of service and so on. These were very generalised concerns but they were beginning to come together. That was the genesis of what became the Management Enhancement Programme led by the then chairman.

Hon Abraham SHEK Lai-him:

May I follow up?

Chairman:

Yes, Mr SHEK.

Hon Abraham SHEK Lai-him:

Earlier also Mr MILLER was saying that the Department was able to cope with 35,000 annual production a year. Anything over 40,000 would have to be outsourced. That was being said earlier. So, and then taking into consideration of the problems that Mr MILLER just described, with also the benefit of knowledge

that the Department, that HA is going to build a substantial number of flats over the next few years, this prompted the HA to initiate a series of organisation changes. And for any organisation to have substantial changes over a period of years, from mid-'95 to '99 or 2000, this would have a serious impact on the organisation from top to bottom.

If you look at the series of management organisation changes from mid-'95 to mid-'97 a lot of those changes are merely in name rather than in actual fact, because they are new bags with old wine. The point that I am trying to make is obviously the Department must be very satisfied with the staff that they have so they put individuals, fit individuals into new positions. And thus the changes that are made in the organisation, as I read from the number of papers that a lot of those people are technocrats, people who have professional training, and suddenly overnight, over a short period of time you convert them from technocrats to business managers. And were they given adequate training as business managers or you call core business so that they can be equipped to do the job?

And secondly, that with the changes on the top, were there similar changes also at the middle and at the bottom? Somehow from the papers that I have read that ...

Yes, let me, certainly, now my train of thought has gone down. With the changes that have been made from the top but obviously it is not evident in the middle and the lower strata, this creates confusion. As it creates confusion can Mr MILLER advise us how the HA dealt with this matter and this creates a lot of loopholes for incidents that had happened or a lot of things that happened that we do not like to see happen.

Chairman:

Mr MILLER?

Mr J A MILLER:

Thank you, Madam Chair. I am concerned again that the question is actually putting forward a line of cause and effect with which I do not agree.

Chairman:

You do not agree? I think you can address the question specifically. It is broken down into sections, whether the technocrats overnight turned into business managers, and whether similar changes are made at a lower level. Those are specific questions which you can answer specifically. In regard to the other conclusions you can agree or disagree. If you disagree then give the reasons why you disagree.

Mr J A MILLER:

First the changes at the senior level, and this applies to the middle level as well. I do not agree new wine in old bottles.

Hon Abraham SHEK Lai-him:

Or old wine in new bottles.

Mr J A MILLER:

Old wine in new bottles?

Chairman:

New bags, old wine was the expression you used.

Mr J A MILLER:

As a manager, in my experience, problems of management within an organisation 95 percent of the time relate to organisation rather than the quality of staff. Good staff badly organised will produce bad results. The organisation had grown rapidly. Lines of communication had become stretched, confused, lines of responsibility unclear. And the clarification of those lines of responsibility into the core business units which I have described to you, I think contributed significantly to clarifying responsibility and accountability from the top all the way down to the front line.

Within specific bits of the organisation, where there had been previously rivalrous positions, these were combined. A neutral example on the management side: previously the management of the estates was divorced from the maintenance. You had two different teams of people dealing with the same customers. This was more than merely an irritant to our customers. The manager in the estate knew what his rent receipts were but he had no idea what was being spent on the maintenance of the estate. Ultimately that was solved by marrying the management and maintenance gangs together.

As regards the training for technocrats, a number of staff at all levels in the Department were given additional training over this period to help them to adjust to a different way of dealing with their tasks.

Confusion. Within the Development and Construction Division the setting up of the project management set-up was designed to take the strain off the contract managers. Under the old system the contract managers essentially ran the projects from design all the way through to completion. In the nature of things when you are dealing with half a dozen projects, some of which are at a

planning stage and some of which are actually coming out of the ground, it does not help supervision of the finished product if the contract manager is distracted by having to deal with half a dozen different departments about the detail of a scheme design. So that part of the operation was essentially brought together under the project managers so they could drive the preparatory process up to the point at which contracts were let and worked again on site, and the contract managers could focus on the work on site. So I do not think there is confusion there. Thank you.

Chairman:

Mr SHEK, you want to follow up?

Hon Abraham SHEK Lai-him:

Yes. For instance, looking from the new development branch, you changed the new development branch from mid-'95, and then to subsequently the Development and Construction Branch. From then a lot of changes have happened, and in terms of construction management also you changed the nature from the architect to the project managers, as you have just earlier said. But somehow the project managers, instead of being trained to do the job in the construction sites, they were actually doing the jobs in the office. And this pops up the question of resident engineers reporting upwards but somehow that report upwards has never been taken seriously or nobody knows what is happening down on the sites. Everybody is doing the work in the office. Is this the case?

Chairman:

Do you agree, Mr MILLER?

Mr J A MILLER:

Madam Chair, this is not the case. I think it reflects a misunderstanding about the role of the project managers in the revised set-up. And the general point about several changes, the principal change was a one-off. It was to focus the Development and Construction Division purely on development and construction as opposed to maintenance and all of the other functions. Those were taken away and given to the management side.

The second change was the setting up of the project management staff and the separation of their work from contract managers so we could have a better focus on what was going on, on the ground.

There was one other what you might call "pluggable" unit which was moved progressively and that was the Contract Management Unit and that was moved consciously to keep up with the conveyor belt of projects which were

under construction and under the supervision of consultant architects over the period.

Hon Abraham SHEK Lai-him:

Last question, follow-up, if I may?

Chairman:

Last question.

Hon Abraham SHEK Lai-him:

Chairman, because the majority of anything over, as Mr MILLER was saying earlier, any production over the 40,000 will be outsourced, so a lot of the role of the managers or the technocrats, whatever you call them, they will be taking more a supervisory role of the outsourcing consultants. Have they been trained to do that or are they still doing two types of work, supervisory role of the consultants and at the same time they are doing technical work for the HA?

Chairman:

Mr MILLER?

Mr J A MILLER:

One small correction, if I may first. I said that the Department traditionally had been staffed to produce about 35,000. Anything above 35,000 in the past would have been contracted out. 40,000 refers to what happens after 2001.

Second point, outsourcing was not something new. The Department had considerable experience of outsourcing in the past. As regards how that fitted into the new set-up, the most important difference, I suggest, between in-house projects and those which were outsourced is at the point that construction began the in-house projects would have been largely left to the contract manager to drive through. For those which were outsourced, while they would continue to be serviced by the Contract Management Unit, the project managers would keep a special eye on them in view of the relative lack of familiarity of the consultant architects with the internal workings of Government.

主席：

下一位，劉炳章議員。

劉炳章議員：

謝謝主席，剛才苗學禮先生回答何俊仁議員的詢問時表示，他非常注重質素，因此，他當時下達指令，必須嚴格控制質素，在時間上他可寬限；他希望一次過把工作做好，若有未盡完善之處，亦要盡量做好。他的出發點固然正確，然而，這是否造成日後——正如他所說的——頗多公司及承建商被除名，以及不少建築合約被房屋署撤回的其中一個原因呢？為甚麼我提出這個問題呢？這是因為在比賽進行期間改變遊戲規則對他們是不公平的。如果是在新工程展開時，你要求嚴格控制質量及可延長建築期，我覺得是合理的。

由此帶出另一個問題：有多少被除名或被收回批出工程的承建商最初是以最低投標價取得合約？因收回批出合約而把工程交由其他公司接手所須花費的額外金錢和時間又是多少？與第二標比較，這種安排在金錢上和時間上又增加了多少？發生這些問題以致工程被收回，究竟有否相關的顧問公司或員工因此而受到牽連或懲處呢？由此亦帶出其他問題。剛才主席提及的SC1-U0001號文件載列有關的員工人數，並把不同部門的專業職系人數作一比較。政府工務部門工程開支總和為218億元，而專業職系人數超過2 200人。經我粗略計算，即每名專業職系人士須負責1,000萬元的工程。但以房屋署工程開支284億元及其專業職系人數550人來計算，每名房屋署專業職系人員須負責5,200萬元的工程。換言之，房屋署專業職系人員都是高人一等，他們每人承擔5名負責工務部門工程人員所承擔的工程額。請問苗學禮先生，有否考慮這方面的問題呢？其實我在此提出了多個問題。

主席：

我覺得你提出的問題某些部分可能與我們的討論範疇沒有直接關係；但你提到人數方面，即職系人數與相對承擔工作量的部分則可能有關。

劉炳章議員：

問題的前半部……

主席：

你問題的前半部所涉內容較為細微，例如有哪些承建商被除名或被懲處等，我認為與我們的討論範圍沒有直接關係。你會否

容許署長無須太深入回答這部分的問題，而主要回答後半部的問題呢？

劉炳章議員：

他可於稍後才提供資料。我有此一問，因為他回答何俊仁議員的問題時曾指出，他非常嚴格控制建築質量，而且有若干建築商被除名及被收回部分工程……

主席：

但你的問題很細微……

劉炳章議員：

因此，我希望他可提供這方面的資料。

主席：

但與現在討論的範疇……

劉炳章議員：

或許請他回答後半部分的問題。

主席：

苗學禮先生，請你先回答後半部分的問題。至於前半部分的問題，或許你可以舉例說明你如何嚴格控制建築質量。你可以在今次研訊結束後，以書面提供有關例子，好嗎？謝謝。

Mr J A MILLER:

Madam Chair, I am actually grateful for the first question! I will answer it generally. I am, of course, happy to provide the details in due course. No, we did not change the rules half way through the game. The Authority, as part of its previous drives for improving the quality of the finished product, had agreed with contractors that sample flats would be constructed, for example. So in addition to our own mock-up centres and so on, on each site the contractor is required to build a fully finished, fully ready sample flat, and that is agreed between both partners. And he is expected not to treat that as the average. That is the minimum standard. And in tightening, as you described it, all that the Authority was doing was insisting that that agreed standard should be met.

But that is not necessarily relevant to the individual instances of de-listing and so on or financial difficulties of the consultants, sorry, the contractors.

On the second one it is an important question. The Authority is a very large developer and it has, as part of its responsibility of producing mass housing as efficiently and economically as possible, it has over the years developed increasingly standardised designs and worked with the industry to ensure that the structures are, or lend themselves, to mechanised building and off-site production and all of the other economies of scale which go with that type of production. As a result of that, the value of the projects, while it may be very large, is not reflected necessarily in the degree of complexity which you get with one-off structures. That is why the design and supervisory manning ratios are relatively lean. That is why the cost per, or the value per staff is so much higher than it would be for other parts of government.

主席：

劉炳章議員。

Hon LAU Ping-cheung:

Madam Chair, in fact it is the other way round. When you look at the nature of the public works departments, while their quantum could be very large, their value could be very large, when you compare to the nature of the buildings works the number of trades in the building industry is much, much more, many times more than the number of trades in the Works Bureau works. So the complication in building works is much greater than other civil engineering works when you compare the number of trades, simply the number of trades.

Chairman:

That is debating, Mr LAU.

Hon LAU Ping-cheung:

No, I am not debating. I am trying to point out the facts. So that is one thing. The second thing was that Mr MILLER said that they have agreed with the contractors to build sample flats, but the sample flats are then subsequently locked up. They are not used for reference by the supervisors or the workers to look at the standard of work that is required or the standard of work that is agreed between the contractor and the Housing Department. So, what is the point of having a sample flat when they are then built and then locked up and not used as a reference?

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair, they represent an agreement.

主席：

下一位議員，呂明華議員。

呂明華議員：

以僱用的員工人數來看，房屋委員會與房屋署是兩個很龐大的機構。房屋委員會興建的樓宇發生了很多問題，例如漏水、短樁、牆壁倒塌等，到最後演變成短樁事件。我們由此可察覺到建築質量每下愈況，其實“冰凍三尺，非一日之寒”，這情況給人的印象是完全缺乏質量監管。但事實上並非如此。房屋委員會由1992年開始實行ISO 9000，而ISO 9000可分為ISO 9001和ISO 9002，我不知道房屋委員會實行的是ISO 9001還是ISO 9002。眾所周知，ISO 9000是由英國率先發展，然後推展至東方國家。雖然ISO 9000最近的推展速度漸漸放慢，箇中原因頗多，但是，如果大家都能夠依照ISO 9000的標準，應該不會發生這麼嚴重的質量問題。請問苗學禮先生，依你的看法，在發生短樁事件前，如果大家都依照ISO 9000的標準來施工，為何會發生短樁問題呢？究竟是人手不足、監管人員不足，還是根本沒有注意質量的問題呢？你可否解答此一問題呢？

Mr J A MILLER:

In a word, Madam Chair, criminality. The best system in the world will not work if people do not follow it, and, if they set out deliberately to circumvent it, some of them may succeed.

主席：

呂明華議員。

呂明華議員：

主席，我很同意苗學禮先生作答的前半部，但後半部分卻絕對是不正確的。為甚麼呢？大家如能依照一個制度來進行工作，

當然沒有問題，但監管方面又如何？監管機制的的作用便是以防萬一。“Criminality”是一個原因，但為何監管制度卻不能察覺這些問題呢？

Chairman:

Mr MILLER, you want to

Mr J A MILLER:

Madam Chair, in retrospect we have already made our recommendations on how to tighten it up, but I still submit the prime cause of these problems at this time is criminality.

主席：

陳鑑林議員。

陳鑑林議員：

我想問苗學禮先生一個問題。剛才很多同事提到，在建屋量突然飆升後，房屋署和房屋委員會都做了不少相應工夫，例如在人手調配及監察工作方面等。但我察覺到一點，在批出合約方面，過往有些工程從設計到建築等不同項目，都會分別批出不同的合約。我想瞭解一下，在96年後，建築和設計包括在同一合約的情況是否有所增加？

Chairman:

Mr MILLER.

Mr J A MILLER:

Madam Chair, for piling contracts the Authority has traditionally relied on a contract which combines both the design and the construction. It is only a very small percentage traditionally which has been designed in-house or designed by engineers prior to construction. As you already know, I have suggested elsewhere that I do not believe that that is the best system.

主席：

陳鑑林議員。

陳鑑林議員：

主席，我想瞭解一下房屋署在監督、設計和施工方面，是否有其他不同的做法？舉例說，如果設計和施工是分為兩部分的話，彼此便可互相制衡，但如果是同一份合約包括兩部分的工程，會否削弱監督的效能？房屋署有否作出特別安排以進行監察呢？

Chairman:

Mr MILLER.

Mr J A MILLER:

At the point that work commences on site the supervisory mechanisms are identical.

主席：

所以沒有分別。陳鑑林議員。

陳鑑林議員：

主席，會否有部分監督機制是由外判的顧問工程人員負責呢？

Mr J A MILLER:

That's rather a separate question, Madam Chair. With the cases under discussion, where we have outsourced the supervision to consultant management, they have a responsibility both for vetting the design and for supervising the works.

主席：

陳鑑林議員。

陳鑑林議員：

主席，我仍想跟進。房屋署有否作出任何特別安排，再對這些外判的顧問工程加以監督呢？抑或房屋署完全倚賴這些外判的顧問工程師按照本身的道德操守，作出自我監管呢？

Chairman:

Mr MILLER.

Mr J A MILLER:

In essence, where we have outsourced, we have treated the consultant management as an extension of the Authority, sorry, as an extension of the Department's works organisation. That does not absolve us from responsibility for the finished product, but in essence the operation is the same. The only difference is that the work, where it is piling, is clearly checked, sorry, the design, sorry, the reports of the consultant are checked by the relevant professionals. If it is a piling project then they are checked in-house by the engineers. If it is superstructure, the check is by one of the architects. And overall the consultant manager is managed by the Consultant Management Unit.

主席 :

麥國風議員。

Hon Michael MAK Kwok-fung:

Thank you, Madam Chairman. So I would like to ask a question on ISO 9000. From the answer which HA gave against the paper SC1-H0032 on Question Number 4 on quality assurance on public housing, it is noted that in 1993 the then Construction Branch of HD was certified to ISO 9000, and from ISO 9000 people would expect that all this supervision should be carried out in order to comply with the ISO 9000. But from the answer to Question Number 5, same on quality assurance on public housing, it is also noted that only in early year 2000 the site supervision was enhanced from then. And also from the witness statement given by Mr MILLER, Paper SC1-H0035, Paragraph 24, a new Audit Unit was only set up in March year 1999.

And I would like to ask why these audits are only carried out and also the enhanced supervision was only carried out respectively in year 2000 and year 1999? And also what sort of, what areas of supervision and audit work had been done between year '93 and '99?

Chairman:

Mr MILLER.

Mr J A MILLER:

The Department and its systems were recognised as being ISO compliant in 1993. Since then, sorry, the same year all of our partners, contractors,

consultants, also had to be compliant, otherwise we would not have worked with them. Since then the Department has been subject to a six monthly audit by the HKQA to ensure that its systems remain compliant. So in all respects the Department continues to lead in the field of compliance with best practice under ISO.

Those audits by HKQA include not only examination of the quality management system in its documentary form, but also visits to site. So we get a scrutiny regularly.

Part of those systems include detailed provisions for site supervision and regular spot checks on work. The enhanced supervision is over and above that which is required by ISO. The Audit Unit was established quite deliberately in '98 in order to ensure that with the much larger volume of work which was being outsourced we would be able to check on the quality of the work and ensure that it met, sorry, to ensure that the quality of work coming out of outsourced projects was of the same standard as the work which was being done by in-house teams.

主席：

下一位是何俊仁議員。

Hon Albert HO Chun-yan:

Thank you, Madam Chairman. Actually I would like to raise a few questions to follow up on the answers given by Mr MILLER to the questions raised by our Members. Now, firstly, I have to come back to the issue of communication between your department, the management level and the staff. You mentioned that you were not aware of the letter from the Structural Engineers Association submitted to the management in April 1996 until the prelude to the investigation by the SELBY Committee. But you came into office in 1996, July, and you also mentioned to us that all the major proposals from the staff were discussed in the various in-house committees of the Housing Authority as well as the Executive Board. So, is there any reason why this letter was not brought up in say the Executive Board meetings?

Chairman:

Mr MILLER.

Mr J A MILLER:

I think I need to correct one point. The business process re-engineering which was being conducted was being led by the consultants appointed to facilitate this process. It was in this forum which all of the various ideas, all of the various proposals for change were being discussed, and I think that should be

evident from the letter to which you refer that this was one of many submissions being made as part of the process of review. What was finally discussed by the Executive Board and by the Building Committee both in the brainstorming session and the final session was not all of the individual submissions by individual associations or by other players. What was discussed was the final proposal. These obviously represented to some degree compromises between positions, compromises between differing views within the Development and Construction Branch of the best way forward. That is what came forward, and that is what was agreed.

Hon Albert HO Chun-yan:

So, Mr MILLER, are you saying that the management did not at that time specifically address the concern of the staff associations? Rather you would direct all these proposals and comments to the consultants for their consideration and then they would come up with certain reports containing compromises or whatever? And then you would take the overall proposal from the consultants to the Executive Board, or to the Management Board for deliberation?

Mr J A MILLER:

No, that is not what I am saying. I am saying the consultants were facilitating a process of soul searching, of how best to change systems. The, what is now the Business Director/Development but then the, cannot remember the name of, cannot remember the title, the, we will call him the Business Director/Development was part of the steering group which ran the whole of this review process. Staff were encouraged to put forward views as part of this process, and that is clearly why this particular letter was written. But what came out of the process was the compromise, or the formal proposals for moving forward. And I believe that they in very large part addressed the concerns of staff which were expressed and the ideas for constructive change which were put forward by staff of a very large number of different grades in that process.

Hon Albert HO Chun-yan:

But Madam Chairman, the primary question is still whether or not you were aware of the original proposals from these various staff associations. Your answer is that you were not at least aware of the existence of this letter or the content of this letter. And I may presume - if I am wrong please correct me - that you may not even be similarly aware of the proposals from the other staff associations. So you are only aware of the fact that there are various submissions given by the staff members, and that all these proposals were considered in the context of the consultancy study which resulted in the consultancy report to you. So, you are only aware of the overall position that is contained in the consultancy report which has digested and taken account of the staff's suggestions. Is my understanding correct?

Chairman:

Mr MILLER.

Mr J A MILLER:

Broadly yes. I came in half way through, or two-thirds of the way through the process by which time a clear sense of direction was already emerging from that process. So my first contact with it was in essence draft proposals for change.

Chairman:

Mr HO?

Hon Albert HO Chun-yan:

So for that reason there would not be direct communication between the management and the, management in the sense that, you know, the people who are posted in the directorate level, with the staff associations' representatives.

Mr J A MILLER:

That is not true. There is a whole range of channels of communication direct and indirect for staff with management. And as I said in my earlier remarks I went out of my way on first arrival to meet with staff associations directly in order to signal that I wanted to have frank and direct exchanges, and I think the pattern of discussions over the last four years during which I have been in office has demonstrated that I prefer that kind of direct and frank exchange with staff. Thank you.

Hon Albert HO Chun-yan:

Thank you.

Chairman:

Shall we move on? Mr Raymond HO?

Ir Dr Hon Raymond HO Chung-tai:

Thank you, Madam Chairman. Now that we have established that the piling workload was increased threefold from '96 to '99, and also the increase in the relevant engineering professionals was only increased three percent out of this 686 posts. It seems that this could have resulted in some of the technical people having to involve in too many projects. For instance, one chief civil engineer had to look after more than 100 sites. One senior structural engineer

had to monitor more than twenty sites. Now, it seems that the workload is excessive in the sense that you just cannot deal with so many projects at the same time, and yet at the same time because of this ISO requirement there is a whole lot of paperwork to be done. How would you expect that their performance could be a lot better as if they had been given reasonable workload compared with their counterparts in the works departments in the government? Would you say that this very serious inadequacy and mismatching in your human resources allocation is a factor of some of the housing site problems, Mr MILLER?

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair, the manning ratios for all professionals, as I have said, were reviewed in '91/92 at which point the professional judgement of the professionals within the Department at the senior level was that they were adequate to the work in hand. That is the position which remained, was in place when I arrived. Those manning ratios for engineers, structural engineers, are one chief to six seniors to six professionals. It is established. It is there in the quality management manuals. It is all set out. And normally I believe it is two projects per professional. The staffing for the work as it came through the system relied on those manning ratios. And as I have said, the cases which are before you were all fully staffed according to the manning ratio at that time.

Ir Dr Hon Raymond HO Chung-tai:

Madam Chairman, Mr MILLER has not answered my question at all. I was asking whether or not due to this serious inadequacy and mismatching in human resources allocation resulting in some of the senior staff having to manage unreasonably large number of projects? Would you say that it is a cause for concern at the time when you were in the position of Director of Housing? I have mentioned an example of one chief structural engineer having to manage over 100 projects, one senior structural engineer had to manage over twenty projects, and also because of these ISO requirements which call for very excessive amount of paperwork to be done, is that possible that these folks can be expected to do as well as or as efficiently as their counterparts in the works departments? My question is very clear, Madam Chairman. I do not think Mr MILLER has answered my question at all.

Chairman:

Mr MILLER?

Mr J A MILLER:

With respect, Madam Chairman, I do not think that the outsourcing has been taken into account in that calculation. But I am not in a position to make comparative judgements. Thank you.

主席：

何鍾泰議員。

Ir Dr Hon Raymond HO Chung-tai:

Madam Chairman, I have got to ask a follow-up question because this ISO 9000 is designed to ensure the quality on site. Now since just now you said you were not capable of answering my earlier question I am disappointed because you are the Director of the Department. You should know because these are the people looking after your site work. Site works means the end products. Whether or not they are the ones expected by the public or not would depend on the performance of your people looking after the site work.

Now this ISO 9000, I am not sure whether you appreciate the actual requirements of this system. It really calls for adequate, relevant people, those in office and on site, the different parties on site, different grades in the office, to man this system before it becomes useful and effective. But now, just now I mentioned about your office staff being inadequate, I now come on to the site staff. On site, even for a very large piling contract, you only have one clerk of works to supervise the contract and yet that clerk of works may have other contracts to supervise so his time is very limited that is available to him to supervise these works. But this clerk of works is not even an engineering technician. He is an architectural technician. He has no piling experience. He has no piling knowledge. How can you expect him to supervise piling works which are very difficult in Hong Kong, actually, in many cases because of our geological conditions and ground conditions. Would you realise that was the shortcomings at that time in supervision of site works, Mr MILLER?

Chairman:

Mr MILLER.

Mr J A MILLER:

Madam Chair, I think, going back to the previous question, as the Honourable Member understands very well, it is the level of work at the bottom of the pyramid which is vitally important in supervision. There may well be quite large numbers the further up the pyramid you go. What is the key is the number of projects per professional down below. And the same applies to site

supervisory staff. And, as I have said earlier, the manning ratios, the systems on which those manning ratios were based, were put in place by serious professionals with external advice over a long period and were reviewed as part of the quality management system when it was put in place in 1992/93. It has served the Authority well. That does not mean systems cannot be improved, or that manning ratios cannot be expanded, and our views on that are already a matter of public record. But those in place at the time were not systems put in place by children, nor were they manning ratios put in place by other than serious professionals. Thank you.

Ir Dr Hon Raymond HO Chung-tai:

Madam Chairman, Mr MILLER has been avoiding both of my questions by using manning ratio. I think manning ratio is meaningless if he is not talking about volume of work. We are saying that, whether in the office or on site, he is having inadequate people and inadequate technical people to supervise the works. In view of this requirement of ISO 9000 we know very clearly that the whole system is at fault. They require people to take up too much work ...

Chairman:

Mr HO, we are entering the arena of debate again, so I think we can form our own conclusions at the end of the day, but I think at the moment it is fact-finding so please restrict the area to asking questions if you wish to.

Ir Dr Hon Raymond HO Chung-tai:

Yes, my question has a certain part which I think I ought to mention, referring to an earlier question, actually it is part of my question, Madam Chairman. This Coopers and Lybrand study, at that time you said you followed the study recommendations, and in fact even at the workshop stage it was recommended strongly that there should be a shift from blame culture to praise culture. Yet, just now you said that you were taking a hard line on whether contractors or consultants, etc, but you actually did not look at the system and then you put the blame on the others, same as when you came to a Housing Panel of Legislative Council on the 27th of April 1999. You just said that you were cheated because you said the professionals were not performing.

Chairman:

Mr HO, I am sorry, I would ask you to ask your question if you have a question.

Ir Dr Hon Raymond HO Chung-tai:

Yes, the question is whether or not Mr MILLER actually adopted the recommendations by Coopers & Lybrand on the change of culture.

Chairman:

Specifically on the change of culture, was that adopted?

Mr J A MILLER:

Madam Chair, yes, it has been adopted. It does not mean that when a partner totally refuses to deliver that we smile and say "thank you very much", but if I may just respond very briefly to the earlier point. If the systems were deficient, if the manning ratios were totally out of sync with the work involved, then we would not have passed the six monthly audit by HKQA on ISO. Thank you.

主席 :

下一位，余若薇議員。

Hon Audrey EU Yuet-mee:

Thank you, Madam Chairman. Mr MILLER, I would like to ask you about a document that you produced this morning. It is under SC1-H0043. It is a letter about the manning ratio, Mr MILLER. Have you got it?

Chairman:

Mr MILLER, have you got it?

Mr J A MILLER:

Yes, I have.

Hon Audrey EU Yuet-mee:

It is a letter dated the 23rd of October 1995, so that pre-dates your arrival at the Housing Department. It is from the Hong Kong Housing Department Structural Engineers' Association. It is headed "Poor Manning Ratio in SE [which I assume means Structural Engineer] Discipline". It is a very strongly-worded letter. It complains that the endorsed ratio should be one to four, that is, one CSE to 4 SSE's. However, the situation had deteriorated to the ratio of one to 8.67. Can you see that in the letter? And the letter goes on to say: "this ill-balanced manning ratio did have its devastating effects on our discipline manifested in the following ways ...", and one of the things it referred to is low morale and dissatisfaction among engineers, and it goes on to refer to "acute stage having plunging declination of morale and continued prevailing atmosphere of discontent". It refers to a drop in productivity and quality that is certainly against the will of the Department, particularly in this area of quality service and

performance pledge. And second last paragraph it says: "it would like to petition the Management for immediate improvement with respect to manning ratios. The attached collection of signatures from all SE professionals and the attached supporting letter from our Chiefs shows precisely our grave concern and earnest urge for such action."

We have not got the signatures so do not know how many, but it says "all", and then there is also a letter dated October 1995 on the same question of poor manning ratio asking for immediate improvement. A table is attached showing the calculation of the manning ratio. And then there is another letter, just after that, dated the 22nd of January 1996. It says: "it has already been three months since our first meeting in October last year", and then it refers to outstanding concerned areas for improvement, and the first one was poor manning ratio in SE discipline. You see that? Mr MILLER?

Mr J A MILLER:

Yes, yes.

Hon Audrey EU Yuet-mee:

When you arrived, which would be shortly, well, a few months after this letter we see in January 1996, were you aware of an acute concern about the poor manning ratio in SE discipline?

Chairman:

Mr MILLER?

Mr J A MILLER:

The straight answer is no, Madam Chair. I confess that at this range I do not recall in enormous detail all of the details of conversations, discussions with each of the associations that I met within months of my arrival.

I do recall, as I have said earlier, that reform was in the air. It is the only word to say. People were conscious that things were going to change, and the impression I got from all of the engineering disciplines was that they in particular, of all of the different professional groups, they in particular were looking forward to the change towards project management. They saw this as a new opportunity. And I think it is significant that, in the first letter which they wrote to me personally, manning ratios did not appear. Thank you, Madam Chair.

Chairman:

Ms Audrey EU?

Hon Audrey EU Yuet-mee:

Thank you, Madam Chairman. Mr MILLER, were you aware whether the manning ratio in the SE discipline was improved? Were you aware of anything done to improve manning ratio as far as SE discipline was concerned?

Mr J A MILLER:

When I arrived?

Hon Audrey EU Yuet-mee:

Not necessarily when you arrived, but shortly after you arrived you talk about reform in the air and discussions, and I assume there were then improvements and so on. So, what I am asking you is whether you are aware or you were aware at that time that there were improvements to the manning ratio for the SE discipline, because we see in the letter it was one to eight and above. So I am asking you whether anything was done while you were there to improve the manning ratio with respect to this discipline?

Chairman:

Mr MILLER?

Mr J A MILLER:

As I have just said, Madam Chair, I was not aware of this strength of feeling and I was not aware or involved in any change thereafter. The letters, as you have already indicated, were letters which were written prior to my taking over. I was aware of a different sort of sentiment on a different issue.

Chairman:

Mr MILLER, this letter dated the 22nd of January was written by the Hong Kong Housing Department Structural Engineers' Association to Mrs Fanny LAW, Deputy Director of the Housing Department. The last sentence of the letter reads: "We are looking forward earnestly to your prompt reply to the above" – "the above" meaning the complaints of poor manning ratio, etc. Can you go back and find out whether any reply was actually given to the Association in regard to the matters raised in that letter? Mr MILLER, is it possible?

Mr J A MILLER:

Madam Chair, I would be happy to furnish the other side of this correspondence for all the letters if you so wish.

Chairman:

Right. That might assist us, yes.

Hon Audrey EU Yuet-mee:

Madam Chair, can I also ask Mr MILLER whether he can look at the Executive Board discussions or minutes to see whether there were ever any discussions on this poor manning ratio for the SE discipline?

Mr J A MILLER:

I would be happy to.

Chairman:

Thank you. 下一位，劉炳章議員。

劉炳章議員：

多謝主席。我希望苗學禮先生為我剛才所提出的問題上半部補充一些資料。

主席：

他已表示會這樣做。

Hon LAU Ping-cheung:

Particularly on the point of the number of contracts re-entered by the Housing Department and the additional costs are time arising out of those re-entered contracts as compared to say the second lowest tender. I think it would give Members a comparison of what the effects are after the contracts are re-entered.

Chairman:

You mean for Mr MILLER ...

Hon LAU Ping-cheung:

To provide this additional information.

Chairman:

Fine, he will provide but can you put a timing to it, give between which year to which year?

Hon LAU Ping-cheung:

I think Mr MILLER mentioned a number of contracts re-entered, eight number or something. That would be quite specific for him to come up with those information.

Mr J A MILLER:

I am quite happy to do so. I can tell straight away that re-entry is a very expensive business.

Hon LAU Ping-cheung:

Yes, we understand it is a very expensive exercise, but for Members' information it would be quite useful.

My question now is you have outsourced a number of contracts to the outside consultants in order to help alleviate the workload because of the increasing number of housing production. Now, my question is that since the Housing Department is not subject to the statutory control of a third-party regulator such as the Buildings Department, are these outsourced consultants required to play the role of a third-parity regulator? That is my question.

And second part of it is of course what mechanism the Housing Department has put in place to ensure that these outside consultants are carrying out their work in compliance with the Buildings Department's requirements, particularly in terms of design, supervision, subsequent testing and approval of works? And if these outside consultants are not complying with these requirements, whether you have any penalties or whether you have any ways of censoring these consultants?

Thank you, Madam Chairman.

Chairman:

Mr MILLER.

Mr J A MILLER:

Madam Chair, I understood this particular area of questioning was going to be covered at some later date.

Chairman:

This is relevant generally.

Hon LAU Ping-cheung:

ISO 9000, yes.

Chairman:

Generally, we are speaking of generally, general situations.

Mr J A MILLER:

In general terms, and I hope I do not use these words too loosely, when we outsource to a consultant architect-led consultancy they are expected essentially to play the same roles as an Authorised Person/RSE. As I have said earlier, the fundamental difference between the way the Authority operates under its waiver and the way things are done for private sector projects in relation to the Buildings Ordinance is that there is no, strictly speaking there is no third-party audit. And the onus falls on the Department's professionals on the one hand, or the professionals within the consultant management company, to work as the best AP/RSE. Their work is none the less looked at by the relevant professional discipline within the Department. So if it is piling it is looked at by a structural engineer. If it is superstructure it is looked at by the architects. So there is a degree of vetting.

主席 :

劉炳章議員。

Hon LAU Ping-cheung:

Just to follow up I think one of the documents that we referred to is Document SC1-H0024, where it says that the supervision was generally in compliance with the Buildings Regulations or the Buildings Ordinance, the Buildings Ordinance and the Regulations thereunder. So you used the word "generally" and "comparable". Do you have any definition as to what constitutes "generally" and what constitutes "comparable", because it could give people the impression that there could be areas which are not in compliance with the Buildings Ordinance and the Regulations thereunder? This term could be very loose, actually.

Chairman:

Mr MILLER?

Mr J A MILLER:

Yes, I apologise for the looseness. I am advised by my in-house professionals that at the relevant time they would argue that our systems were at

least as good as those required by Buildings Department in terms of the supervision of work on site.

The key difference, and hence the word "generally" usually, the key difference is, as I have said, the absence of a formal third-party audit. That is the area which we have attempted to address *pro tem* with the establishment of the Independent Checking Unit.

Hon LAU Ping-cheung:

Ms Chairman, and are you aware of any particular areas which are not comparable, because "generally comparable" does not mean that it is fully comparable, right? Are you aware of any areas which are not comparable with the Buildings Ordinance and the Buildings Regulations, and are any safety and hygiene standards compromised in any way?

Chairman:

Mr MILLER?

Mr J A MILLER:

No. As regards the design of the works it has always been the Authority's and the Department's intention to comply fully with the relevant regulations. And indeed as I think you are aware, we routinely furnish plans to the Buildings Department, and certainly with fire safety and so on. These are checked over by the relevant departments as they are in respect of Fire Services Department, as they are on completion of the building before issue of a certificate. The only difference, frankly, is the absence of a third-party audit.

Hon LAU Ping-cheung:

There is one more, last follow-up. When you say "occasionally" forwarding these plans and designs to the Buildings Department for, obviously not for vetting, but for information, do you mean occasionally, do you mean when there is a change of standard, when there is a change of design or when there is a change of criteria, then you will automatically forward one set of these changes to the Buildings Department for comparison or for vetting or for whatever purposes? Do you mean that or do you mean at your own pleasure?

Chairman:

Mr MILLER? Let him explain.

Mr J A MILLER:

Not at our own pleasure, Madam Chair. As I said earlier the Authority has relied on a small number of standard designs. These standard designs are occasionally modified and it is where we either develop a new standard block or we modify a design that we would then send the plans to Buildings Department, as we would for any non-standard structure.

Hon LAU Ping-cheung:

Sorry, do you have any major disagreements between the Housing Department and the Buildings Department when you forward such changes to them whereby you insist on your stance and they insist on their requirements. And if there were such major disagreements how were such disagreements resolved?

Chairman:

Mr MILLER?

Mr J A MILLER:

I am not aware of any major disagreements. I am aware that, as we have gone back to look at some of the earlier stock, that there have been instances where we have detected non-compliances of a minor sort. We have then worked with the Buildings Department, with their agreement, in bringing in external consultants to look at whether or not the spirit has been met, and if not what rectification work needs to be done. So far I am happy to say that this type of problem has been resolved.

Frankly, if at any point Buildings Department were to say that such and such a feature is not acceptable, that they could not accept it, we would not accept it.

Hon LAU Ping-cheung:

So no problem of safety and hygiene standards were compromised?

Mr J A MILLER:

No compromise of safety and hygiene.

主席 :

呂明華議員。

呂明華議員：

我剛才沒有時間提出follow up的問題，現在我想提出兩個問題。第一，我們現在討論的是質量問題，在整體樓宇的建築質量方面，責任應分為兩部分：一部分是由房屋委員會和政府負責；另一部分是由subcontractors負責。假設subcontractors本身已按照ISO 9000的要求，那麼，他們應有人負責監管質量。我想請問署長，究竟這些general contractors本身有沒有人負責監管質量？政府方面只負責QA，contractors則負責QC，兩者職責是分開的，是否應該如此？換言之，第一個問題是：他們本身有沒有人負責QC？第二，我們都知道香港的房屋工程，是由大判、二判、三判、四判或甚至五判興建的。大判當然會按照ISO 9000的標準，但二判、三判又會否按照ISO 9000的要求呢？如果沒有，質量應由誰人監管？

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair, in general terms the contractors who work for us are required in the contract to provide specified levels of professional and technical supervision.

Chairman:

QC particularly?

Mr J A MILLER:

Yes.

Chairman:

Do you also ensure that they have ...

Mr J A MILLER:

Quality control. They are required to have a full-time quality control engineer.

Dr Hon LUI Ming-wah:

On site, you mean?

Mr J A MILLER:

Not necessarily on site, I believe, but they have to have one. I would have to check the detail on whether the requirement is specific on site.

Chairman:

Sub-contracting?

Mr J A MILLER:

Our relationship is with the main contractor in law, and the responsibility thereafter is with the contractor.

主席 :

麥國風議員。

Hon Michael MAK Kwok-fung:

Thank you, Madam Chairman. Two more questions on ISO 9000. I would like to ask Mr MILLER how does he consider ISO 9000 not effective in the guarantee of upholding piling, the first question? The second question is how does he consider criminality as he answered Dr the Honourable LUI Ming-wah's question? Abuse ISO 9000.

Chairman:

Mr MILLER?

Mr J A MILLER:

I do not think fundamentally there is anything wrong with ISO which could be, to which one could attribute the problems which have occurred, not with the concept of ISO. I think in the practice of ensuring quality there is considerable room for improvement, not least in the simplification of procedure. And our proposals in that regard are contained in the consultancy document.

As regards the second part of the question, criminals are not interested in ISO 9000, Madam Chairman, unless they have a code of their own that I am not aware of.

主席 :

麥國風議員。

Hon Michael MAK Kwok-fung:

Regarding the second answer I must say that how you consider, that means were there a lot of fake records and this and that?

Chairman:

Mr MILLER?

Mr J A MILLER:

Oh, I see what you mean. As part of the investigations into some of the problem cases, yes we have encountered cases of fraudulent documentation. So we have encountered deliberate attempts to circumvent the sort of procedures which are set out in ISO.

主席 :

何俊仁議員。

Hon Albert HO Chun-yan:

Mr MILLER, you have said a lot about the function of the outsourcing policy as a strategy to alleviate the burden of the Housing Authority at that material time. But however to my understanding for each of the outsourced project a corresponding team of in-house management staff had to be at the same time tasked with the duty to monitor the work of the consultants. Now, then how could, it seems that there is certain duplication of efforts here because if the monitoring role is supposed to be quite vigorous then how could that outsourcing strategy serve to alleviate the burden of the Housing Authority?

Chairman:

Mr MILLER?

Mr J A MILLER:

I forget the precise ratio but I believe it cuts the work by about half.

Hon Albert HO Chun-yan:

But how do you work out that ratio if you expect the in-house monitoring team to work vigorously in vetting and in approving the performance of the consultants?

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair, again one comes back to the degree of trust which one puts in the partners with whom one works. The responsibilities for those who contract with us are set out as clearly as they can be in the letters of appointment. These are firms with good reputations. You cannot, and it would make no sense, to hire someone and then hire an equal number of individuals of identical grades, ranks, disciplines to peer over their shoulders while they did the work. So there is by definition a reduced level of supervision or supervisors to that which we would apply if it was in-house. I would be happy to furnish again the precise ratios if that would help.

主席 :

何俊仁議員。

Hon Albert HO Chun-yan:

Were the staff members properly briefed on how they should discharge their function in monitoring the role of the consultants, to ensure that they would on the one hand, ensure that there would be quality service delivered by consultants, and at the same time they would not be shouldering the same amount of work?

Chairman:

Mr MILLER?

Mr J A MILLER:

As I have said earlier the contacting out, outsourcing is not something new for the Department and therefore the mechanisms and procedures for running consultant projects were already well established. And I believe therefore that the staff who were involved in supervising the outsourced work were well acquainted with what they were expected to do.

主席 :

委員是否還有問題想向苗學禮先生提出？ Mr Howard YOUNG.

Hon Howard YOUNG:

Only one small point of clarification. Mr MILLER has on more than one occasion stressed that the manning ratios were adhered to but the Honourable HO Chung-tai mentioned also on more than one occasion about horrendous numbers of supervisors. Can you clarify that when you talk about manning ratios it is only up to a certain level, or does it apply to levels that the Honourable HO Chung-tai was referring to. Where is the line drawn when you adopt so-called manning levels?

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair, as I stressed in my answer to the Hon HO Chung-tai, the critical point is at the professional level. Clearly as you go up the chain there is a degree of stress. I also said that the manning levels were what guided the recruitment staff for the projected work in hand and that is fed into the strategic paper to which I made reference. I have also said previously, and I think this is important, that during this period there has always been a lag between creation of posts and recruitment. On some occasions there have been quite serious problems of recruitment as the market has moved in one direction or another.

Hon Howard YOUNG:

In other words, would this type of interpretation be correct? When you talk about professionals at the site levels, those manning ratios are clearly laid down and there are guidelines, but when we come to talk about the levels that the Honourable HO is talking about, that is not an area where there are specific manning levels? Of course it is a matter of judgement. That is another matter. But there are no clear laid-down levels for that particular level. Is that a correct interpretation?

Chairman:

Mr MILLER?

Mr J A MILLER:

I think I am right in saying that the manning levels prescribed in the manuals go up to the Chief level, but quite clearly, as the Honourable HO Chung-tai has said, at the peak the Chiefs were under a good deal of pressure above and beyond what would normally be expected.

Hon Howard YOUNG:

But when we talk about manning levels, so-called prescribed levels, are there clearly laid-down manning levels for the type of level that the Dr Honourable HO Chung-tai was referring to?

Mr J A MILLER:

Yes, and I have agreed to furnish those to the Committee.

Hon Howard YOUNG:

OK.

主席 :

麥國風議員……何俊仁議員，你是否有跟進問題？

Hon Albert HO Chun-yan:

A very short follow-up to my previous questions. Now, you said that the outsourcing policy was already in place. It dates prior to '95/96, but at that time was there a lot of contracts, build and design contracts outsourced to consultants?

Chairman:

Mr MILLER?

Mr J A MILLER:

I would have to check the record, Madam Chair. Certainly as production has fluctuated over the last twenty years the Authority has outsourced some of its work. At which time it used purely supervisory outsourcing and at which point it used design I would have to check.

Hon Albert HO Chun-yan:

Would you please provide this because I would like to know whether there is a change in job nature, even with regard to these outsourcing projects.

主席 :

麥國風議員。

Hon Michael MAK Kwok-fung:

Madam Chairman, can I ask a question on quality of housing?

Chairman:

We are towards the end of the session, so it is actually just to wrap up whatever you have in mind.

Hon Michael MAK Kwok-fung:

Yes, thank you, Madam Chairman. So, I would like to ask Mr MILLER, the working relationship with the Secretary for Housing, Mr WONG Shing-wah. Last time, last Saturday he told me that Mr WONG Shing-wah occasionally cautioned him for speaking too much or something, right? So ...

Chairman:

Are you reading from the transcript?

Hon Michael MAK Kwok-fung:

Yes. from the transcript. Actually it is written as "occasionally he would perhaps caution me for speaking too much, or something". So I would like to ask you how Mr WONG Shing-wah rates you in the performance reports?

Chairman:

I think that is perhaps a matter that should be dealt with ...

Hon Michael MAK Kwok-fung:

... confidentially.

Chairman:

Yes, confidentially. It was not fair to ask Mr MILLER that question in my view.

Hon Michael MAK Kwok-fung:

OK, thank you, Madam Chair.

Mr J A MILLER:

Could I ...?

Chairman:

You want to disclose that?

Mr J A MILLER:

No, I do not but perhaps I should apologise for the facetious nature of the original comment. I have a very high regard for Mr WONG. Thank you.

主席 :

何鍾泰議員。

Ir Dr Hon Raymond HO Chung-tai:

Thank you, Madam Chairman. I would like to ask Mr MILLER, did you realise that clerk of works was actually a non-technical person as far as piling works is concerned. Did you appreciate that at all?

Chairman:

Mr MILLER?

Mr J A MILLER:

At which point in this saga, Madam Chair? If early on, no.

Ir Dr Hon Raymond HO Chung-tai:

When did you start realising that they were the wrong people to supervise piling works?

Chairman:

Mr MILLER?

Mr J A MILLER:

Madam Chair, I think that is a leading question. If I stick to the original part of the question then the point at which it was borne home to me that the supervision needed looking at again was at the point that the Phil NUNN report was presented to the Authority.

Ir Dr Hon Raymond HO Chung-tai:

Does it mean that, Madam Chairman, does it mean that Mr MILLER, you started to realise that they were not the right kind of person to supervise piling works when the SELBY report was submitted? Is that what you were saying?

Chairman:

NUNN, NUNN.

Mr J A MILLER:

No, I referred to the Phil NUNN Report, Madam Chair.

Ir Dr Hon Raymond HO Chung-tai:

Sorry, the Philip NUNN report. At that time?

Mr J A MILLER:

Again I think the question is a leading question.

Chairman:

I think actually he has given you the answer, the timing when he realised that.

Ir Dr Hon Raymond HO Chung-tai:

Can I also ask a very simple one, Madam Chairman? How often do you actually visit your sites, Mr MILLER?

Mr J A MILLER:

Not often enough, Madam Chair.

Ir Dr Hon Raymond HO Chung-tai:

How often, sorry, I would like to know how many times a year?

Mr J A MILLER:

I do not know.

Chairman:

Over the years?

Mr J A MILLER:

Are you talking about outside visits, sites including estates and the rest of it?

Ir Dr Hon Raymond HO Chung-tai:

Walking out onto site, getting your boots dirty.

Mr J A MILLER:

I think it is about once a month, Madam Chair. I would have to say that there was a period in I think my second and third year where my concentration was on the estates because of the serious reform discussions which were going on there, so it may have been less then and more now and more before.

Chairman:

But on average once a month or a dozen times in a year would be about the general situation.

Mr J A MILLER:

In either case not enough, Madam Chair, not enough.

主席 :

Point taken. 呂明華議員。

呂明華議員 :

多謝主席。我有兩個簡單的問題。第一，在政府的管理架構內，究竟在工地上負責QC的和負責QA的是否確實分開由不同的人執行？第二，正如我剛才提及，政府依賴大判監管二判、三判及四判。但以現在的質量來看，這種管理制度是否已失效呢？政府是否根本沒有理會二判、三判和四判的情況呢？

Chairman:

Mr MILLER.

Mr J A MILLER:

As I think must be obvious from the consultative document there is no system in place for policing sub-contractors, and registration of sub-contractors' specialists and otherwise it is a priority area.

主席 :

問題的第一部分呢？

呂明華議員：

好像沒有回答問題的第一部分。

主席：

請回答問題的第一部分。

呂明華議員：

我問題的第一部分是：在政府的管理架構內，究竟誰負責地上的QC，誰負責QA？究竟subcontractors只負責QC，還是亦負責QA？抑或兩者都是由政府負責？

Mr J A MILLER:

Quality control is a requirement of the contractor. It is in there, but that does not absolve us as the client from a role in quality control.

Chairman:

Quality assurance? Is there anybody dealing with quality assurance?

Mr J A MILLER:

I confess that I bow to Dr LUI's greater expertise. I had assumed that quality control was part of securing quality assurance. Quality assurance which was referred to, I think, in your earlier question is very much the responsibility of the Authority, and up front the Department.

Dr Hon LUI Ming-wah:

Thank you.

主席：

陳婉嫻議員。這是最後一位提問的委員了，好嗎？

陳婉嫻議員：

我想再問有關“工程顧問管理制度”的文件，即SC1-H0030號文件。文件最後一段，即第9段說：工程顧問管理手冊於1993年制訂，當中列載若干程序，包括列入名冊、甄選、委聘，監管及管理的程序、工作守則及指引。我看到文件提及於1993年擬備的工程顧問管理手冊是不斷修訂的，最近便剛作出修訂。我想問，這些修

訂是在你發現問題後作出的，還是你所做的監察工作支持你作出修訂？我想問的是有關文件的第9段。苗學禮先生，或許你可參考由你提交我們的文件。

主席：

那是SC1-H0030號文件的第9段。

Mr J A MILLER:

Sorry, could you repeat that, Madam Chairman?

Chairman:

SC1-H0030, paragraph 9 thereof.

主席：

陳婉嫻議員，或許請你複述一下問題。Have you got the question?

Mr J A MILLER:

I think I have grasped the question. "Updated from time to time" means precisely that. There have been, I think, eight or nine revisions of all of these manuals. They are not necessarily revisions which have taken place simply because of the problems encountered. There were a series of revisions prior to that. In fact as part of the business process re-engineering there was a major revision to take account of the introduction of project management.

主席：

陳婉嫻議員。

陳婉嫻議員：

我想再提出一個問題，如果根據苗學禮署長所說，修訂是在問題出現前已經作出，那麼，你是從哪裏得到信息，知道要作出修訂？舉例來說，信息是來自你的員工，還是來自你們的監察制度？抑或是你突然靈機一動，發現有不可行之處呢？

Chairman:

Mr MILLER.

Mr J A MILLER:

I think in addition to all of those sources mentioned they were also the result of changes to the structure. So, from a variety of sources. I mean I hesitate to answer any less generally because the quality management system is encyclopaedic and there are constant revisions.

主席：

我們向苗學禮先生就架構及制度方面的取證，其實已差不多了。今天的研訊到此為止。我們今天已完成向苗學禮先生就剛才所說的範疇取證。日後如有需要，我們亦會再請苗學禮先生前來，協助提供資料。屆時，我們會再邀請閣下出席。苗學禮先生現在可以退席，謝謝你。

各位委員，我們仍須到會議室C繼續我們的閉門會議。多謝各位。

(研訊於下午11時55分結束)