

**(Translation)**

Paper No.: HA 54/2000

**Minutes of the Open Meeting of the HONG KONG HOUSING AUTHORITY held  
on Thursday, 6 July 2000**

**PRESENT**

Dr the Hon Rosanna WONG Yick-ming, JP (Chairman)  
Mr J A MILLER, JP (Director of Housing) (Vice-chairman)  
Mr Daniel LAM Chun, JP  
Mr Anthony WONG Luen-kin, JP  
Mr Eddy FONG Ching, SBS, JP  
Mr Raymond CHOW Wai-kam, JP  
Ms SIU Yuen-sheung, JP  
Mr Walter CHAN Kar-lok, BBS, JP  
Mr WAN Man-ye, JP  
Mr CHAN Bing-woon, SBS, JP  
Hon NG Leung-sing  
Mr NG Shui-lai, JP  
Ms Iris TAM Siu-ying  
Mr WONG Kwun  
Prof Richard WONG Yue-chim, SBS, JP  
Mr Philip Trevor NUNN, JP  
Hon CHUNG Shui-ming, GBS, JP  
Mr Michael CHOI Ngai-min  
Mr Alex CHOY Kan-pui, BBS, JP  
Hon HO Sai-chu, SBS, JP  
Mr IP Kwok-him, JP  
Mr George NG Sze-fuk, BBS, JP  
Mr CHENG Yan-kee, JP  
Mr A R WELLS, JP (Deputy Secretary for Housing /2)  
Miss Jennifer MAK, JP (Director Corporate Services)  
(Secretary of the Authority)

**ABSENT WITH APOLOGIES**

Mr YEUNG Ka-sing, JP (Out of Hong Kong)  
Dr LAU Kwok-yu, JP (Out of Hong Kong)  
Mr Peter WONG Hong-yuen, GBS, JP

Miss Denise YUE, JP (Secretary for the Treasury)  
Mr R D POPE, JP (Director of Lands)(Out of Hong Kong)

## IN ATTENDANCE

Mr Raymond A BATES, JP (Deputy Director/Works)  
Mr Vincent W S TONG, JP (Deputy Director/Management) (Acting)  
Mr K H LAU, JP (Business Director/Allocation & Marketing)  
Mr Joseph K C LEE, JP (Business Director/Commercial & Business Development)  
Mr David LEE (Business Director/Development) (Acting)  
Ms Cindy SHIH (Finance Director) (Acting)  
Mr S K KWOK (Assistant Director/Management 1)  
Mr Bay WONG (Assistant Director/Management 2)  
Mr H T FUNG (Assistant Director/Management 3)  
Mr Simon P S LEE (Assistant Director/Legal Advice)  
Mr Joseph KONG (Project Director/Central)  
Mr Y K CHENG (Assistant Director/Applications and Home Ownership)  
Mr Andrew C W LAI (Head, Corporate Strategy Unit)  
Ms Ada FUNG (Assistant Director/Quality Task Force)  
Mr K N CHEUNG (Assistant Director/Operations and Redevelopment)  
Mr Albert LEE (Assistant Director/Business)  
Mrs Winifred CHUNG (Assistant Director/Administration)  
Mr Martin K K CHEUNG (Project Director/East) (Acting)  
Mr N M CHAN (Project Director/West)(Acting)  
Mr W K TANG (Senior Building Services Engineer / Construction 10)  
Mr Kenneth S Y YIU (Site Safety Advisor) (Acting)  
Mr Lawrence CHOW (Committees' Secretary) (**Meeting Secretary**)  
Mr Dennis MAK (Senior Assistant Committees' Secretary/2)  
(**Assistant Meeting Secretary**)

## BY INVITATION

Mr Anthony John LINEHAN Consultancy Project Leader (Site Safety Strategy),  
Occupational Safety and Health Council

## **Opening Address**

The **Chairman** opened the meeting at 8:45a.m. and welcomed Members to the meeting.

## **Congratulations**

2. The **Chairman** informed the meeting that the following Members and staff members of the Department received awards/were appointed as Justice of the Peace on 1 July:

### **Award**

Mr CHUNG Shui-ming, JP	Gold Bauhinia Star
Mr Dominic WONG Shing-wah, JP	Gold Bauhinia Star
Mr Eddy FONG Ching, JP	Silver Bauhinia Star
Mr Walter CHAN Kar-lok, JP	Bronze Bauhinia Star

### **Appointment**

Prof Richard WONG Yue-chim, SBS	Justice of the Peace
Mr Philip Trevor NUNN	Justice of the Peace
Mr CHENG Yan-kee	Justice of the Peace
Mr Joseph K C LEE	Justice of the Peace

The **Chairman** congratulated them.

## **AGENDA ITEM 1**

**Confirmation of the minutes of the open meeting held on 13 April 2000**  
(Paper No. HA 37/2000)

3. The minutes of the open meeting held on 13 April 2000 were confirmed and signed.

## AGENDA ITEM 2

### Confirmation of the minutes of the annual special open meeting held on 1 June 2000

(Paper No. HA 45/2000)

4. The minutes of the annual special open meeting held on 1 June 2000 were confirmed and signed.

## AGENDA ITEM 3

### Response to Members' addresses made at the annual special open meeting held on 1 June 2000 by Mr J A Miller, JP, Director of Housing

5. "Madam Chair,

The month since the Annual Special Meeting of the Authority has been an unusually eventful one. However, I do not believe that we should allow those events to overshadow the many valuable suggestions made by Members across the full range of the Authority's activities. To do justice to all in this response would be impossible. Indeed, some suggestions will require careful thought and I propose to leave it to the Business Directors to pursue these and follow up in the relevant committee as expeditiously as possible. Instead of addressing each and every point made, I propose, with your and Members' indulgence, to pick out a number of key areas of common interest or concern for comment and response.

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Thus I will address principally, developments in the Management and Maintenance of the Authority's estates, Construction Quality and associated departmental reforms.

#### Management and Maintenance

Madam Chair, a number of Members talked about the phased transfer of estate management and maintenance services to the private sector. Before addressing specific comments, I would like to give a brief update on progress since the Authority endorsed the strategy. A new and expanded list of property services companies (PSC) has been drawn up. Tender documents for the first batch of contracts have been issued to them. There has been an enthusiastic response and tenders are currently being evaluated. The first contracts will be awarded later this month and commence in October.

Both Mr Chan Bing-woon and Mr Anthony Wong voiced concern about the likely standard of service of the property services companies. I understand that concern and would like to assure Members that this was one of the key issues considered by the Authority's Task Force, ably chaired by Mr Chan, in devising the phased transfer

programme. In order to ensure service quality, a central quality monitoring team will be responsible for assessing and comparing the service standards

of individual service providers, through periodic sampling of tenants' views, regular auditing and surprise checks and consultation with the Estate Management Advisory Committees. Tenants will thus be playing an active role in monitoring the performance of the companies we employ.

Two Members queried what they saw as the Department's reluctance to continue to provide estate management and maintenance services in estates sold under the Tenants Purchase Scheme, even where residents had indicated a preference for the Housing Department to continue to provide such services. One of them also suggested that the Department had not actively fought for the interests of staff. Both allegations appear to result from a misunderstanding. Hence, two points in response.

- First, as tenants become owners they acquire the right to choose. We will help them make their choice in a responsible and open manner. If they wish to retain the Housing Authority's services, they are at liberty to do so, but this should be on the basis of an open tender. Owners must compare the services which we provide and the prices which we charge with the services offered and prices charged by competing private companies. It is important that Members are clear that, what we are talking about is a contract between owners and service providers; not the provision of subsidised services by a public sector landlord to its tenants. Expression of a vague preference is thus not sufficient. A conscious and informed decision is required.
  
- Second, the interests of serving staff have remained uppermost in our minds throughout consideration of the whole PST strategy because it is their interests which are most vulnerable in the face of the rapid transformation of tenants into owners. Ultimately, the private sector will not need the Housing Authority's permission to bid for contracts in these estates. Ultimately, they may deal direct with the new owners. It is only during the transition that we have the opportunity to influence events and to provide a breathing space for staff to make informed decisions regarding their future. Our aim has been to manage the transition through a phased transfer and at the same time to provide fair and flexible options to staff.

Thus we have fought for their interests in securing the Voluntary Departure Scheme, with enhanced benefits and flexible option period. Some 1,750 staff have already submitted applications to leave under the scheme, far more than are needed in the first two years. We have also done our best to increase staff's employment opportunities both by requiring those property services companies which secure contracts to take on a minimum specific number of HD staff as part of the contractual requirement, and by allowing staff who so choose to set up their own service companies. For those wishing to stay on, we continue actively to identify redeployment opportunities in the department and to plan training programmes to enhance their capability to take on a wider range of job roles.

One Member was worried that the phased service transfer might lead to a serious drain of manpower and affect the quality of service. Let me assure Members that our aim is to secure an orderly departure, not to initiate a rout. Applications under the Voluntary Departure Scheme will only be approved subject to operational requirements not being unduly affected and no decline in service quality. Similar considerations will apply to approval of Management Buy Outs proposed by staff, of which we have received more than thirty. They will not be automatically approved. They will be very carefully scrutinized. They must meet all our requirements. Our aim remains to avoid redundancies, not to precipitate them.

## **Development and Construction**

I would like to turn now to a totally different type of reform. The Development and Construction arm of the Department does not face the same sort of challenge as Management and Maintenance. It is staffed to manage a production programme of some 35,000 units of housing a year. It has been asked to do far more over the last couple of years and has managed the additional work through out-sourcing of one form or another. Looking forward, this pattern will continue as planned production consistently exceeds staffing capacity.

The challenge facing the Development and Construction arm of the Department is that of raising quality standards against this background of continued high levels of production. It is a challenge which has been given still greater edge by the damage done to both the Authority's reputation and community confidence by recent scandals. Our response comprises the programme of reforms already announced, organisational change, and an important but necessarily more gradual change to what we produce and how we produce it. Allow me to deal with each in turn.

### *Implementation of the Reform Programme*

After intensive industry consultation, the two-phased implementation plan containing 50 recommendations on ways to enhance building quality was launched immediately after it was endorsed by Members in April. A multi-disciplinary departmental task force has been set up to oversee and steer the implementation.

To remind Members, Phase 1 of the reform addresses immediate public concerns and covers areas vital to customers and building safety. It will provide a foundation for the execution of subsequent initiatives. Out of the 25 recommendations under this phase, 11 measures have already been implemented, 4 have been launched in pilot form and 10 are under planning. Let me elaborate on progress of some of the key measures.

- First, customer service. We have established an in-take hotline in new estates to strengthen communication with tenants and owners with Customer Service Teams being set up to handle defects speedily. This will be tried out in two pilot

projects in Tsing Yi and Ma On Shan. We have extended the Defect Liability Period from one to two years for building tenders returned from March onwards.

- Second, on piling. We have reviewed the whole process from site investigation through procurement to acceptance. Steps have been taken to reduce risk, to share the burden of that risk equitably between the Authority and contractors, and to remove any incentive to cheat. We will establish the Authority's own lists of piling and ground investigation contractors to ensure that only those with adequate level of qualified staff and self-owned plants are eligible for tendering. Control on sub-contracting has been tightened by requiring main contractors to provide information on sub-contractors to enhance transparency of the system. In addition, we will soon set up an independent checking unit to ensure that the Authority's construction works parallel the practices required of private development progressively, pending agreement on transfer arrangements of regulatory responsibility to the Buildings Authority.
- Third, on site supervision. Sufficient and properly experienced site staff will be deployed by the Authority to monitor the works. For complex building projects, resident professionals will be deployed when necessary. We will also start providing induction training for resident professionals to reinforce site supervision.
- Fourth, on partnering culture. Project teams under a number of pilot schemes have held partnership workshops with contractors to enhance mutual understanding and communication.
- Madam Chair, the above are only the beginning of our reforms and we are pledged to keep up the momentum. We will soon start rolling out Phase 2 of the implementation programme, which involves the re-engineering of critical processes and systems and aims to achieve partnership on all fronts. In this context, Members will wish to know that we are contributing actively to the work of the Construction Industry Review Committee chaired by the Hon. Henry Tang.

#### *Organisational Change within the Department*

The Development and Construction arm was the subject of a comprehensive Business Process Re-engineering study some four years ago. Its current organisation owes much to that study. Indeed, it is doubtful that we could have handled the production volumes of the last two years without it. Nevertheless, the production peak has exposed weaknesses in both organisation and system. A consultancy study on this by a prominent private sector practitioner has recently been completed. We are currently examining his recommendations and considering options for change.

In moving forward, I am conscious that, given the pressure on staff of peak production, change will of necessity have to be gradual and incremental. Nevertheless, the direction is clear, as are the objectives: greater efficiency achieved through streamlined



procedures, greater delegation downwards, levels of responsibility which are matched by authority to make decisions, clearer lines of command and accountability.

More than one Member commented that cultural change was as important as organizational restructuring. Mr Cheng Yan-kee also reminded us of the need for regularly instilling in the mind of those associated with housing production the importance of upholding ethical integrity. There is no disagreement.

On the latter point, Members will wish to be aware that while we have long worked closely with the ICAC on prevention and investigation, we have recently agreed to take a further step to combat this pernicious influence. We have agreed on the setting up of a dedicated committee, with ICAC representation, to coordinate and steer anti-corruption activities in the Department. We are already in the process of drawing up an action plan to promote ethical integrity, covering training, establishment of guidelines, audit and the like.

Cultural change is more complex and requires careful thought. Systems and culture can feed off one another viciously or virtuously, and if the current criticisms of culture are valid, then it is important to examine the systems which may have contributed to the problem. Simple remedies are already being applied to simpler aspects of the problem, for example:

- We have encouraged staff to streamline meetings and paper work to enable them to focus their time and effort in site supervision;
- We are conducting a review on the piling specification and supervision manuals with a view to shifting their focus from prescriptive procedures to end results.
- We will extend the results of the review to other work types, emphasizing to all involved, both our own staff and our partners outside, that we wish to excise redundant procedures.
- We are reviewing our manuals to ensure that practices and procedures included are understood by our staff as guidelines for good practices and not as a device to stifle individuals' creativity or professionalism.

### *Changing What We Produce*

It is in this last point that, I believe both a key part of the problem and the potential solution can be found lying side by side. In a word: standardisation. Over the years, the Authority has driven further and further down the road of standardised design and production. It has done so in pursuit of cost efficiency, of buildability, of reducing maintenance bills, and of achieving greater consistency of allocation standard and of quality. Along the way, we have lost something. Standardisation, whatever its originally intended benefits, has led to bureaucracy, to a loss of delegated authority, to a near total absence of opportunity for creative thought and, ultimately, to decreasing levels of professional job satisfaction. That is not healthy.

I believe that, while holding on to all the valuable lessons which we have learned from standardisation, we must progressively move towards more site-specific design. I am convinced that this is necessary, not only to meet the aspirations of our customers and to mitigate the impact of our work on the urban landscape, but also in order to motivate our young talent to give of their creative, professional best.

## **Relationship with Government**

A number of Members raised the need to review the functions of the Authority and its relationship with the Department so as to enhance the accountability of the latter to the former. Madam Chair, you also floated a number of questions regarding the structure and operation of the Authority and the Department. On this I think I need comment no further than to note that the Chief Executive has announced the establishment of a committee under the Chief Secretary for Administration to study these and related structural questions.

## **Other Matters**

Madam Chair, quite a few Members talked about HOS supply at the last meeting. A paper putting forward recommendations by the Home Ownership Scheme Committee on adjustment of HOS provision will be discussed in a minute. We have also submitted to today's meeting the Authority's first Environmental Report. While I am not optimistic that this will totally satisfy Mr Peter Wong, I hope that it will go some way to convincing him that we are at least tinged with green. There is still a lot to be done, and this Report marks the Authority's important first public step towards environmental respectability.

## **Conclusion**

In closing. Madam Chair, a few reflections and a few thoughts looking forward. It has been a difficult year. The Department could not have come through it without the steady support and active involvement of Members. Much damage has been done our collective reputation. We will not be able to restore it without that same steady support and active involvement. It will be a long hard slog, but we are started on the road and determined to stay the course.

By way of encouragement, a few facts, facts which are usually obscured by headlines. The vast bulk of what we build, even during this phenomenal peak in production, is good quality, maintenance and management-friendly housing in self-contained communities, which enjoy a full range of recreational, educational, social, commercial and transportation facilities. In terms of quality and durability it bears favourable comparison with the best mass housing the private sector can produce. All that is missing is fancy finishes and facilities like club houses and swimming pools. It meets a clear need and is appreciated by

those who live in it. The eagerness with which tenants are buying the homes they are familiar with in the Tenants Purchase Scheme estates speaks volumes for its quality and acceptability.

We can and will do better. Our target is 100% fault-free flats on take-over. But we should not allow the particular problems which we have exposed this year to obliterate the more general achievements.

The major quality reforms aside, there is a broad range of activity which will lead to significant improvements. The Environmental Report provides several examples. The Site Safety Strategy, also on today's agenda, provides others. August will see the completion of a study on the Provision of Housing and Care Services for the Elderly in Housing Estates. Already, the earlier adjustments to policy following the Long Term Housing Strategy are benefiting those in greatest need of help.

The combination of carrot and stick incentives, more choice and greater opportunities for assisted home ownership has resulted in more mobility and a more rational - and voluntary - allocation of resources. Taken with record levels of production, this has allowed us to reduce the Waiting List to an 18 year low and, if Members approve the later paper, will allow us to reduce the average waiting time to 3 years by 2003, two years earlier than was previously thought possible. These are significant achievements, of which I hope Members will be at least as proud as my staff and I.

Thank you.”

#### **AGENDA ITEM 4**

#### **Adjustment of Housing Authority's Home Ownership Programmes**

(Paper No. : HA 47/2000)

6. **Mr Andrew C W LAI** presented the paper

7. **Mr Walter CHAN Kar-lok** informed Members that the Home Ownership Committee (HOC) had discussed the paper and supported the adjustments proposed to be made to home ownership programmes. With the reduction in the demand for HOS units from the public, especially the Green Form applicants, the initiatives were considered appropriate in view of the actual market conditions. The HOC also raised the following points :

- the HPLS quota to be rolled out each year should be determined flexibly with regard to market conditions;
- a more flexible approach in HOS sales should be considered for the latter part of the year; and
- prospective tenants' affordability should continue to be the HA's prime

consideration in rent-setting for the HOS units transferred to rental.

8. Mr CHAN agreed that the implementation details of the proposed adjustments should be further discussed by the relevant committees.

9. Mr NG Shui-lai supported the paper. He agreed that changes in demand required re-allocation of resources. The reduction of the supply of HOS flats and the increase in the supply of rental flats to shorten the waiting time of applicants were moves in the right direction.

10. Mr WONG Kwun supported the proposals set out in the paper. Noting that the future annual production of public housing exceeded 50 000 flats in average but the take-up of HOS flats was less promising than before, he opined that it was desirable to adjust the supply of HOS and PRH flats and shorten the waiting time of the 110 000 Waiting List applicants. He supported the recommendation of walk-in application for resale units so that prospective buyers would be benefited.

11. Referring to the key message in paragraph 12(d) that “the HA remains committed to providing at lease on average 50 000 housing assistance opportunities annually to eligible families”, Mr WONG queried if the Housing Bureau (HB) had changed the policy of an annual production of 50 000 public housing units without consulting the HA. He pointed out that what the HA discussed in its meeting in January was the annual progressive reduction of 4 000, 5 000, 6 000 and 6 000 HOS flats within four years from 2003/04 onwards, but not the replacement of an annual production of 50 000 public housing units by an annual provision of 50 000 housing assistance opportunities.

12. Mr A R WELLS responded that the Government would adopt a flexible approach to help people become home owners, as stated by the Chief Executive in the 1998 Policy Address. The proposal to reduce the production of 21 000 HOS units within four years from 2003/04 onwards and increase the loan quota correspondingly, which came into effect in January this year, had been thoroughly discussed by the HB, the HA and the HD. Mr WELLS stressed that partial replacement of HOS flat production by loans could provide more home ownership opportunities to low-income families.

13. Ms SIU Yuen-sheung supported the proposals set out in the paper, in particular the initiative of transferring 16 000 purpose-built HOS flats to rental use in order to shorten the waiting time for PRH. She also agreed to the provision of more HPLS quota each year having regard to the prevailing market conditions. She believed that the appropriate adjustment of home ownership programmes would be supported by the public. Though the purpose-built HOS flats were of better quality, she hoped that tenants' affordability would continue to be the HA's prime consideration in rent-setting for these transferred units.

14. Mr NG Leung-sing agreed that the supply of HOS flats should be adjusted in view of the decreasing number of Green Form applicants. Concerned about the flexi-use housing design mentioned in paragraph 7(c) of the paper, he hoped that cost control would

be exercised carefully since expenditure on public housing production came from the public purse. A practical rather than fancy design could meet market demand flexibly without adding to the public's burden.

15. Mr NG continued to say that the increase of loan quota only helped alleviate the downpayment borne by purchasers of private flats while mortgage repayment was a long-term commitment. Referring to the HA's annual average provision of 50 000 housing assistance opportunities, he queried whether the loans offered could actually help the public buy their own home.

16. **Mr Alex CHOY Kan-pui** said that he respected the HA's collective decision on the adjustment of home ownership programmes though he himself supported the suspension of HOS production. However, he considered that the shortening of waiting time for PRH to 3 years was just "a matter of convenience". Since the Department proposed a wider use of flexi-use housing design without making any commitment to increasing the supply of PRH, he worried that the waiting time for PRH might be lengthened.

17. **Professor Richard WONG Yue-chim** agreed to the proposals of the paper. He suggested that the Department, when considering the transfer of HOS flats to rental use, should allow PRH tenants to apply other than WL applicants.

18. **Mr IP Kwok-him** supported the proposals of the paper. He said that the Department should, upon transfer of 16 000 HOS flats to rental use within four years, consider the mix of the HOS and rental flats and whether the revenue from the sale of HOS could cover the subsidies on rental housing etc. Besides, he was concerned about the long-term implication of reduced HOS production on the HA's finances given that the HA still needed plenty of funds to meet its huge PRH production programme. He also said that despite voices against the production of HOS flats, HOS still had its value of existence as there were many who could not afford to buy private flats.

19. **Ms Iris TAM Siu-ying** agreed to the proposals made by the Department. She considered that the flexi-use housing design not only allowed architects to fully utilize the plot ratio and space of construction sites, but also lessened the "labelling effect". Furthermore, HOS flats built under the mixed development mode would be more attractive to home buyers.

20. **Mr Andrew LAI** responded to Members' comments as follows -

- In response to Mr WONG Kwun's comments on the 50 000 housing assistance opportunities, he said that the HA endorsed in its meeting in January the proposal to replace the production of some HOS flats with a discretionary increase of loan quota within four years from 2003/04 onwards in order to provide diversified home ownership options for the public. As the HA had agreed to reduce the production of 21 000 HOS flats in these four years, the annual public housing production target would be reduced correspondingly from 50 000 flats as set in 1997 to some 40 000 flats. Through the increase of home ownership loan

quota, the HA and the Hong Kong Housing Society (HS) would continue to provide at least 50 000 housing assistance opportunities a year to help those families in need.

- As to Ms SIU Yuen-sheung's concern over the rent-setting policy for HOS flats transferred to rental use, he stressed that public affordability would continue to be the Department's prime consideration in rent-setting and that this principle would not be changed.
- Regarding Mr NG Leung-sing's concern over the cost-effectiveness of flex-use housing design, he said that the Strategic Planning Committee (SPC) and Building Committee (BC) would examine ways to tighten up cost-control and work out a value-for-money housing design.
- In response to Mr Alex CHOY Kan-pui's comments on the shortening of waiting time for PRH, he said that it was the HA's objective to take care of those families in the greatest need. The average waiting time for PRH had been reduced from 6.5 years in 1997 to 5 years currently and would be further reduced to 3 years by 2003. This demonstrated the HA's determination and pledge to meet the housing need of the community.
- Referring to Professor Richard WONG Yue-chim's suggestion to consider the eligibility criteria for HOS flats transferred to rental use, he said that the Department was actively examining various options, including the one to give priority to approximately 10 000 overcrowded PRH households for transfer to larger flats.
- In response to Mr IP Kwok-him's remarks on the value of existence of HOS, he recognized the contribution of HOS to the middle-income families. To meet the growing aspiration for housing, the HA would facilitate home ownership and provide more options for the public through different home ownership programmes.

21. **Mr Walter CHAN Kar-lok** added that home ownership loans could not completely replace HOS flats because only families with monthly income between \$25 000 and \$31 000 could afford to buy flats in the private market using the loans. Those with a monthly income below \$25 000 still relied on HOS for access to home ownership. Moreover, 60% of the HPLS applicants chose to buy from the HOS secondary market. He therefore considered it a wise decision of the HA to implement the Secondary Market Scheme.

22. **Mr A R WELLS** concurred in general with Mr Andrew LAI's explanation as to the provision of 50 000 housing assistance opportunities by the HA and the HS. He stressed that the Government had never changed its determination and pledge to facilitate home ownership. It had at present no intention of abolishing the HOS.

23. After discussion, Members **endorsed** the proposals of the paper.

## **AGENDA ITEM 5**

### **Consultancy Report on Development of Site Safety Strategy**

(Paper No. : HA 48/2000)

24. **Mr N M CHAN** and **Mr Anthony John LINEHAN** presented the findings of the Consultancy Report on Development of Site Safety Strategy and the proposed implementation strategy.

25. **Mr CHUNG Shui-ming** supported the strategic direction outlined in the paper. As regards the Consultant's proposal to set the non-fatal accident rate for contractors at below 95 to 100, he commented that the HA should set a more reasonable target since there were only 82 accidents in 1995. He also suggested that the accident target, instead of purely in terms of quantity, should be indicated by an incident rate derived from, for example, the number of accidents per 1 000 workers. He fully supported the establishment of partnership between the HA and contractors to avoid buck-passing in case of an accident. He wished to know more about the Bonus Scheme proposed by the Consultant and the specific responsibilities of the HA and HD in reducing accidents.

26. **Mr WAN Man-ye** considered that the site accident rate in Hong Kong was on the high side. In developed countries, the incident rate stayed below 10 to 15 per 1 000 workers, whilst that for Hong Kong and the HA was 200 and 113 respectively. As a result, workers found it not safe to work on construction sites and young people hesitated to join the industry. He suggested that site safety measures be strengthened and the accident target be adjusted to a more rational level. He also said that site accidents would be significantly reduced if a provision was added to the building contracts requiring immediate suspension of site activities in case of a serious accident. The length of the suspension period could be decided by the HA after careful consideration.

27. **Mr HO Sai-chu** said that the performance of the construction industry was the poorest judging from the figures of industrial accidents. Although there were fewer accidents at the HD's sites, the HA should not be complacent with its present performance. Instead, it should strive to prevent the occurrence of serious accident at any of its sites. He pointed out that industrial accidents had decreased over the past year, which was partly attributed to the formulation of related laws and the improvement of site safety monitoring system. Before a project was launched, professional industrial safety officers were called in to design safety measures and see to it that the project was in compliance with these measures. The decrease of industrial accidents was also due to the slowdown of construction projects in recent years. Mr HO hoped that the HA would not overlook the health of site staff while paying attention to industrial safety. He suggested that an ad hoc working group be set up to study and promote industrial safety in the HD's sites and safeguard the health of its site staff.

28. **Mr Daniel LAM Chun** informed Members that the BC was very concerned about site safety and discussed the Consultancy Report in three of its meetings. Noting that the incident rate for the HA was 100 per thousand, he said that in Japan only 8 out of every thousand workers were involved in industrial accidents as a result of the well-developed safety measures. Japan owed this achievement to its study and adoption of safety measures some 25 years ago. Though with a late start, the HA should direct its efforts to work in cooperation with its business partners towards this goal. He said that the BC's role on site safety was mainly to formulate policies, but it would follow up comments given by Mr HO Sai-chu.

29. Referring to Annex C of the paper which stated that the increase in industrial accidents was resulted from a significant increase in number of workers working in HA projects, **Mr Alex CHOY Kan-pui** opined that the seriousness of the matter should not be played down. Mr CHOY supported the adoption of punitive initiatives in order to push the contractors to attach more importance to industrial safety. However, for the sake of fairness, the contractors should not be made to bear all the responsibility. He considered that the penalty imposed by the court was not heavy enough to make the contractors pay due attention to site safety. As suspension from tendering would produce little effect, he suggested other measures be considered so that contractors would meet with financial loss if they committed offences. Substantial effect would then be resulted.

30. **Ms SIU Yuen-sheung** supported the recommendations of the Consultancy Report. She believed that a Bonus Scheme and the use of sanctions involving disqualification from tendering were important strategic initiatives. On the other hand, workers should mind their own safety. In this connection, education and training on safety for workers should be enhanced. She supported that continuous training on safety principles and awareness should be provided for front-line supervisory workers to minimize the rate of accidents.

**Site Safety  
Advisor**

31. The **Chairman** thanked Members for their views and said that the BC would follow up their suggestions.

## **AGENDA ITEM 6**

### **Housing Authority Environmental Report**

(Paper No. : HA 49/2000)

32. **Mr R A Bates** presented the first Environmental Report published by the HA.

33. **Mr CHOY Kan-pui** said that the Report should identify solutions to the pollution problems in estates, including the impact of hawking activities on the environment of estates and the nuisance caused to tenants. It was much more important to address these problems than to collect recyclable waste.



34. **Mr BATES** thanked Mr CHOI for his suggestion and said that he would consider the issues raised when planning the launch of an environmental awareness campaign later this year.

35. **Mr WONG Kwun** supported the recommendations made in the Environmental Report. He said that apart from establishing the broad principle, the HA should also study and put forward specific environmental initiatives. For example, improvements to clothes-drying facilities in PRH estates or HOS courts might also serve environmental purpose.

36. **Mr NG Shui-lai** supported the direction and strategy outlined in the Report, including the enhancement of residents' awareness and participation in environmental protection. He hoped that the HA and HD could strengthen cooperation with green and community groups and increase contacts with residents. **Ms TAM Siu-ying** said that the publication of the Environmental Report was a good beginning. While appreciating the difficulty in promoting environmental protection in the existing estates, she considered that environmental concepts could be injected into the process of estate redevelopment. In order to facilitate environmental protection work, the HD should identify more opportunities to cooperate with other government departments and seek support from the management.

37. With the above comments, Members noted the Housing Authority Environmental Report 1999/2000.

## **AGENDA ITEM 7**

### **Any Other Business**

#### **Vote of thanks to the Chairman**

38. **Mr Daniel LAM Chun** proposed a vote of thanks to the Chairman as follows :

“Not every leader who works wholeheartedly can get the support they deserve from political organizations which have different interests. Madam Chair, you are not the first, neither will you be the last.

Since you took up the post as the Chairman in 1993, the HA has undergone marked changes. What happens today may be of little significance to you, but it is the HA and the public who will lose out.

I believe all Members will agree that you are a good chairman. We are extremely sorry that you feel compelled to resign. I believe your contribution has guaranteed a magnificent future for the HA and benefited the community.

I would like to take this opportunity to propose a vote of thanks to you in recognition of your remarkable contribution to the HA. I hope Members will support my proposal.”

Members unanimously supported Mr LAM’s proposal and a vote of thanks was accorded to the Chairman.

39. **The Chairman** thanked Mr Daniel LAM Chun and Members for their support. She addressed the meeting as follows :

“Today is the last time I chair the meeting of the Hong Kong Housing Authority. It happens that I took up the post as the Chairman of the HA on the same day seven years ago. Exactly seven years have passed. I am honoured to have the opportunity to work with you in these years. As I have always said, there are all sort of challenges in housing affairs. While we rise up to the challenges together, I have learnt much and gained a good deal of enlightenment from the Members and colleagues of the HD.

Wherever I am, I will always remember the days we worked together for our cause. In the days to come, we will still face great challenges. But I have the confidence that with your resolute determination and joint efforts, the reforms will be successful. I would like to take this opportunity to give my best wishes and extend my heartfelt gratitude to you. I hope you will, with your sterling efforts and enthusiasm, continue to contribute to the development of public housing.

Thank you.”

### **Closure of Meeting**

40. The meeting closed at 10:35 a.m.

CONFIRMED on 16 November 2000.

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(Dr the Hon Rosanna WONG Yick-ming)  
Chairman

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(Lawrence CHOW)  
Meeting Secretary

File Ref. : HA/COM 2/2 VIII  
Date : 30 August 2000