

Synopsis of Cases under Formal Investigation by The Ombudsman

I. Cases brought forward from the 1st quarter 2000

Withholding information about building qualities when selling HOS flats in Tin Fu Court

L/M (1632) and (1645) in HD(CR) 1/125 - OMB 2000/0025-0030, 0061, 0066, 0081, 0088 & 0201, 1999/0289 & 2000/0456

The complainants are the prospective owners of Tin Fu Court. They complained that the Department did not disclose the settlement figures of Blocks J and K of Tin Fu Court when selling the flats under Phase 21A of Home Ownership Scheme (HOS). The complainants alleged that they had been lured to purchase their flats without all facts presented to them in full detail.

Before the Building Committee endorsed on 23 December 1999 to release the settlement figures of all public housing under construction, there was no policy requiring the Department to disclose the settlement figures. Moreover, the Department did not find the buildings in Tin Fu Court had any safety problems structurally before sale. The Department, therefore, did not disclose the settlement figures before or during the flat sale.

Purchasers of Blocks J and K of Tin Fu Court (sold under HOS Phase 21A) are not allowed to rescind the Agreement for Sale and Purchase as the buildings are safe and the enhancement work to foundation will be completed before the flats are handed over to purchasers. Notwithstanding this, the Department will take a sympathetic approach in addressing individual difficulties encountered. Requests for rescission without forfeiting the deposit will therefore be considered on individual merit.

Detailed case reports and replies furnishing information required by The Ombudsman have been issued on 17 and 22 February, 16 March and 19 June 2000. Findings of the investigation are still awaited.

Synopsis of Cases under Direct Investigation by The Ombudsman

I. New case in the quarter

**Management of Construction Projects by the Housing Authority
and the Housing Department**

OMB/WP/14/1 S.F. 86 of 30 May 2000

Problems revealed in the construction of the foundations of Yuen Chau Kok Shatin area 14B Phase 2 and other public housing projects have given rise to serious public concern over, inter alia, the overall administrative efficiency of the HD in the management of new construction projects. The issues involved include the respective role, involvement and responsibilities of the Housing Authority and the HD in respect of the management of such projects and the mechanisms for supervisory control.

The Ombudsman has decided to conduct a direct investigation to examine the relevant issues relating to the management of construction projects by the HD under Section 7(1)(a)(ii) of The Ombudsman Ordinance. A reply furnishing the required information was sent to The Ombudsman on 27 June 2000.

Line- to- take :

- (a) HA is committed to maintaining high standard of construction quality, effective management and supervision of construction projects.
- (b) The 50 recommendations endorsed by HA in April 2000 for implementation will address both immediate public concerns and long term system enhancements progressively.
- (c) Measures have been taken to strengthen the management of construction projects and site supervision. These include tightening control on piling contractors, the deployment of resident engineers to piling projects and the strengthening of site staff resources.

Annex D
Table 3 (P. 3)

- (d) HD will offer full cooperation and assistance to the Ombudsman in the investigation.