

2003.2.13

**Speech by the Hon Mrs Selina Chow Liang Shuk-ye, GBS, JP
Motion Debate on First Report of the Select Committee on
Building Problems of Public Housing, 13 February 2003**

Selina Chow:

Madam President, the Select Committee on Building Problems of Public Housing Units (the Select Committee) says:

"HA is the largest developer of housing in terms of number and floor area. It is at the same time the regulator of its own building works and assumes a role similar to that of BA for ensuring safety and quality of its buildings. It also performs a role similar to that of APs and RSEs under the BO, though it is not subject to the regulation of the BO. The Select Committee considers that such a mixture of roles may not be in the best interest of the public."

Dead right. To be exact, the Hong Kong Housing Authority (HA) is the largest developer in the world. The root of the many problems lies in the impossible size and structure of the HA, and in particular the humongous development portfolio it is tasked to build. For this, the Government has to bear full responsibility.

We do not know if the over-ambitious building programmes for public housing set in motion by the Colonial Administration of the early 1990s had anything to do with its intention to enhance its good name on the eve of its withdrawal. Suffice it to say that the creation of the Housing Branch in 1994, which became the Housing Bureau in 1997, indicated the Government's recognition that special measures had to be taken and co-ordinated within its own bureaucracy to ensure that the huge building programme must be better facilitated.

Therefore, while sympathizing with the Select Committee's criticism of the Secretary for Housing for not addressing the imminent problems of overload, it is only fair to recognize that he was not acting alone. Operating to the principle of collective responsibility, the Secretary for Housing reported to the Chief Secretary, and in terms of major housing policies, to the Executive Council. The question should be asked whether the Governor-in-Council had raised the queries at the right point to prevent the negative effect of bunching. So while I agree that the Secretary for Housing should be held responsible for his failure to ensure that the production target was realistic, I do not think that the Government of the day could entirely absolve its responsibility of having adopted such a target.

Another question that desperately needs an answer is: Who was the

Chief Executive of the HA? From the description of the operation in First Report of the Legislative Council Select Committee on Building Problems of Public Housing Units (the Report), the Chairman of the HA seemed to be the head of the Authority for implementing the government housing policy. Indeed, she clearly had an executive function. She also sat on all the standing committees of the HA except the Complaints Committee. According to the Report, all papers submitted to the Building Committee that made decisions regarding building and construction were discussed and cleared beforehand at the weekly management meetings chaired by her. With such a setup, it would appear that the monitoring function of the Building Committee could be threatened, or even undermined, by an overwhelmingly strong executive led by the Chairman. For that matter, it would appear that even the HA's internal monitoring role is questionable, since it was led by the head of the executive, for with the Chief Executive doubling up as Chairman of the Board, who would have the power and authority to question decisions of the management?

The Select Committee found that as early as 1995, all parties concerned had been aware of the bunching problem caused by the irregular supply of land. In fact, the Chairman of the HA went as far as to put on record her view in a letter she wrote in December 1996 that the Development Programme was unrealistic. At that point, the projected number of units to be produced was 106000. By June 1997, this number has soared to over 114000.

Instead of readjusting the targets to realistic levels, these unrealistic targets were taken as sacred, and corners were cut, quality sacrificed, work loads stretched to unreasonable limits, and professional skills and competence set aside.

With the anticipated bunching of the production loading, it would be logical to assume that any additional manpower would be professional staff who are qualified to advance the building programme. What actually happened was inexplicable. The only reason I can surmise is that those who made the decision to deal with the situation lacked the professional judgement and management understanding required.

What happened was that the major restructuring at the corporate level in effect reduced the professional expertise by kicking upstairs the original discipline-based Assistant Director of the New Development Branch. In his new post as Deputy Director of Housing/Works, he no longer monitored the operation of development projects. Under the new structure, the crucial responsibility of the daily operation of development and construction was passed onto the Business Director of the Development and Construction Branch, and this post was open to all disciplines. This meant that the key person in charge of the construction programme, and a construction programme under the extreme pressure of time, could be someone who was not professionally qualified to do the job. In fact, this was indeed what happened. The depletion of

professional knowledge and skills did not end at that level alone. Under this Business Director are staff of different disciplines. In short, the HA had a Chief Executive who did not know anything about construction. Neither did her number two, the Director of Housing. The Deputy Director who did know was not given the task, and the executive under him who was charged with the duty and responsibility of overseeing and leading this task was not qualified.

In my view, the surrendering of the requirement of key leaders of the development and construction operation to be qualified discipline-based personnel had a detrimental multiplying effect of de-professionalizing the operation from the senior level downwards.

The Select Committee criticizes the HA for its ineffective staff management and poor deployment of human resources, as well as its ineffective project management. Much of this can be attributed to the inadequate recognition of the importance of filling jobs with people who are professionally qualified in the discipline specific to the task.

The Select Committee advocates that HA buildings should be subject to the same regulatory control as private developments. I do not necessarily disagree. However, if we compare the situation in the HA with the seven government departments in the Works Bureau which undertake building and construction work for the Government, it is worth noting that these departments are not subject to the Building Ordinance. Why is it that they have been able to keep up the standard and quality commensurate with those in the private sector? It boils down to the very strict discipline and protocol that they apply to their own work. The same should be achievable in the HA, as indeed it had been achieved in the early days of its existence in the 1970s despite the hectic building programme that they had to adopt at the time. However, given the recent happenings and the large and unwieldy structure of the HA, the Government should seriously consider splitting the building and construction responsibilities from the HA, either to assign it back to the Government, or to a professionally qualified building authority tasked specifically with the development of public housing.

The Report of the Select Committee shows quite clearly that it was the Chairman of the HA and the Director of Housing at the head of the organization who should be primarily held responsible for the structural and management policies that formed the framework for disaster. They had the duty and the power to ensure that the system was the right one to deliver the right results. They should also have appointed the right people for the right jobs to enable standard and quality of a high level to be maintained, in spite of the fact that they themselves did not have the know-how. Tragically, they did not have the insight or the understanding.

Madam President, this Council owes the Select Committee a vote of thanks for the meticulous, rational and objective way that it has handled

the investigation. I for one am glad to find that the Report has proved this Council right in our vote of no confidence passed in June 2000. We now look to the Government to do the righteous thing to recapture public confidence in the area of building of public housing.

In those words, Madam President, I support the Honourable Albert HO's amendment to the original motion put forward by the Honourable Miriam LAU.