

# Surveying Newsletter

測 量 師 導 報

VOLUME 8 ISSUE 2, FEBRUARY 1999

## Interview with Mr. Samson Wong on HKIS 5-Year Plan



*Do you know that the HKIS has its own 5-Year Plan now? In order to further understand the formation and implementation of this significant Institutional Plan, an interview with the Chairman of HKIS 5-Year Plan Working Group - Mr. Samson Wong (currently, HKIS President) was carried out by Mr. Andy Wong, the immediate past Chairman of Junior Organisation. Samson will discuss and share with you his view points on the future development of the Institute.*



*Andy:* Mr. Wong, Why did you have the idea to create a 5-Year Plan for our Institute?

*Samson:* I think that a proper corporate plan is an important guide for any organization to successfully achieve its objectives. HKIS is no exception of course. Since, I took up the position of Junior Vice President in 1997, I have long felt that the surveying profession has lacked clear direction and is facing challenges in different aspects. A strategic framework for the Institute had to be developed and documented in a plan for meeting the changing needs of the society and marketplace in short to medium term. With such a plan, much of our energy and efforts could be focused and we will be clear which direction we should be going.

*Andy:* It is really a great task to formulate such plan! How did you start to do that?

*Samson:* I raised this idea in the HKIS Executive Committee in May 1997 and gained the favourable support and approval

to set up a working group. After several months' studies by the working group and consultation amongst many members in a weekend workshop, a 5-Year Plan (1998-2003) was developed and later endorsed by the HKIS General Council.

*Andy:* Could you briefly introduce the contents of the plan?

*Samson:* Sure. The plan sets out mainly the direction and objectives of ten different areas for institutional activities which include:

1. Academic Education - To enhance the academic and professional standard of student members in order to maintain the Institute's professional standing and to meet the market requirements;
2. Professional Training - To improve the quantity and quality of professional training provided to student members and ensure new members possess the required level of professional competence;



SURVEYING is the newsletter of the HKIS. It is distributed to members, students and friends of the surveying profession free of charge. Anyone wishing to receive a copy may contact the office of the Institute.

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#### Editorial Contributions

Surveying encourages article queries and submissions. Article submissions should include both hard (printed) copy and a diskette in Word format. Contributions should reach the editor at the office of the Institute before the 10th of each month.

#### Information & Contents

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#### The Hong Kong Institute of Surveyors

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Tel: 2526 3679 Fax: 2868 4612  
http://www.hkis.org.hk

#### Office Hours:

Monday to Thursday	9:00am - 5:30pm
Friday	9:00am - 5:00pm
Saturday	9:30am - 12:30pm

3. Administrative Affairs - To improve the efficiency of operations of the Administration Office and provide better services to members;

4. Image and Public Relationship - To improve the image of the Surveyor and increase the influence of Surveyors in society;

5. Market Development - To reinforce and enlarge the existing local market share of the Surveying Profession and develop the overseas market for surveying services;

6. Organizational Structure - To refine the existing structure of HKIS and improve the organization's ability to meet its future challenges by breaking through boundaries and to promote co-operation amongst Divisions and different age groups;

7. Sense of Belonging - To promote members' sense of belonging towards the Institute;

8. Quality Assurance - To ensure the quality of surveying services provided by members;

9. Finance - To raise appropriate financial resources and allocate these to fund institutional and divisional activities;

10. Membership Affairs - To improve the structure of the Membership Committee in order to efficiently deal with membership affairs.

*Andy:* It seems that the 5-Year Plan touches so many different areas. Could you tell me how it is being implemented?

*Samson:* The plan is actually being implemented now. To allocate the human resources, the working group has been recommended some appropriate persons to form different functional sub-committees to deal with each particular area. Actually, the contribution of these sub-committees will be the fundamental element for the successful implementation of the plan!

*Andy:* Could you report on the progress made by these task groups so far?

*Samson:* Yes, of course. Some good progress has been made and we can refer to the table of 'Milestones' shown below. Furthermore, the Public Relations Committee has received approval from the General Council to engage a professional consultant and you will be seeing planned activities to keep the Institute close to the members and the public at large. Also the IT Working Group is studying the feasibility of providing a Communication Networking System for all members in our existing Web-site. A similar sub-committee would be formed and operated in the near future. Nothing would have been achieved without the support of those members who participated in the establishment and implementation of the 5-Year Plan. I should like to take this opportunity to thank them all.

# Milestones

## Targets achieved at HKIS 5 Year Plan and progress made :-

1. A 'Surveying Courses Panel' has been established under the Board of Education and is developing our own accreditation system;
2. The system of the Assessment of Professional Competence is being reviewed by the Board of Education.
3. The service of our Administration Office is improved by extending the opening hours from 9:00 am to 5:30 pm on weekdays except Friday.
4. 'The Hong Kong Surveyor' has been published again since October 1998;
5. The revised HKIS Homepage was launched in October 1998
6. An IT Working Group has been formed and is now upgrading the existing computer system and planning improvement on office automation of our Administration Office.
7. A new Membership Committee, directly reporting to the General Council, has been established to handle our membership affairs;
8. An International Committee has been set up to enhance the International exposure of the Institute;
9. A new Public Relations Committee has been set up to promote the image of Surveyors to the general public;
10. A new MSc Course in International Real Estate was proposed by the Department of Building and Real Estate at the Hong Kong Polytechnic University and bears the Institutes' full support;
11. A Cross-Division Conference called 'Your Home in 2004' will be held on 26 May 1999. This will be the first Surveyors' Conference, addressing issues of all divisions.

# News from the Secretariat

## Confirmation of CPD Events

Members who want to confirm their attendance at CPD events, may check, and make a photocopy, from the attendance list file kept in the HKIS Secretariat Office. The Secretariat will charge a photocopying fee for each copy made.

## The 1999 Manpower Survey of the Building and Civil Engineering Industry

The Building and Civil Engineering Training Board of the Vocational Training Council (VTC), with the assistance of the Census and Statistics Department, will conduct the 1999 Manpower Survey between 1st and 31st of March 1999. The survey aims to collect information on:-

- 1) the number of employees at date of survey,
- 2) the number of vacancies at date of survey, and
- 3) the number of trainees at date of survey.

The HKIS is in support of the biennial manpower survey and we would request for your kind co-operation in response to the survey.

## HKIS PUBLIC RELATIONS SPOKESPERSONS

The Institute is pleased to announce that the HKIS Public Relations Spokespersons for 1998/99 are as follows:

<b>President</b>	- Mr Samson Wong 黃山
<b>Senior Vice President</b>	- Mr Francis Ng 吳恆廣
<b>Junior Vice President</b>	- Mr Stephen Liu 廖凌康
<b>Building Surveying Division</b>	- Mr Kenneth Chan 陳佐堅 - Mr David Chan 陳華偉
<b>General Practice Division</b>	- Mr Tony Tse 謝偉銓 - Mr C K Chan 陳昌傑
<b>Land Surveying Division</b>	- Mr S C Leung 梁守肫 - Mr Jacky Tull 杜振國
<b>Quantity Surveying Division</b>	- Mr T T Cheung 張達榮 - Mr Derek Drew

The main task of the spokespersons is to promote the image of the HKIS and give opinions on surveying related matters to the general public through media interview, attending radio/TV programmes, attending seminars, press releases and by holding press conferences.

Members, if approached by the media, should refer the media to the relevant spokesperson. Members are also encouraged to contact the Institute or relevant spokespersons directly on topical matters affecting their divisions or the institute as a whole.

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# News from Committees

## Bridging Courses - Education Policy

*By the Board of Education*

The HKIS has established a new policy related to all bridging-style courses. As from 1st September 1999, all courses operating bridging components will cease to be accredited by HKIS. This will only apply to new intakes as from 1st September 1999. All students currently enrolled on bridging courses will continue to receive HKIS accreditation.

## HKIS INTERNATIONAL COMMITTEE

*By Mr T N WONG, Committee Chairman*

### Formation of the International Committee

An International Committee has been formed, with the structure of the Committee comprising one Chairman, one member from each of the BS, GP, LS and QS divisions plus one member from the JO.

The members of the committee are:-

Mr T N WONG	Chairman
Mr Thomas CHOI	BS Division
Mr Simon LAI	GP Division (Committee's Hon. Secretary)
Mr Esmond MOK	LS Division
Ms Ellen LAU	QS Division
Mr Andy Wong	JO

### Terms of Reference

- to co-ordinate HKIS's participation in international and regional surveying conferences, workshops and related activities
- to make recommendations to the General Council on international matters
- to identify international issues relating to surveying
- to study, investigate and initiate reciprocal recognition agreements with professional surveying bodies
- to co-ordinate international surveying conferences
- to liaise with representatives of international and regional bodies visiting HKIS's office

## Report on IT Development to meet the Year 2000

*By T T Cheung*

1 In order for HKIS to meet the challenge of the new millennium, it must head towards an IT approach. In this connection, the former General Council approved in November 1998 the formation of an ad-hoc working group

to conduct the feasibility study for the office automation and computerisation in the HKIS Administrative Office and to submit the report and recommended options to the General Council for consideration.

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# News from Committees

- 2 A working group ("WG") comprising a representative from each division and Junior Organisation was then formed as follows:-

<b>T T CHEUNG (Chairman)</b>	ttcheung@iname.com
<b>Gordon S Y WONG (BSD representative)</b>	gsywong@hkstar.com
<b>Chris K D TANG (GPD representative)</b>	bskdtang@cityu.edu.hk
<b>Yvonne CHEU (LSD representative)</b>	lwcheu@hkstar.com
<b>Evenlyn K S KWOK (QSD representative)</b>	nisahkg@ibm.net
<b>Kempis C M LAM (JO representative)</b>	kempis11@netvigator.com

- 3 The WG identified the requirement of a computer upgrade as well as the potential benefits that could be realised from IT.

- a) The prime objective was to improve communications with members. Other objectives included reducing cost of printing and postage and to achieve a less paper office environment.
- b) The WG considered it was necessary to upgrade the computer system including the hardware and software in HKIS in order to achieve operational efficiency.
- c) Y2K compliance before the end of the year.
- d) It was proposed to implement the upgrade in three stages.  
Stage 1: to upgrade existing hardware and software application at the minimum level  
Stage 2: to upgrade the existing membership database programme  
Stage 3: to introduce Intranet/Web Technology in HKIS.

- 4 Stage 1 work is now in progress. The new server and work

stations with Pentium II 350MHz CPU and preloaded with MS Windows 98 and MS Office 97 will be installed at the HKIS Administrative Office in March. I am sure that with these new equipment, the Institute will be able to communicate more effectively with business counterparts and members.

- 5 Stage 2 involves the upgrading of the existing membership database. The new database will enable the Institute to keep more relevant data of a member for membership and educational purposes, to keep CPD records, etc. on top of the usual mailing purpose. We target to complete Stage 2 by mid 1999.

- 6 Stage 3 involves the more challenging move towards IT. The Institute will continue to update the web-site as frequently as possible. We hope that over time we can gradually communicate with members over the web instead of mailing CPD events notice, surveyors lunch notice, newsletters, etc. which will save printing and postage for the Institute and also papers for members. We will send out a questionnaire to members soon, to ask for their preference to receive documents by post or through the web in due course.

- 7 In the long term, we are planning to offer members with a free email address attached to HKIS so that members can communicate with one another through intranet. Soon we will be able to download membership forms, CPD registration forms, etc. and register on-line for CPDs, surveyors lunches, pay subscriptions, etc., in line with the new move of the IT millennium.



# News from the General Practice Division

By Tony Tse, Chairman

## 1. Changes to the Assessment of Professional Competence Format

In last month's Newsletter, I reported to members that there will be certain changes to the APC Scheme. Summarised below are the major amendments for members reference :-

- a) Under the current Guide and Rules to the APC, the Final Assessment comprises Written Assessment and Oral Assessment. Effective from October 1999, the Written Assessment will be conducted as a screening test. Candidates must have passed the Written Assessment before they can proceed to attend the Oral Assessment. For those who have passed the Written Assessment but failed the Oral Assessment, they will be referred for the Oral Assessment component only. However if such candidates have failed the Oral Assessment three times, they will be directed to attend the whole Final Assessment again, i.e. both the Written and Oral Assessments.
- b) The time allowed for the Written Assessment is not more than three hours. Candidates will be given a limited choice of questions and one of them may be compulsory. The format and requirements of the Oral Assessment remain basically unchanged.
- c) The Final Assessment is to be held once

a year as from year 2000, and would be in the fourth quarter of each year.

- d) The Minimum Training Period remains two years but the minimum number of working days required will be increased from 400 days to 440 days. Such increase in the number of days is required in the Final Assessment commencing from the one to be held in October 1999.
- e) A summary of not less than 500 words of the pre-qualification structured learning attended by the candidates is to be included in the Final Report submitted by the candidates attending the Final Assessment as from October 1999.
- f) The Housing Option will be combined with the Valuation Property Investment, Management and Agency Option as from October 1999.

The Guide and Rules to the APC are being amended to incorporate the above changes and the details for implementation, and members will be notified once the amended Guide and Rules are available.

## 2. Land Titles Bill

In December 1998, the HKIS was requested to comment on the latest draft Land Titles Bill by the Secretary for Planning, Environment and Lands. A working group comprised of Mr. David C. Lee, Mr. Francis Lau Tak, Mr. Augustine Wong, Mr. Jonathan Li, Mr. S. C. Leung, Mr. Kenneth Chan, Mr. K.

L. Mok and Mr. Tony Tse, had studied the draft and a letter consolidating our comments was sent to the Secretary for Planning, Environment and Lands last month by our President, Mr. Samson Wong. Set out below are the major points for members' information :-

- a) The HKIS supports, in general, the spirit of the Bill which aims to provide a better guarantee of titles of land by converting the existing system of deed registration into a system of title registration.
- b) It is, however, noted that the draft Bill places emphasis in improving the certainty of ownership but with little attention to the requirements of certainty of particulars of land. The Institute believes that certainty to land ownership as well as particulars of land are of equal importance for a good title registration system. The inadequate information relating to particulars of land under the current system creates numerous problems in land transactions and the Institute urge the Government to improve this aspect.
- c) A good title registration should provide reliable and adequate records about the land e.g. location, size, layout etc. as well as its ownership and encumbrances. The Institute strongly recommends to include a new part in the Bill which will enable existing sub-standard plans be replaced by proper ones.



## News from the Building Surveying Division

By Kenneth Chan, Chairman

### Beijing Construction Supervision Association

After a lapse of over two years since BSD's visit to Beijing in October 1996, BCSA finally came to Hong Kong for exchange. Unfortunately, due to the holding up, by the lost of a passport by one of the eight visiting members, the group arrived one day late in the evening of 20 January 1999. That day was originally scheduled for them to visit the HKIS Secretariat, experience exchange, site visits and welcome dinner. We cancelled all but the dinner. The dinner was attended by ten of our members and we managed to have exchange of ideas and

dialogue and disseminate information of building surveying practices in Hong Kong to them. The President of BCSA wished to have closer collaboration with us. Let us continue to cultivate further relationship with them.



From left to right: Peter WONG, Past BSD Chairman; Kenneth CHAN, BSD Chairman; CAI Jin Cui, President of BCSA; Samson WONG, HKIS President.



## News from the Junior Organisation

### Visit to ... **Musical Farm**

#### Date, Time and Venue:

24 April 1999 (Saturday); 2:30-8:30pm ; Musical Farm at Kam Tin

#### Fees

HK\$240

#### Registration & Enquiry

For registration and enquiry, please contact Ms. Wong Kam Wah at tel: 9456 1418; Mr. David Wan at tel: 2846 5541; Mr. Y.C. Chan at tel: 9102 0395 or Mr. Antony Man at tel: 9452 6728. Or you may e-mail to [kamwah@netvigator.com](mailto:kamwah@netvigator.com).

Places for this very first joint event are limited to 24 only on a first come first served basis. Please confirm your attendance to the above contact before 5 April 1999 (Monday).

You will also be able to make handcraft and...



### The event is Jointly Organised by



Hong Kong Institution of Engineers  
Young Members Committee

The Hong Kong Institute of Surveyors  
Junior Organization







## *News from the Land Surveying Division*

### **Can a Land Boundary Plan be REGISTERED?**

*By K L MOK, Chairman*

Some years ago, one of my clients asked me whether the land boundary plan of his land parcel could be registered in the Land Registry. The answer from the Land Registry was not registrable if it was only a plan that did not affect the interest of the land. The solicitor of my client discussed the matter with the Land Registry and the outcome was still not possible. All of us know that not all the land parcels leased before the World War II bore a properly surveyed boundary plan that could truly depict the dimension and geometry of the land parcel. The Demarcation District Sheet for the Old Scheduled Lots in the New Territories is a nightmare for the landowners in NT. Many of the sub-lessees of the original lease have no knowledge of his section except the area as quoted in the document.

In the recent briefing on the Land Titles Bill, I have raised the same question. If the original plan in the land document is not clear and cannot provide sufficient information about that land parcel, could a land boundary plan prepared by an Authorized Land Surveyor with the declaration of the landowner be registrable. The answer from the stage was that only those documents affecting the interest of land could be registrable, such as a deed poll or the division plan

concerning land transaction. I referred to the following example:- the physical features depicting the boundary of a land parcel will vanish due to the development in the vicinity, the landowner therefore requires a land boundary plan making known to himself in the future as well as to all the adjoining landowners. With the land boundary plan being registered, his interest on the land could be protected. The landowner could incorporate the plan with his declaration that the boundaries of his land parcel were as shown on the plan. It does not mean this plan would override the original sub-standard plan or intentionally make false information, particularly if a Authorized Land Surveyor or Registered Professional Surveyor (LS) prepared the plan.

A few days ago, I received from the Deputy Principal Solicitor of the Land Registry her confirmation, "a land boundary plan certified by an Authorized Land Surveyor and annexed to an owner's declaration stating that it is the land boundary of the land owned by him is registrable under the Land Registration Ordinance as well as the Land Titles Bill if it complies with the requirements of that Ordinance or Bill".

Still, I need to clarify with the Deputy Principal Solicitor on the following points:-

1. should the plan be certified by a Authorized Land Surveyor, or as

well as a Registered Professional Surveyor (LS), and

2. what particular requirements should be complied with.

I will report to you in the future.

### **Comment on the draft Land Titles Bill**

*By LEUNG Shou-chun, MBE, FHKIS, FRICS, RPS(LS), Authorized Land Surveyor, for and on behalf of the Land Survey Legislation Committee  
(Prepared on 21st January 1999 )*

#### **General**

The objective of the Bill as mentioned in the explanatory memorandum is to replace the present system under the Land Registration Ordinance (Cap.128). The Land Surveying Division, of The Hong Kong Institute of Surveyors supported in general, this spirit of the Bill to provide certainty of instruments to be registered in the Land Registry.

However, we land surveyors, regret to find that this alone covers only one part of the need to really improve the present land registration situation. The Bill primarily deals with the land "ownership" aspect but leaving the "boundary" aspect untouched whereas we consider that the latter is the weakest part of the present system. We suggest that to also take care of the boundary aspect is fundamental to the success of the improvement.



## *News from the Land Surveying Division*

### **The shortfall**

Being "ownership" oriented, the present Land Registration System never caters for the boundary description as part of the "title" to land. There was no provision to admit a boundary plan as a registered instrument of its own accord. The situation could be likened to the registration of a car with only its plate number ascertained but without the mentioning of its make or its roadworthiness. The leaning towards ownership was reflected even in the recent exercise of the Land Registry to computerize its records that some existing information pertaining to boundary description were excluded in the computerized printout data.

This being the case that "title" to land is divorced of the "boundary", many problems had cropped up. Redevelopment plans were withheld for boundary conflict reasons; mortgages were not granted to lands of uncertain boundaries; provision of utility services were delayed pending resolution of boundary problems; resumption of land became difficult and unfair; etc. If the adverse effect of all these cases were quantified in terms of money, the result would be alarming.

### **The need**

Notwithstanding that people seemed to have lived with the system for decades, this must not be taken as a silent acceptance. Advocacy for a proper

boundary survey had actually been made from time to time in the past. As early as 1929 when the Head of the Directorate of the Overseas Survey (DOS), UK, Mr. Winterbotham was invited to study the survey work of Hong Kong, he advised that aerial survey be used to revise the DD Sheets for cadastral purpose. In 1959, another authoritative surveyor from UK, Brigadier Hotine, also visited Hong Kong and suggested a continuous survey system to support boundary registration.

When the Hong Kong Institute of Land Surveyors (now amalgamated with the Hong Kong Institute of Surveyors) was formed in late 1970's, the surveyors initiated a proposed Land Survey Bill for rectifying the land boundary records. Actions culminated in a seminar in 1986, when the Secretary for Housing, the Hon. J.R. Todd, among others, also supported the proposal.

Contemporaneously, a Boundary Rectification Working Group was formed by Heung Yee Kok Members and the Government Land Surveyors under the chairmanship of Mr. Charles Yeung, OBE, JP, to investigate the system of boundary demarcation in the rural area. By June 1986, the Group reported to the Land Policy Liaison Committee that legal authority under the appropriate ordinance should be given to effect boundary rectification.

Not only the surveyors and concerned

land administration officers realized the deficiency of the land boundary records, but many judges also grieved over the confused boundary cases brought up to the court. There were no lack of expressions of wisdom in their judgments all criticizing bitterly the record system. An improvement on the system had been overdue.

Needless to say, we have commented on the earlier draft of the subject Bill in the same vein as all the above suggestions. There are sufficient warnings that land boundaries had been a genuine problem and must be addressed.

### **The attempt**

Actions to deal with the boundary issue were not confined to words. An attempt to set up a New Territories Land Tribunal to deal with land boundary problem had actually been made in the late 60's. The concept had reached the stage of a draft Bill which was agreed in a meeting in the Secretariat on 10th May 1968. Unfortunately, the Bill was downgraded in the following year and seemed to have died of natural death.

### **The justification**

An excuse for shying away from the land boundary issue had always been that of leaving the sleeping dog lie. Is the dog really lying or is waking up the dog that risky? We suggest that to attempt the problem is inevitable. Experiences of other countries had shown that to rectify



## *News from the Land Surveying Division*

the boundary records was indeed surmountable. Government should be duty bound to provide a reliable boundary record to its people anyway. The International Federation of Surveyors (FIG), a world-wide survey organization under the United Nation, had issued a Statement on the Cadastre defining that the Cadastre should provide, among others, information about a land parcel, i.e. location, size, improvements, value. Our Institute (HKIS), being a member of FIG, definitely supported this definition and felt obliged to foster a sound land boundary system in Hong Kong.

We see it opportune to rectify the land boundary record now, as to do this together with the subject Bill, will be advantageous in that :-

- (a) the consultation effort could be economized,
- (b) submission to the Legislative Council could be made efficiently, and
- (c) the provision and the administration of the compensation fund could be achieved under one exercise.

Correct plans, hence proper surveys, are unavoidable anyway even if the Bill is to become operative as now drafted. In its section 43 easement, for example, a plan must be required for specifying the "particular part of the land". The ripple effect of defining such a boundary will necessitate the determination of

adjoining boundaries. It would only be just, therefore, to include in the ordinance a provision of proper survey plans for all boundaries.

### **Our suggestion**

Our suggestion is indeed quite straight forward as compared with what has been drafted in the subject Bill. In principle, what we proposed is to introduce new parts which will enable substandard plans be replaced by proper ones in an incremental manner, i.e. only cases involving land boundaries and being subjected to a conveyancing are to be dealt with. The machinery, in the main, should include that:-

- (a) Provision is made to admit land transactions for registration only if these are accompanied by surveyed plans,
- (b) The surveyed plans must be prepared according to stringent specifications and by Authorized Land Surveyors,
- (c) A boundary tribunal (so named as to avoid confusing with the existing land tribunal) is to be established to mitigate boundary problems as and when necessary, e.g. in the case of an ALS's determination being disputed.

### **Conclusion**

The draft Bill represents a positive move towards what it was intended. Notwithstanding the above comments,

we do support the basic idea of simplifying the conveyancing procedure and providing more certainty to land ownership. What we cautioned is that this change alone may give an illusion that all title problems (in its macro sense) would be resolved. Government should take the opportunity to attempt solving the problem comprehensively rather than partially in one exercise. The time should be ripe and the boundary problem is not that non-surmountable. If we can be of any assistance, we would be happy to suggest further.

### **Terms of Reference for the Land Survey Legislation Committee (LSLC)**

*By Rina TSOI, Secretary of LSLC*

The Terms of Reference for LSLC have been discussed and agreed as follows :

- a. To carry out a study on the feasibility of extending the existing legislation related to land boundary survey;
- b. To make recommendations on how the existing legislation related to land boundary survey should be amended to provide a wider and better land boundary survey service to the public;
- c. To develop an action plan for implementation of the proposed amendments;
- d. To advise the Divisional Council on



## News from the Land Surveying Division

matters relating to the land boundary survey related bills and regulations and recommend strategies for promotion of the bill; and

- e. To support LSD Council in providing a means of communication with the ALS and RPS (LS) among the HKIS members on land boundary matters.

Meanwhile, LSD has decided to withhold the publication of "Guidance Notes for Land Boundary Survey" until the finalisation of the review by LSLC.

### Open Forum for the Revision of the Land Survey Ordinance Amendment to the Code of Practice (1st Edition)

An open forum is being organized by the LSLC and tentatively it may be held on 6 March 1999 (Saturday), venue to be arranged.

Items to be reviewed and discussed in the forum will include :-

- a. to review on various aspects of the operation of the Land Survey Ordinance; and
- b. to discuss the proposed amendment to the Code of Practice (1st Edition).

All Authorized Land Surveyors, Registered Professional Surveyors (LS) and members of LSD are invited to join

the forum. Further details will be announced shortly.

### 1998/99 LSD Time Table

By W F YIK, LSD Secretariat

LSD Council will have its Council meeting bimonthly in every second Thursday. The first meeting was held on 10th December 1998. Should members wish to table any items for discussion in the meeting, please inform the Secretariat.

Events for 1998/99 LSD are proposed as follows :-

Date	Event
7 May 1999 (Friday)	Land Surveyors Lunch
29 October 1999 (Friday)	LSD Annual Dinner
26 November 1999 (Friday)	LSD AGM

## Education



### Careers Expo '99

By Cody PANG, J.O. Rep.

The Education & Careers Expo '99 was held on 4th to 7th February 1999 in the Hong Kong Convention and Exhibition Centre. The Junior Organization of the Institute organized a booth in the Expo. 7 LSD members also participated in the event, and offered themselves to man the booth. Thanks for their support.





# News from the Quantity Surveying Division

By T T Cheung, Chairman

**KUNG HEI FAT CHOI!** On behalf of the QSD, I wish you all the best in the year of Rabbit.

## 1. APC and Training

The 1998 assessment have been completed and the results were sent to all candidates before the Chinese New Year holiday. There were 59 candidates who passed the APC, representing a passing rate of 12%, marginally lower than the 14% for the previous year.

The QSD is very concerned with the continued low passing rates in recent years. The entire assessment system would need to be reviewed. It requires the concerted effort of educational institutes, employers and the Institute. Please fax or email me your views to [ttcheung@iname.com](mailto:ttcheung@iname.com). The APC 1999 will take the same format as that of 1998.

In the past, most of the candidates received training in private professional firms and in the government. This year, we notice that quite a number of candidates are now working in contracting firms. Given this environment, it is more difficult for surveyors to benefit from the exchange with colleagues on their professional development. QSD therefore have decided from this year onward, to take the initiative to meet the newly qualified Qs and innovate some programmes so as to foster closer link within the QS

profession, which represents about 40% of the HKIS membership.

## 2. PRC Visit

Further to our visit to the China Association for the Management of Construction Costs (CAMCC) in Beijing in January, the following activities have been arranged:

### a) Agree on regular technology exchange in publications of both Institutes.

We have set up a paper vetting committee within the QSD to select appropriate papers to be published in the journals of both Institutes. Any members who would like to publish their papers in CAMCC's magazine, please send to QSD c/o HKIS.

We are also planning a Questions & Answers column in the publications of both Institutes. Members may forward their questions on PRC practice to us for our onward transmission to CAMCC for response.

### b) Arranging PAQS visit to Beijing in 1999.

The idea was well received by both our PRC and PAQS counterparts. PAQS delegates, led by HKIS QSD, will visit Beijing for technical exchange right after the PAQS Congress held in Malaysia in August 1999.

c) QSD accepted the invitation by the Cost Management Bureau of Shangdong Province to attend and give speeches at the Provincial Cost Engineering Conference to be held on 23-25th April 1999. We will also take this opportunity to wave our flag with the Construction Cost Bureau and Tendering Department in Shanghai before we go to Shangdong.

## 3 Listing of Private QS firms on HKIS web and directory

QSD received a number of complaints on the representation of the list of private QS firms in previous HKIS directories and on the web. We have now decided to maintain a list of private QS firms who satisfy the following definition:

*"A firm or company whose principal business is the provision of professional*



[QSD Chairman, Mr. T.T.Cheung (front left) signed the minutes of meeting with the President of the China Association for Management of Construction Cost, Mr. Yang Si Zhong (front right), in Beijing in January 1999 to formalize the co-operation between the two Institutes]



## News from the Quantity Surveying Division

*quantity surveying consultancy services and at least 66% of whose resident partners or directors are Corporate Members in the Quantity Surveying Division of the Hong Kong Institute of Surveyors."*

Firms wishing to be listed have to declare annually with the proforma Declaration Form available at HKIS office. The list will be updated annually and posted on the Institute's web page or any other appropriate publications and will be provided in good faith to anyone asking the Institute for such a list.

#### 4 Direct access to the Bar Association, Revised SMM and Conditions of Contract.

The Sub-Committees are resuming their work after the New Year Holiday.

#### QSD APC 1998

This year's APC took a different format whereby candidates were required to sit for the entire Practice Problem in an examination hall for 2 days, attempting 2 questions per day. As in the past, each paper was assessed by 2 assessors. The papers would be modulated only, if in a 1 pass and 1 fail situation. All clear pass and modulated pass candidates were required to attend a professional interview. Candidates must pass the Record of Experience, the Practice Problem and the Professional Interview before they are qualified for Corporate Membership of the Institute.

#### The Practice Problem

Every year we emphasize that the Practice Problem are not a set of examination questions, but to enable candidates to draw up considered answers to a series of problems which might appear in a normal working situation, and which will involve the candidates in the exercise of professional judgement. Again, this year, we found that most failed candidates displayed a clear lack of experience in handling the problems posted. Their answers were typically academic, without sufficient appreciation of the fundamental underlying issues to the questions, which we expected the candidates to demonstrate a certain degree of professional judgement.

**QUESTION 1** asked the candidates to prepare a preliminary cost estimate for a proposed development at a site next to a new MTR station under construction so that the developer can put in a bid for land auction. A cost analysis for similar projects was given. It is therefore logical for candidates to use the cost analysis to derive the new cost plan with appropriate adjustments. The project data given was very brief and there was room for candidates to make their own reasonable assumptions. In the adjustment, we expect that candidates to demonstrate (a) that they understand the difference between GFA and GCFA; (b) how to adjust tender price index for historical cost data; and (c) some cost comparison knowledge such as cost of

bored piles foundations are generally higher than that of steel H-piles; higher structural cost for 50 storeys tower block; and lower elevation cost due to less elevation area. The candidates were expected to present a complete estimate with scope of estimate, inclusions and exclusions, a brief standard of the development or outline specification and a reasonable cost per square metre and a total cost of the proposed development.

**QUESTION 2** asked the candidates to provide contractual arrangement advice to the developer who was successful in the land auction and intended to start piling works for the new development while the site was still under the control of MTRC and the station contractor in order to save time, finance charges and achieve early pre-sale of residential units. Candidates should be aware that the developer cannot bring in their contractor to the site nor enter into direct contract with the existing station contractor for the piling work as the site is not yet handed over to him. The only sensible solution is to assume that MTRC have no objection to the station contractor to take on the extra piling work with some contractual conditions to be mutually agreed. The candidates were expected to provide professional advice as the way to proceed and cover those essential contractual elements in the supplemental agreement to be signed by the three parties. The key issues to be addressed should include, but not limited to, the price of the extra works,



## *News from the Quantity Surveying Division*

the overall and sectional completion of the existing contract and the extra work, L/D for any delay of the extra work, basis of variation to the scope of extra works and valuation of variations, no claim provision clauses for any interface problems between the existing contract and the extra work, and the form of indemnity to MTRC by the developer and the station contractor to cover the risk of any delay to the station contract of the MTRC. Bonus would be given if the Candidates could draft a fairly good agreement or an indemnity.

**QUESTION 3** The developer had a potential risk of idling the site for 2 months without a main contractor to start the superstructure work due to abortive works by the developer at the design stage. The candidates were asked to prepare a report to propose two alternative tendering methods to achieve the developer's requirements. It is a relatively straight forward question as the options are opened. It is expected that the candidates would present a report in a professional manner advising the pros and cons of the two proposed tendering methods addressing the time and cost issues and put forward their arguments as to how the developer's requirements are met in their recommendation. Some candidates were reciting their understanding of the tendering methods without demonstrating their ability to apply such knowledge in practice with particular regard to constraints of the project in question such as how these

methods would affect the developer, the design and consulting team, the potential contractor in relation to the work involvement, work progress, time of construction and the eventual cost implications to the project.

**QUESTION 4** posed practical issues a practising QS often encountered, namely contractual claims. The candidates were asked to advise the Architect on the validity of the claim submitted by the main contractor for extension of time due to (1) delay in possession of part of the site by the piling contractor, and (2) the abnormal inclement weather and its subsequent effect which affected the work due to the delay possession of the site. Some key contractual information were given to the candidates with the question. Candidates tended to conclude very quickly whether the claims were valid or not on the face of the case without addressing the problems in detail in relation to contract provisions. In reality, it is not easy to judge whether a claim is valid or not without going through the anatomy of the case. Candidates must demonstrate that they had a basic understanding of the contract, ability to analyse the critical elements of the claim, put forward arguments and counter-arguments under the contract before a recommendation is drawn up.

**QUESTION 5** tested the Candidates contractual knowledge in relation to the Architect's right under the contract. Can

the Architect issue an instruction to the contractor to carry out additional work beyond the contract completion date without being claimed by the contractor for extension of time, taking advantage of the fact that the overall project is delayed by the contractor and that a variation could be carried out concurrently with other remaining contract works? Can the Architect issue further instruction to order the contractor to rectify non-compliance work after the issue of Final Certificate? Again, candidates were expected to demonstrate their ability to analyse the problem posted and put forward their arguments under the contract. It is quite disappointing to see candidates take the question on the face of it without exercising their professional judgement in detail before they form their opinion. For example, in this case the candidates were expected to discuss the conclusiveness of the Final Certificate by referring to clause 30(7) of the standard form of Building Contract and advise under what situation the Client's interest was properly protected against fraud, dishonesty, fraudulent, etc. of the contractor and the mistakes made by the Architect. It was quite dismaying to find that a number of candidates were unable to distinguish the difference between defects and non-compliance work as in the case of the contractor putting up wrong ceiling tiles and therefore failed to provide proper advice to the Client to recover his loss.

# Feature

## Pay When Paid Provisions



By John B Molloy,  
LLB (Hons), BSc  
(Hons), FHKIS,  
FRICS, ACIArb  
Managing Director,  
James R Knowles  
(Hong Kong)  
Limited

Main contractors when drafting their own conditions of subcontract will usually include a clause which provides for payment to the subcontractor only after payment has been received by the main contractor from the Employer, i.e. a pay when paid clause.

In *Schindler Lifts (Hong Kong) Ltd v. Shui On Construction Co Ltd (1984) 29 BLR 95* the court examined a classic example of a pay when paid clause, which provided:

*"Within fourteen days of receipt by the Main Contractor of payment from the Employer against any certificate from the Architect the Main Contractor shall notify and pay to the Sub-Contractor the total value certified therein in respect of the Sub-Contract Works and in respect of any authorised variations thereof and in respect of any amounts ascertained under clause 8(c) hereof less [retention money and amounts previously paid]."*

and considered it to be valid.

This type of clause places a heavy burden of risk upon the subcontractor. The subcontractor takes the risk not only of the employer not paying the main contractor because he is bankrupt or in breach of the main contract, but also because the employer may be setting off sums due to the main contractor due to some extraneous complaint by the employer against the main contractor unrelated to the sub-contract. Indeed it was for this latter reason that the employer withheld moneys (in respect of liquidated damages) from the main contractor in the Schindler case

## Announcements

### 1999 ASIA PACIFIC CONGRESS

The International Cost Engineering Council, the Pacific Association of Quantity Surveyors, and the Institution of Surveyors, Malaysia, is pleased to announce their 1999 Asia-Pacific Congress.

A special invitation is extended to all quantity surveyors and cost engineers to participate in the Third Asia-Pacific Quantity Surveyors Congress (PAQS '99) in Kuala Lumpur, Malaysia, August 26th-28th, 1999.

The Congress is jointly organised by the Board of Quantity Surveyors of Malaysia and the Institution of Surveyors,

Malaysia. The theme for the Congress is Quantity Surveying in the New Millennium - Challenges and Opportunities.

The venue for the Congress is the Sunway Lagoon Resort Hotel, Kuala Lumpur, Malaysia.

For information, contact:

Ms Katherine Thiang, ISM, PO Box 171, Selangor, Malaysia  
Phone: +603 755 1775 Fax: +603 755 0253  
E-mail: [ism@po.jaring.my](mailto:ism@po.jaring.my)

or see the Congress announcement at  
<http://members.theglobe.com/3rdpaqs/index.htm>.



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mentioned above. Leading authorities such as Mr I N Duncan Wallace in, Hudson's Building and Engineering Contracts, maintain that such a position is incorrect because the giving of credit by the employer to the main contractor for the full value of the sub-contract works is indistinguishable from receipt of payment. However, the courts in Hong Kong do not appear to share Mr Duncan Wallace's view.

In the United Kingdom pay when paid clauses have recently been outlawed by the Construction Act of 1996 except for situations where the employer is bankrupt. In such situations the legislators considered that it was reasonable for the sub-contractor to share such risk with the main contractor.

In Hong Kong where the Construction Act does not apply, pay when paid clauses remain common.

However in two recent cases the courts have thrown out attempted pay when paid clauses by drawing distinction between situations where the intention of the clause is to determine **when** payment will be made as opposed to where the intention of the clause is to determine **if** payment will be made.

In the New Zealand case of **Smith and Smith Glass Ltd v. Winstone Architectural Cladding Systems Ltd [1992] 2 NZLR 473**, the court considered a clause which provided:

*"We will endeavour (this is not to be considered as a guarantee) to pay these claims within 5 days after payment to Winstone Architectural Limited of monies claimed on behalf of the subcontractor."*

Whist the judge accepted that there could be circumstances where an if clause may be valid he considered that if that had been the intention of the parties it would need to have been made entirely clear in the clause. He said:

*"While I accept that in certain cases it may be possible for persons contracting with each other in relation to a major building contract to include in their agreement clear and unambiguous conditions which have to be fulfilled before a subcontractor has the right to be paid, any such agreement would have to make it clear beyond doubt that the arrangement was to be conditional and not to be merely governing the time for payment. I believe that the contra proferentum principle would apply to such clauses and that he who seeks to rely upon such a clause to show that there was a condition precedent before liability to pay arose at all should show that the clauses relied upon contain no ambiguity."*

*"For myself I believe that unless the condition precedent is spelled out in clear and precise terms and accepted by both parties, then clauses such as the two particular ones identified in this proceedings do no more than identify the time at which certain things are required to be done, and should not be extended into the "if" category to prevent a*

*subcontractor who has done work from being paid merely because the party with whom he contracts has not been paid by some one higher up the chain"*

The court therefore held that the wording in the subcontract was not sufficiently clear to allow the main contractor to withhold payment from the subcontractor on the ground that money had not been received from the employer.

This case was approved recently in the **Hong Kong High Court in Wo Hing Engineering Ltd v. Pekko Engineers Limited (7 September 1998)** where the judge said that when having to construe a pay when paid clause:

*"..sufficiently clear words will have to be used before a court will be prepared to construe that such a clause imposes as a condition to payment to the main contractor which had to be fulfilled before the sub-contractor as the right to be paid as opposed to limiting the time for payment."*

Accordingly whilst pay-when-paid clauses are still common in Hong Kong and are still in principle valid it seems clear that the courts will now require very clear wording if they are to accept that payment by the Employer to the main contractor is a condition precedent to the main contractor paying the subcontractor.

# Feature

## Surveyors Luncheon on 26 January 1999

Mr David H T Lan, JP, Secretary for Home Affairs, Government Secretariat, Home Affairs Bureau, was the Guest of Honour at a Surveyors Lunch, held at the Sheraton Hotel, Kowloon.

The topic of his speech was "Follow up to the Public Consultation on Proposals to Improve Fire Safety in Private Buildings - Amendments to the Building Management Ordinance". Below is an extract from his speech, followed by a response to the speech by Mr Chan Jor-Kin, Kenneth .

### Speech by Mr David H T Lan Secretary for Home Affairs to The Hong Kong Institute of Surveyors at the Surveyors Luncheon on 26 January 1999

Mr President, Members of The Hong Kong Institute of Surveyors, Ladies and Gentlemen,

Thank you for inviting me to speak to you at this Surveyors Luncheon today.

It is my pleasure to address the Institute which I understand has a membership of some 2,500 surveyors engaged in professional activities in both the private and public sectors. Incidentally, one of your members, a Building Surveyor, works in my Bureau as Assistant Secretary for Home Affairs (I am happy to say that he has been doing a good job!) Your Institute has actively participated in the first Building Management Resource Centre operated by the Home Affairs Department and has offered free

professional advice to the Centre's clients. I take this opportunity to thank the Institute for your unfailing support which I trust will no doubt continue.

The topic of my speech today is "**Follow-up to the Public Consultation on Proposals to Improve Fire Safety in Private Buildings - Amendments to the Building Management Ordinance**".

As you are aware, Government issued a consultation document in June last year and conducted a two-month public consultation exercise. A wide range of bodies and organizations were consulted, including your esteemed Institute, the Legislative Council and its Panel on Security, 18 Provisional District Boards or their committees, over 50 professional bodies, interest groups, political parties and district organizations. The community is generally supportive of Government's various proposals to improve fire safety and building management of private buildings. We are now formulating

detailed measures including legislation as necessary to bring the proposals to fruition.

The Home Affairs Bureau is also working with the relevant Bureaux and Departments to take forward the long term measures on building management as proposed in the consultation document. To give you an idea of the direction we are heading, we will introduce the following to improve the management and maintenance of private buildings:

- first, we will specify management and maintenance standards for compliance by owners' corporations and we will provide for sanctions against non-compliance;
- second, we will provide for a certification scheme whereby owners of certain problematic buildings are required to produce a certificate from Authorized Persons certifying that their buildings are free

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from fire hazards;

- third, we will introduce mandatory management of serious problematic buildings; and
- fourth, we will provide for automatic formation of owners' corporations in new buildings.

The implementation of these measures will require legislative amendments. The Building Management Ordinance which provides for the incorporation of owners of buildings and management of buildings will be amended to incorporate these proposals. Now I will outline some of the proposed legislative amendments.

On the specification of management and maintenance standards, section 18(1) of the existing Building Management Ordinance provides for, inter alia, certain obligations of an owners' corporation in relation to the management and maintenance of the common parts of the building. Briefly, an owners' corporation (OC) shall maintain the common parts of a building in a state of good and serviceable repair and clean condition, and shall carry out such works as may be ordered in respect of the common parts by any public officer in exercise of the powers conferred by any Ordinance. However, this provision describes situations that are general rather than specific in nature. It has not specified the standards of management and

maintenance that are expected of an OC. Further, there is no sanction against an OC if it fails to fulfill its obligation of managing and maintaining the common parts of the building. We therefore propose to amend the Building Management Ordinance to provide for these shortfalls. Specific standards such as maintaining the means of escape in the common parts free from any obstruction and fire hazard will be clearly listed out in a Code of Practice referred to in the Building Management Ordinance for the OCs' compliance, and sanctions will be stipulated for non-compliance.

On the certification of buildings on fire safety, at present, there is no statutory requirement for owners to hire qualified professionals to inspect the common parts of their buildings for fire and building safety on a regular basis and to produce a certificate on safety. We believe that such inspections will help owners understand the safety conditions of their building and identify the remedial works required at an early stage. We therefore propose to introduce a statutory certification scheme whereby owners of certain problematic buildings are required to employ an Authorized Person, registered under the Buildings Ordinance, to inspect the common parts, including the means of escape, of their building and to certify that the building is free from fire and building hazards. A new provision will be needed in the Building Management Ordinance to take

forward this scheme.

On the proposed mandatory management of problematic buildings, from the recent territory wide survey of buildings by the Fire Services Department, many buildings were found lacking in proper management. A properly managed building has lower fire risks. At present, there is no statutory requirement for owners of buildings to employ a building manager. We consider that owners of problematic buildings, as identified by the Director of Buildings or the Director of Fire Services, shall be compulsorily required to effect specific building management measures to improve the fire safety of their buildings. There would be clear sanctions stipulated in the law against non-performance. In addition, they will be required as necessary, to employ a building manager or a building management company with adequate and relevant experience. If they decline to do so, I, as the Authority, may appoint one for them and recover the costs and fees from the owners.

I will now turn to automatic formation of OCs in new buildings. The existence of an OC in a building will help improve the management of the building. However, the formation of OC under the existing Building Management Ordinance is entirely voluntary. While we will continue to encourage owners of existing buildings to form OCs, for new

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multiple ownership buildings we propose to introduce a mechanism whereby an OC will automatically be formed when the owners register their respective titles with the Land Registrar.

As regards timing we plan to introduce these amendments into the Legislative Council in the 1999/2000 session.

Counting the time from today, we reckon that the whole process would take about 11 months. As practising professionals



in the buildings and lands sectors, the implementation of the measures I have just outlined will no doubt involve your

professional assistance and participation. I therefore urge you, both as an institute and as individuals, to support these proposals and to work with owners of private buildings in Hong Kong to improve the safety, management and maintenance of the buildings. We all have a duty to make Hong Kong a better

and safer place to live in.

Thank you.

## Response to the Speech by the Secretary for Home Affairs

By Chan Jor-kin, Kenneth

Thank you Mr Lan for your most informative and encouraging speech. The proposal outlined in your speech is essentially that of promoting "Good and Proper Management and Maintenance of Buildings to Achieve a Better and Safer Living Environment and Preserve and Enhance These Most Valuable Assets of Ours". I wish to respond by providing the following for your further consideration. You talked about the standards of management and maintenance. It is important that not only that the standard must be set but also the system to monitor the same. I

believe a Code of Practice will pave the way. It should prescribe the essential management standard and the requirements for planned maintenance. Our Institute should be competent to provide input in this aspects. It is also important that a maintenance and repair fund be set up at the outset when the buildings are occupied. This will ensure that necessary financial resources are made available when needs arise.

It does not have to be emphasized that good management produces good management and maintenance results. The existence of owners' bodies does improve management. How about the integration of the two? Owners' bodies incorporated with professional

management and maintenance entities. The 'Management Corporation' model currently in force in Singapore. Suitably qualified entities or firms are pre-qualified for this set up.

We have been urging maintenance and self certification very hard in the past for the same. We are glad to hear finally that the Home Affairs Bureau is taking this bold step. We certainly wish the Bureau luck and success in this venture.

Finally, we would be anxious to see that your full legislative changes proposal is made available for consultation soonest before presenting to the Legislative Council for approval.

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# Feature

## Will Hong Kong's Public Housing Estates Degenerate Into "Slums"?

Article submitted by the Hong Kong Housing Department Maintenance Surveyors Association, January 1999

In the November 1998 issue of the "House Talk", a publication by the Hong Kong Housing Authority (HA), the above question was answered in the negative by a HA member Mr. Lau Kwok-yu. Three reasons were cited. Firstly, the crime rate in Hong Kong's public housing estates is lower than that in private housing estates. Secondly, HOS home-owners normally contribute just a quarter of their household income towards mortgage repayment, a ratio which is far lower than that of their private-sector counterparts. Thirdly, significant resources are committed to repair and maintenance work in public housing.

Mr. Lau's assumptions may be valid if the situations remain status quo. But circumstances are changing.

As an organisation of building maintenance professionals, we would like to voice out our views on this matter. We also hope that our views could generate other members' views on this much neglected but important issue.

### Rental Housing Estates

The term "Public Housing Estates" is a

bit misleading. Many people will tend to take it as to mean Public Rental Housing Estates. But from the answer given by Mr. Lau, the term seems to include HOS (Home Ownership) Courts as well. Since the introduction of the Tenants' Purchase Scheme (TPS), there is also a new type of "Public Housing Estates" - the TPS Estates.

As regards to Public Rental Housing (PRH) Estates, quoting Mr. Lau's statement that the crime rate in these estates is lower than that in private housing estates, and, we very much agree that these estates will not turn into slums if the standard of management and maintenance of these estates could be maintained. In very actual facts, history tells all. We have PRH estates as old as over 40 years. Yet we do not see any slum. We agree that one of the main reasons is that significant resources are being committed to repair and maintenance. Together with management costs, repair and maintenance accounts for the major elements of the HA's subsidies to the tenants. It is therefore of paramount importance that same amount of resources, including the same level of involvement of maintenance professionals, are being put into repair and maintenance.

But there is another important reason which is the comprehensive redevelopment programmes of the older estates. Estates or residential blocks which reach their economic or physical

lives are redeveloped by the HA. As HA is the sole owner, problems in the redevelopment of private building e.g. individual flat owners' consent etc. do not exist.

### HOS Courts

As regards to HOS courts, we also agree that they will not turn into slums provided that they are still managed and maintained in the current manner. Again, history tells all. Our HOS courts include buildings of about 20 years old. Yet all of them are reasonably maintained and managed with hardly any unauthorised structures. Their conditions are far better than a number of privately owned, low valued residential blocks of the same age, bearing in mind that some of these private buildings have their OCs and managed by companies chosen by the owners!

Although most HOS Courts do not form their OCs and take their own initiatives to manage their properties, there are no such management problems as faced by similar privately owned multi-storey residential blocks which are giving so much hard time to the Home Affairs Department. The main reason for this is that HA is still bearing the responsibilities of management and maintenance. The buildings are still being looked after by HA management and maintenance professionals.

### Changing Circumstances

But that is all history. It is not hard to see

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that the HA is gradually shedding its responsibilities and initiative in the management and maintenance of HOS Courts by saying that 'the owners should manage their own properties and should choose their own management companies'. As compared with private residential blocks of similar types and values, we are quite pessimistic that the HOS Courts would follow the similar path of those private blocks / estates which are poorly managed and maintained even with the formation of OCs.

At present, HOS Court owners are quite self-conscious on keeping their properties, including the common area, clean and tidy and there is not much vandalism. But poor management generates poorer management and vandalism generates more vandalism. Once the building starts to fall into disrepair, the self-consciousness will be lost and lost forever. As rightly pointed out by Mr. Lau, HOS home-owners normally contribute just a quarter of their household income towards mortgage repayment. This means that they are financially capable of repairing and maintaining their properties provided the costs are maintained at the present level. But once the properties fall into disrepair and vandalism starts to aggravate, these owners will face a much greater bill on repair and maintenance. This bill would be difficult to pay and owners would eventually choose not to pay. The process of slum then begins!

## Tenants Purchase Scheme Estates

As regards to the TPS Estates, we are very pessimistic. Quite a number of our members also share the view that these estates are facing a high probability of turning into slums. The reasons are similar to those given above for HOS Courts but with the following additional facts which will increase the probability and speed up the process toward slum formation :

1. The HA has already started the process of shedding its responsibilities and initiative in the management and maintenance of these estates. The HA has already using every means to "assist" the formation OCs and encourages the owners to manage and maintain the estates. Maintenance professionals are no longer involved to oversee the the day-to-day maintenance activities.
2. The vandalism and misuse of facilities in PRH estates are much more serious than in HOS Courts. This is an undeniable fact reflected in the great difference in the maintenance and repair costs between these two types of estates. As around 40% of the occupants are still tenants and it is also not easy to expect the new owner-occupants to change their behaviour overnight, the problem of vandalism will still persist.
3. There is the provision of management fund of about \$14,000 per flat, which is the average maintenance cost per flat for 10 years. However, the owners have every right to use or not to use the fund. There is no guarantee that the fund will be used properly on maintenance. In fact, there is a chance that the huge amount of money in the management fund (could be as much as \$100M per estate!) would generate unexpected conflicts and problems among the OC Members and could even attract outside organisations who might like to take a share in this big cake. Afterall, the provision of the management fund will only delay the process rather than prevent slum formation.
4. The creation of mixed tenure residential blocks has created management and maintenance problems as experienced in the U.K. as a result of the sale of council flatted apartments. Similar to our concept of maintenance fund provisions, flat owners in the U.K. are given 5-year maintenance guarantee. The U.K. experience is that once this 5-year period expires, lending institutes are only willing to provide very low percentage of mortgage to potential purchasers as they are fully aware that either the properties will quickly fall into disrepair or that the purchasers will need to pay very high maintenance costs in future. In some U.K. cases, bills for major works have exceeded the market value of the dwelling!

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5. Unlike PRH estates, TPS Estates will be impossible to be redeveloped without any intervention by the Government. Furthermore, comprehensive and costly upgrading programme will be difficult, if not impossible, to carry out as consent from owners would be hard to obtain.

## Rent Or Buy Scheme

As a piece of additional information, the HA is about to introduce the Rent-Or-Buy Scheme which might also turn newly completed public rental estates into mixed tenure estates. If this is the case, we would expect the same kind of problems in the management and

maintenance of these estates as TPS Estates. Similar path towards slum formation would also be followed.

As the building maintenance professionals in Hong Kong, we are fully aware that the general public is still not conscious enough on building maintenance though the government and HKIS has been working towards educating the general public on the importance of this subject. Without any discrimination, the level of consciousness on building maintenance possessed by owners of low value residential blocks is even lower. Passing the buck of management and

maintenance to the owners of public housing estates is to put these estates to the road to slum. The valuable assets of real properties are put at stake and the society as a whole would have to bear the undesirable consequences - "SLUM".

We believe that our views would generate attention and views from other members of the HKIS. We also believe that the important issue of slum formation deserve much more attention from the public and the Institute. Perhaps, some kind of study group could be set up by the Institute to further study the issue more thoroughly and comprehensively.



THE HONG KONG  
POLYTECHNIC UNIVERSITY  
香港理工大學

## MSc / PgD in Project Management Department of Building and Real Estate

### Programme Aim

This is a self-financed postgraduate programme by "guided" distance learning, which targeted for construction professionals in Hong Kong and the Mainland China. The primary aim of this programme is to provide an opportunity for practicing surveyors, engineers, construction managers, technologists, and other related professionals to broaden and deepen their knowledge in project management, in the construction context.

### Entrance Requirements

Bachelor degree in construction related disciplines or equivalent, preferably with relevant working experience in project management.

### Credits and Fees

Credits required for graduation: 30 credits for MSc award and 21 for PgD award.  
The fee for each credit is at HK\$2,700. (MSc: norm 3 years / PgD: norm 2 years)

### Application

The selection process will be held in April 1999. For those who are interested please collect the application form at Room AG 301, Academic Secretariat, The Hong Kong Polytechnic University, Hung Hom, Kowloon; and return the completed form on or before 26 March 1999. For inquiry, please call Miss Maria Chui, at 2766 5808 (Department of Building and Real Estate) or at 2333 0600 (Academic Secretariat).

- 始創於 1872 年
- 總部設於瑞士蘇黎世
- 環球十大保險集團
- 客戶人數超過 3,000 萬
- 所聘員工超過 68,000
- 業務遍佈全球 53 個國家
- 管理資產總值超過 30,000 億港元

# 全情為您 獻禮延續

為香港測量師學會會員尊享

## 專業人仕汽車保險

**\$1 保費**

### 其他專業人仕保險優惠

#### 樓宇按揭火險

- 免費戶主及家人個人責任保險  
最高可達 HKD5,000,000
- 條款符合銀行及財務公司要求
- 每 HKD1,000,000 投保額  
保費只需 **HKD600**

#### 家庭僱傭保險

- 僱主責任、臨時替代傭工津貼、  
傭工運送費用、個人意外保障
- 住院、門診及牙科醫療保障  
保費由 **HKD422** 起

#### 旅遊保險

- 個人意外保障  
最高可達 HKD1,000,000  
保費由 **HKD80** 起 (4天)

**\$80 = 幸運大抽獎、  
贏取全新名貴房車一部，詳情  
請致電測量師熱線查詢。**



### 專業的您

是否正付出高昂而不合理的汽車保費？

我們深信身為香港測量師學會會員，專業人仕的您，處事謹慎，駕駛小心。令保險公司所承擔的風險及作賠償的程度，相對比普羅大眾為低。理所當然，您所付出保費也應較低廉。因此我們願意為您提供**更低汽車保費**。此外，詢眾要求，本公司特意繼續為您獻上此**一元保費**優惠\*，及訂閱「車主雜誌」八折優待，讓您駕駛更輕鬆。

### 簡易登記 即享優惠\*

- 1) 致電 HKIS 會員熱線 2903 9393 登記
- 2) 將現有保單內 Schedule 部份 (列明您的姓名汽車資料) 傳真回本公司
- 3) 我們隨即奉上續保報價書，以低於您現時保費續保。只需付出多**一元保費**保障期就多一個月 (合共十三個月)。保費由 **HKD1,030** 起

### 蘇黎世汽車保險保障包括：

「無索償折扣」、新車賠償不扣折舊、車頭玻璃無限次索償及汽車個人意外保障等。



### HKIS 會員個人保險熱線

**2903 9393**

全天候一站式個人保險服務中心：

電話即時報價、直接投保服務

全面個人保險諮詢、代送保單服務

24 小時路邊緊急維修及拖車、後備車輛服務

24 小時全球緊急支援服務

24 小時索償熱線

72 小時賠償承諾



蘇黎世 630

由 99 年開始我們為您額外提供 11,205 分鐘服務時間！

辦公時間

星期一至五：上午八時四十五分至下午六時半

星期六：上午九時正至下午一時正

星期日及公眾假期休息

### 蘇黎世 (個人保險) 推廣有限公司

電話：2903 9393 傳真：2903 9340 <http://www.zurich.com>

We care... 全情為您 關懷備至...



**ZURICH**

蘇黎世

Motor Insurance for Professionals like you "\$1 Premium"... Should you need details in English, please call Customer Services Hotline at 2903 9393.

\*這項優惠不適用於二十五歲以下、不足兩年駕駛經驗或 0% NCD 之駕駛人仕。本公司保留申請之最終決定權利。