

# Surveying Newsletter

測 量 師 導 報

VOLUME 8 ISSUE 7, JULY 1999

## Message From The President

### Construction Services Sector Initiative

Samson WONG

**H**KSAR's construction industry is now facing an over capacity problem. Apart from meeting the needs of the local market, professional bodies in the construction services sector firmly believe that there is a definitely room for promotion, that can be explored to market Hong Kong's construction services in the international arena. With the support from the SAR administration, we believe we will be able to develop our competitive advantage in the shortest possible time. It is foreseen that, apart from the professionals, developers, legal and banking services would have to be part of the initiative. Below, is a summary of the joint letter to the Financial Secretary, Mr. Donald TSANG, dated 12 June 1999, by the HKIA, HKIE, HKILA, HKIP and HKIS:

1) With high operating costs and with the migration of the manufacturing sector to the Mainland, Hong Kong SAR is now more than ever a service

economy. While the administration is aggressively promoting the traditional service sectors and encouraging the establishment of new high tech high value added industries, **the potential of the construction sector should be further developed not only to serve Hong Kong but also the huge market in the Mainland and in the region.**

2) **The approach through World Trade Organisation (WTO) agreement to international markets is available for exploration, US and European governments see this as a way to promote not only their industrial and production sectors but also their services sectors.** Individual groups in HKSAR attempting to enter this market are totally disadvantaged as they are competing with government supported and sponsored operations. Asian examples of this scenario are

the Japanese and Korean construction bids which have been able to upstage both the US and the European consortia. Recently, the Singapore government has used this technique in Vietnam, Laos and China, and currently, the Singapore government, through its Housing Board, is offering to manage HKHA Estates.

3) **The reason for government intervention and backing is to be able to produce an entire package from inception through to management.** This means that financing and loan packages are essential to the success of any bid and extra incentives such as government to government pressures play an increasingly important role. The success of French architects, engineers and contractors in China recently is a good example of this governmental pressure.



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.

#### HKIS EXECUTIVE COMMITTEE 1998/99

President	Samson Wong - 黃山 FHKIS, FRICS, ACIArb, AP, RPS (BS)
Senior Vice-President	Francis Ng - 吳恆廣 FHKIS, FRICS, ACIArb, RPS (GP)
Junior Vice-President	Stephen Liu - 廖凌康 FHKIS, FRICS, ACIArb, RPS(QS)
Honorary Secretary	Winnie Shiu - 蕭慧儀 AHKIS, ARICS, RPS (LS)
Honorary Treasurer	Albert So - 蘇振顯 BSc, FHKIS, FRICS, FCIH, FHKIH, RPS(GP)
Chairman, Board of Education	Barnabas H. K. Chung - 鍾鴻鈞 M.Soc.Sc, FRICS, FHKIS, FBEng, FFB, FRSH, MIMgt, ACIArb, Gov WOBO, AP, RPS(BS)
Chairman, Membership Committee	David Chan - 陳華偉 FHKIS, FRICS, AP, RPS (BS)
Immediate Past President	T. N. Wong - 黃天元 FHKIS, FRICS, RPS (LS)
Chairman, Building Surveying Division	Kenneth J. K. Chan - 陳佐堅 FHKIS, FRICS, ACIArb RPS (BS)
Chairman, General Practice Division	Tony Tse - 謝偉銓 FHKIS, FRICS, RPS (GP)
Chairman, Land Surveying Division	K. L. Mok - 莫景良 FHKIS, FRICS, RPS (LS), ALS
Chairman, Quantity Surveying Division	T.T. Cheung - 張達業 BSc (Hons), MSc(Arch), FHKIS, ARICS, RPS (QS)
Chairman, Junior Organisation	Anthony Man - 文志泉 AHKIS, ARICS, RPS (QS), MACostE
<b>SECRETARIAT</b> Secretary-General	Gordon M. Y. Ng - 吳文仁 AHKIS, ARICS, RPS (GP)

#### EDITORIAL BOARD

Hon. Editor	Winnie Shiu
BSD rep.	Alan Sin
GPD rep.	Melissa Pang
LSD rep.	Paul Ng
QSD rep.	Rowson Lee
JO rep.	David Wan
E-mail: editor@hkis.org.hk	

#### 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

No part of this newsletter may be reproduced without the permission of the Institute. Contents of the newsletter do not necessarily reflect the views or opinions of the Hong Kong Institute of Surveyors and no liability is accepted in relation thereto.

#### Advertising

All advertisements and small ads are welcome. SURVEYING is reaching over 5,000 readers. For detailed information & advertising rates, please contact Ms Margaret Yung of the Secretariat office at 2526 3679 OR Mr. Charles Yiu of Corporate Culture at 2802 6949.



#### The Hong Kong Institute of Surveyors

Suite 510, Jardine House, Central, Hong Kong.  
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

- 4) **The Hong Kong construction sector is one of the most advanced in the world particularly with respect to infrastructure projects** e.g. mass transit, bridges, tunnels, water and wastewater treatment plants and high-rise buildings, high density housing schemes, hospitals, schools, etc. **This expertise extends to the operation and management of such facilities.** Therefore an extremely wide range of the service sectors from banking through all the construction professions to management are involved.
- 5) **Disparate actions of individual professionals and companies will not succeed whereas a concerted effort particularly with governments backing gives these bids an authority of a national importance.** Experience has taught us that individual companies do not win in the WTO race - governments play a pivotal role in the success rate particularly with respect to financial packages and backing. No matter how good the technical bid is, it will be beaten if the finance is, a normal commercial arrangement.
- 6) Because Hong Kong is a small market, the construction industry is prone to cyclical demands and this is why the cost of building in Hong Kong is expensive. We are spending large sums on training, legislating and supervising but the industry constantly has to survive through "bust of boom" cycles. **If an international market can be developed these differences can be eased and the net gain to Hong Kong is international business complemented with reduced local costs. It is a win win situation.**
- 7) An international register, formulated on the experience gained by local tendering, could provide a national pool of expertise, and teams could rapidly be assembled to bid for international projects as soon as the intelligence is received.

#### **Government support could be in the form of:-**

- setting up of "H.K. Inc";
- market intelligence;
- facilities in various TDC offices outside of Hong Kong;
- market promotion;
- guarantee on tender and performance bonds;
- guarantee on consortium funds to execute construction works.

# *Past President of HKIS appointed as the new Convenor of the Executive Council of the HKSAR Government*

## *- Mr LEUNG Chun-ying*

*An interview was conducted with Mr. LEUNG Chun-ying, upon his recent appointment as the Convenor of Executive Council, to find out about his new role, his views of the surveying profession and brief details of his history. The interviewers included the current HKIS President, Mr Samson WONG, and Editorial Board representatives, Mr David WAN and Mr Ivan NG.*

*All members of the HKIS would like to take this opportunity to congratulate Mr Leung.*

**DW:** Congratulations to you (CY) for being appointed as the Convenor of the Executive Council (Exco). Being a member for the Executive Council for more than two years, what is your feeling?

**CY:** As the Convenor of the Executive Council, I do feel a very considerable sense of responsibility.

Exco, according to Article 54 of the Basic Law, is "an organ for assisting the Chief Executive in policy-making." Decisions are made in name, and in fact, by the Chief Executive-in-Council, after taking advice from members. Outside of the Council chamber, the Convenor plays a liaison role between the Chief Executive, the Administration and the non-official members.

**DW:** You have been in the Exco for more than two years. Do you have any thing you would like to mention about your work in Exco?

**CY:** The rather unique period in my service on Exco was before the establishment of the SAR. In the few months leading to July 1997, the SAR Exco had to race against the clock to put everything, including draft legislation in place to establish the SAR and the SAR Government.

Exco, as part of Hong Kong's political structure, has a long history and has worked well. The present membership of non-official members covers a very broad range of

expertise. It is no secret that the Chief Executive is a very good listener. In the last couple of years, a lot of papers have come and gone, including some backlog.

**DW:** What do you think are the attributes that enable you to be appointed as the Convenor of Exco and do you have any plan to improve the operation of the Exco?

**CY:** It is not appropriate for me to guess. I shall continue to draw on my experience in the last 10 to 20 years of public service, including the period when I was Vice-Chairman of the Preparatory Committee, and Secretary General of the Basic Law Consultative Committee.

I have the benefit of Dr. S. Y. Chung as my predecessor, who has a wealth of experience in public service and was the senior member of the Executive Council long before the establishment of the SAR. I do not have any plan, nor do I see any need, to change the role of the Convenor.

**DW:** The economy of Hong Kong has relied heavily on the property market in the past. After the property crash and the downturn of the economy, how would you view the Hong Kong economy and the role of the property market within it?

**CY:** The current state of the property market is a direct result of the Asian financial crisis, which reduced

liquidity in the money market. Japanese banks and German banks which together accounted for some 40% of the project financing loan market recalled their loans from their customers and created some kind of a domino effect on real estate and other business borrowers. Asset deflation set in. Real estate is not the only form of asset that has been affected. Neither is the residential sector the only sector of the property market that has felt the pinch.

The Hong Kong economy is unique in that it is open, small, has a high degree of foreign participation and low degree of Government participation. Capital flows, which has assumed much greater importance than trade flows, are characteristically unpredictable in terms of direction and volume, will continue to dominate the



*From left to right: the HKIS President, Mr Samson WONG, Mr LEUNG Chun-ying, Mr David WAN and Mr Ivan NG*

performance of our economy. Having said that, I should also add that Hong Kong has very sound fundamentals. We should not under-estimate and throw away the ingredients of our past success because of the knock-on effects of the Asian financial crisis in the past two years.

Hong Kong has a very dependable infrastructure, both physical and invisible, well developed professions that provide sought-after expertise not only in Hong Kong but also on mainland China, rule of law, and well-tested financial services. All these will continue to stand Hong Kong in good stead in many years to come.

On the other hand, we should not be complacent. The world especially the mainland and other Asian economies are fast changing around us. Their changes in turn are changing the competitive and complementary relations with Hong Kong. A complementary relationship today in a certain economic sector may become competing in the near future. Hong Kong should therefore stand on its toes and watch out for such possible changes. Adaptation, at territory, corporate as well as personal levels will be necessary to ensure continual survival and success.

Hong Kong has no natural resources. The economy depends heavily on value-addedness. Now that we have become a service-based economy, the quality of our workforce, particularly in the service sector, is all the more important.

**DW:** The Government has been doing a lot or is preparing to carry out a number of measures to regain the attractiveness of Hong Kong. These include the Cyberport Development, Disney World, and Fisherman Wharf etc. What is your view of these projects and how will these projects promote Hong Kong?

**CY:** Hong Kong as a whole should continue to look for new opportunities to maintain her advantages amongst other economies in the world. These

new projects are mainly private sector driven projects, facilitated by the Hong Kong Government. There is no question of the Government taking on or doing the job for the private sector. At the end of the day, only the private sector can decide what project is worth pursuing. What the Government can do is to provide policy and infrastructure to make sure that the private sector can go ahead. These projects are at different stages of development. However, I would caution against expectations of immediate or short-term benefits.

**IN:** People in Hong Kong have started worrying about the change in the attitude of the Government, from a previously non-intervening Government to an intervening one putting her "visible hand" in interrupting the free economy. Take for example, the purchasing of equity stocks to intervene the stock market and the request for interpretation of the right of abode in the Basic Law by the National People's Congress. As an advisor, what will you advise the government to do to regain the confidence of the citizens?

**CY:** The role of the Government in the economy has not changed. Its role is to facilitate, and not take part directly in economic development. The cases that you have just mentioned have been well rehearsed. It was a question of striking a balance between allowing manipulative forces to run its full course on the one-hand and ensuring the long-term interest of the economy on the other. On the question of right of abode, no Government could get away with sitting on his hands and watch the influx of 1.6 million people.

**IN:** You have been serving the public for many years. What do you think are the problems that you have met and how much satisfaction have you got from solving these problems?

**CY:** The new political structure in Hong Kong requires the adjustment of both the Executive Authorities, namely Government Departments and the

Legislative Council. Now that Legco is fully elected and has been given more power under the Basic Law, the check and balance effect of Legco in an executive-led design has become more apparent. Having participated in the full course of the transition since 1985, and having witnessed the establishment of the SAR, the inner satisfaction is beyond words.

**IN:** The surveying profession is fairly young. As a past President of HKIS, do you have any suggestion to help the surveying profession in promoting its image?

**CY:** The surveying profession is an important profession in Hong Kong. If I have a word of advice for fellow professionals, it is that the profession should put more emphasis on professional ethics and discipline, which tend to distinguish qualified surveyors from other service providers in the building and real estate industry.

**IN:** The passing rate for the APC which lead to professional qualification has dropped a lot in the past few years. What are your comments on the education and professional training for our surveying graduates?

**CY:** This year, our firm recruited 18 graduates. A few weeks ago, I invited our new colleagues to tea. I said to them, "the end of studying is the beginning of life-long learning."

Passing professional examinations and tests are pre-requisites. Obtaining professional qualification is not the end of learning. My own experience is that there is always something to learn from people around you.

**IN:** The property market is not as blooming as it was previously. Young people are now choosing to study blossoming subjects like information technology and computerizing instead of surveying. Being a professional for many years, what satisfaction have you got out of becoming a surveyor and is there anything you can mention to promote the attractiveness of our profession?

**CY:** Surveying is an interesting and exciting profession. It has a lot to contribute in the planning, development and construction of land and buildings. Young people should not be blinded by the extraordinary events brought about by the Asian financial crisis. Land and buildings are the most precious assets and the most limited resources of Hong Kong. We as a community need to give the best training possible to young people who will become responsible for the management of these assets and resources for the generations to come. Optimal use of land and building resources will mean a great deal to the efficiency and prosperity of the Hong Kong economy.

**IN:** You have to look after both your business as well as fulfilling your public duties. How do you manage your time between your business and the public service?

**CY:** In terms of public service workload, the peak is over. Public service today, including my role as the Convenor of the Executive Council, requires much less input when compared with the days when I was a Vice-Chairman of the Preparatory Committee. Since then, I have also retired and resigned from statutory bodies such as The Housing Authority and the Land Development Corporation. Nowadays, on average, I spend one and a half-days a week on Exco matters including meetings on Tuesday's mornings<sup>8</sup> and reading Exco papers on weekends.

**IN:** While devoting your leisure time on public affairs, there will be less time for you to spend with your family. How do you strike a balance between these?

**CY:** This has not been easy. Luckily, my family have been very understanding and accommodating. For this, I have managed reasonably well. I am also doing everything I can to keep gardening as my last remaining hobby.

**IN:** How do you alleviate the pressure in

your daily work and public service?

**CY:** I believe in the principle that one ought to do one's best, and let the result take care of themselves. At the end of the day, it is the ability to say to yourself in the mirror that you have done your level best for others.

**IN:** It appears that the number of surveyors involved in public service is becoming fewer and fewer. As a professional working in both your own private business and the public service for many years, do you have any advice for the young professional to involve more in public service or the institute's matters?

**CY:** Hong Kong is our home. Not only for today, but also for many many years to come. Not only for ourselves, but also for the next generations. We have just got rid of the short-term mentality as 1997 came and went. Hong Kong people are now looking further ahead in planning for themselves, their families and their community. As an Institute and a community, we should all pull together to make the institute a stronger professional body and Hong Kong a better community to live in.

**SW:** Will you encourage young surveyors to participate in public service?

**CY:** As I said Hong Kong is now our home and not just an hotel room that we check-into today and check-out of tomorrow.

Hong Kong and its Government have traditionally relied on non-official members on a wide range of advisory bodies that look after the many aspects of life in Hong Kong. Hong Kong also tends to rely on a rather small number of professionals and other public figures who have been loaded with multiple memberships. We should encourage more surveyors and others to come forward to help make Hong Kong a better place for all.

**Interviewers:** Thank you Mr. Leung for sparing your precious time for the interview.

## PERSONAL PROFILE OF MR. C.Y. LEUNG

*Mr. LEUNG Chun-ying (CY) is Chief Executive Officer of C.Y. Leung & Co. Ltd., a leading property surveyor and management company in the Asia Pacific region, headquartered in Hong Kong. He is a past Chairman of the Royal Institution of Chartered Surveyors, Hong Kong Branch and past President of the Hong Kong Institute of Surveyors.*

*Mr. Leung's career as a leading figure in the development of professional property services in Asia Pacific spans more than twenty years. After graduating in 1977 with a degree in valuation and estate management from Bristol, UK, he returned to Hong Kong. In 1993, he established his own firm, C. Y. Leung & Co. Ltd. Today, the company employs 500 office staff and has established offices in the major business centres of North and Southeast Asia. As the Chairman and Managing Director, Mr. Leung directs all aspects of the firm's operations and services.*

*Since 1978, Mr. Leung has actively contributed to the development of a framework for land-use policies and real estate development in the PRC. In 1980 he was officially appointed as an advisor to the land and housing reform committees of the PRC governments in Shanghai, Tianjin, and Shenzhen. He continues to serve on these committees today, helping to formulate and implement measures for land reform and the development of commercial real estate practices in these municipalities.*

*From 1 July 1999, Mr. Leung will be the Convenor of the Executive Council of the SAR Government. He was a member of the Housing Authority between 1991-1999. He is the founding member of the Court and serves on the Advisory Board of the China Business Centre of the Hong Kong Polytechnic University. He is also a Council Member of the Hong Kong Committee for UNICEF.*

*In addition, Mr. Leung has a long history of involvement with the transition of Hong Kong from British rule. Between 1988 - 1990, he was Secretary General of the Basic Law Consultative Committee, and was responsible for the consultation process during the drafting of the Basic Law. Between 1995 - 1997, he was a Vice Chairman of the Preparatory Committee of the National People's Congress.*

*In 1997, University of West of England awarded him the degree of Hon Doctor of Business Administration. In 1998, the Hong Kong Polytechnic University awarded him a similar degree.*

*Mr. Leung is married to Regina (a former practising solicitor in Hong Kong) and has three children.*

# News from the Secretariat

## Congratulations to the following who were elected as HKIS members on 7th July 1999:-

### FELLOWS (14)

CHENG PO MING (BS)  
HO CHI WING, DANIEL (BS)  
FOXALL, JONATHAN MILES (GP)  
HART, PAUL VINCENT (GP)  
YU KAM HUNG (GP)  
AU KOON SHAN, RAYMOND (QS)  
CHAN CHI KAI (QS)  
CHAN CHING MAN, JANICE (QS)  
CIERPICKI, ANDRZEJ JAN JERZY (QS)  
KWAN MAN KEUNG (QS)  
KWAN NAM WAI (QS)  
LAU KIN FAI (QS)  
MAK LIN YI, CYBILL (QS)  
WONG WAI TUNG, DONALD (QS)

### ASSOCIATES (77)

#### BS DIVISION

CHAN CHUN WING, STEPHEN  
CHAN FAI  
CHENG HANG ON, COLIN  
GUO KAM HUNG  
LAU KWOK KEUNG, RAYMOND  
TSE CHI KIN  
WONG KWOK CHI

#### GP DIVISION

ALLAN, VICTORIA LOUISE  
AUSTIN, NEIL STANLEY  
JAMES, RHODRI PEREDUR  
LEUNG KAI CHUEN  
MACKENZIE, IAIN STUART  
RAYNER, JULIAN ALEXANDER ST. JOHN  
WONG CHIN WAH  
WONG YU LAN, SUSANNA

#### QS DIVISION

CHAN CHI HO, SUNNY  
CHAN HO YIN, JEREMY  
CHAN KA KEUNG  
CHAN KA TUNG  
CHAN MAN WAI, SUZANNE  
CHAN PING CHUNG, EDDIE  
CHAN SHEK, EDMAN  
CHAN SHUK FUN, KIMMY  
CHAN TAK HAU, COMAN  
CHAN TAK WA, CAROLINE  
CHAN WING SANG  
CHAN YUK MAN, STEPHEN  
CHAU TAK MING  
CHEONG CHI KEI, IGNATIUS

CHEUNG PUI CHUEN  
CHEUNG YAU CHUEN  
CHEUNG, WILSON  
CHOW LOK TIM  
CHOW SHUK FUN, BESSIE  
CHUI FAI MAN  
CHUNG KWOK FAI  
FOK YEE MEI, LILIAN  
FONG KIN WAI  
HO OI HA, SILVIA  
HUNG YAT HUNG  
KWOK WAI KEI  
LAI YUEN CHUN  
LAM WAI YEE, FIONA  
LAU KA CHUN  
LAU WAI WING  
LEONG KOH HONG  
LEUNG KIN MING  
LEUNG PO YAN  
LEUNG WAI HUNG  
LEUNG WEI MAN  
LIONG PUI MAN, ERICA  
LUI PO LUNG, KENNY  
MA SAI TAK, LEWIS  
MA TING HOI  
MO SIU WAI  
NG CHUI SHEUNG  
NG GEK KHIM  
NG WAI YEE, GLADYS  
NGAI KIN LOK  
PANG CHI WAI  
PANG KA HUNG  
RITCHIE, ANDREW  
SO YEE CHING  
TAM WAI KWAN  
TANG MEI CHU  
TO WAI MAN  
TSANG YEN LING  
TSE MUN CHING  
TSUI YEE LOK, GREGORY  
WONG CHOR FAT  
WONG CHUN FAI  
WONG CHUNG FAI  
WONG SZE PING  
WONG SZE PING  
YAN CHI TAT  
YUEN KING CHI  
YUEN WAI MING

#### REINSTATEMENT (2)

TSANG SAU LAN (GP)  
WONG WAI KWONG (QS)

## Revised Conditions of Building Contract

The Agreement and Schedule of Conditions of Building Contract (with and without Quantities) for use in the Hong Kong SAR, have been revised with minor amendments. Both the Conditions of Building Contract, 1986 edition (second amendments published July 1999) are now available from the HKIS Secretariat at HK\$80 per copy. Companies purchasing the contracts in excess of 20 copies, are requested to contact Ms Lo, in advance, at 2526 3679, in order to make the copies available for your collection.

## Surveyors Lunch

A luncheon was held on 26th July 1999 at the Hong Kong Convention and Exhibition Centre. The Guest of Honour, Mr Bosco FUNG, JP, Director of Planning, presented to the audience a speech on "The new vision/mission/value statement of the Planning Department".



Mr Bosco Fung receives a souvenir from the President, Mr Samson Wong.

---

# News from the Secretariat

*On 7th July 1999, the General Council approved the following proposals by the Membership Committee:-*

## 1 Amended Requirements and Procedures for FHKIS Applications

- (a) Recommendations from 5 Fellows of the Institute are required.
- (b) **Submit a self appraisal to demonstrate the suitability of the applicant's upgrading (or direct entry) to Fellow membership [N.B. Text should be around 1,000 words].**
- (c) Submit documentary evidence according to the five criteria of "Fellowship by Achievement", namely:-
  - (i) **post-qualification professional experience** (eg employment history, work projects, etc);
  - (ii) **managerial responsibilities** (mainly over the immediate past 7 to 10 years in managing people, finance, information and/or projects);
  - (iii) **professional development** (eg acquisition of new knowledge and/or new skills through post-graduate courses and/or CPD events);
  - (iv) **contribution to the surveying profession and/or the Institute** (eg acting as council member of the Institute/Division and/or as member of Working Groups and/or representative of HKIS or RICS (HKB) in Government consultative committees);
  - (v) **other information** which the applicant may wish to submit for consideration of his/her application.
- (d) Applications will be examined by the concerned Divisional Representative, the Deputy Chairman and the Chairman of the Membership Committee (MBC) respectively. Views and comments from the concerned Divisional Council will be obtained if found necessary.
- (e) Direct verification of the submitted details with the issuing party will be carried out on a selective basis.
- (f) Fellow membership of other professional institutes recognised by the General Council as being of equal status will be regarded as one of the positive factors to be considered by the MBC.
- (g) **Fellow grade members of RICS whose principle place of practice is in Hong Kong could, upon application, be directly admitted as FHKIS.**
- (h) Comments by the MBC Divisional Representative and the Divisional Council, where applicable, will be reviewed and summarised by the Deputy Chairman and the Chairman of the MBC; and the applications be tabled for discussion at a scheduled meeting of the MBC.
- (i) MBC's recommendation will be submitted to the General Council for formal approval or rejection of the applications.
- (j) **The above amended requirements and procedures shall take effect from 1st September 1999.**

## 2 Administration Charge for Processing of Re-instatement Applications

- (a) Under the current administration system, members would be required to pay up the fees in arrears and the current year subscription fee, when applying for reinstatement of membership.
- (b) Under Bye-Law 8.4.3, "... the General Council may reinstate under such conditions as it may prescribe a person whose name has been removed from the Register ..."
- (c) **The Membership Committee is of the recommendation that in addition to any fee in arrears and the prevailing subscription fee, a non-refundable administration charge which is equal to the prevailing amount of entrance fee for the appropriate class of membership [according to Bye-Law 8.1.3] shall be imposed and paid upon the reinstatement application.**
- (d) **The above arrangement shall take IMMEDIATE effect upon approval by the General Council, ie from 7th July 1999.**



## News from the Building Surveying Division

By Kenneth J K Chan, Chairman

### Pamphlet - 「大廈維修及保養管理」

The Division published the above pamphlet on building repairs and maintenance management for the information of the general public. It gives information on common building defects, the Building Safety Inspection Scheme, tendering and the choice of appropriate contractors for repair and maintenance works. Copies have been dispatched to the Building Management Resource Centre and District Offices. Members may visit the Secretariat for their free copies.

### Fire Engineering - An Introductory Course

The Division jointly organized with CityU Professional Services Ltd. a short course on fire engineering to run from 31 July 1999 to 3 September 1999. The programme of the course covers the following topics: Introduction to Fire Engineering, Fire Dynamics and Plume Theory; Fire Modelling Techniques; Fire Services System Design I & II; Smoke Control and Application of Fire Engineering Techniques: Case Studies. The course was the first of its kind being organized by the Division and had been well received by members of the Division.

### Re-organization of the Buildings Department

Your President, Barnabas CHUNG, C K LAU and myself, went to see Mr Gordon

SIU on 12 July 1999 on the issue of BD's recruitment advertisement for Building Control Officer and Building Control Assistant. The BCO was a rank with the combined functions of Building Surveyors and Structural Engineers. This advertisement was prejudicial and a continuous act by the BD in ignoring comments of the industry and not living up to its promise. Subsequent to the meeting, a letter was sent to Mr Gordon K C SIU, The Secretary of Planning, Environment and Lands, which is reproduced below for members' information.

#### *"Re-organization of Buildings Department*

*"Thank you very much for meeting us on 7th June and 12th July 1999 respectively, when we expressed our concern on the lack of consultation regarding the proposed radical re-organization of the Buildings Department and on the subsequent unilateral move by the Director of Buildings (DB) to effect the implementation of the proposed re-organization by redefining the basic professional staff structure before any conclusion of consultation had been reached.*

*As conveyed to you at the last meeting, we were astonished and extremely disappointed that DB has not honoured his promise to listen to the views of his "customers" prior to making any decision on the proposed re-organization. We regret to say that we were only given copies of the Re-organization Report some two weeks ago and we have yet had the opportunity to discuss further with DB.*

*We wish to reiterate our concern on the premature implementation of the proposed re-organization as reflected in the recent recruitment advertisement for Building Control Officers (BCO) and Building Control Assistants (BCA): -*

- 1. To combine the basic professional ranks of Building Surveyors (BS) and Structural Engineers (SE), as BCO will totally destroy the well-established and most effective professional specialization.*
- 2. The sudden introduction of this combined "general grade BCO & BCA" to execute the professional and technical functions respectively will cause confusion to the whole building industry as practitioners will not be able to identify professional and technical counterparts in the Buildings Department. The generalization of basic rank officers goes directly against professional specialization.*
- 3. This revolutionary approach deviates from any of the recommendations of the proposed re-organization and is inconsistent with the reform currently undertaken for the civil service where opening up of posts would be confined to supervisory ranks and not basic ranks.*
- 4. To create the generalist and all-rounder BCO, DB has given no consideration to the importance of training and education of the respective professional disciplines and has under-utilized the resources already committed to in professional training and education. At the same time, it provokes anxiety and frustration of building surveying*





## News from the Building Surveying Division

students and graduates that they are losing their career opportunities in the building control profession.

5. With due respect to civil and structural engineers who have traditionally assumed the consulting and supportive roles in building control as well as in the building development process, we are not convinced that they are trained and qualified to perform the principal function of building control and building legislation administration.

The current dilemma should deserve a review by the relevant government administration. We sincerely hope that appropriate measures could be taken to rectify the unpleasant situation. At the very least, we expect that DB would withhold any premature implementation of the proposed re-organization and restore the relevant specialization of professional ranks in the Buildings Department to meet the needs of the industry."

Furthermore, a press briefing session was conducted on 21 July 1999 to express our dissatisfaction of the action taken by the Buildings Department in the recruitment exercise. The main points of the press release were:

**"Ruining Professional Specialization**

**Causing Internal Conflicts**

**Delaying Approval of Building Proposals**

**Causing Confusion to the Relevant Professionals**

In respect of the Buildings Department's recent abnormal actions of employing contract staff,

which has ruined the specialization of structural engineers and building surveyors, two totally separate professions, the Hong Kong Institute of Surveyors hereby expresses its strong regrets and discontent. Under the organization structure of the Buildings Department, structural engineers and building surveyors are two completely different professions. Undergoing completely different and long time training, the expertise and functions of structural engineers and building surveyors are two distinct professions and cannot be mixed up. Structural engineers are responsible for the structural safety of the buildings. Whereas building surveyors are responsible for the administration of the Buildings Ordinance such as calculation of plot ratio, site coverage, means of escape, fire resisting construction and the overall building planning, etc.

The Department's decision of merging these two distinct professions is extraordinary and has never happened in any advanced countries. This will destroy the well-established professional specialization. It is a move backwards. If the Buildings Department continues to pursue this move without taking the opinions of others, it will only create internal conflicts, instability and misallocation of resources. Furthermore, it will cause delays in the approval process of building proposals and will affect the normal operations of the Buildings Department, causing unnecessary confusion to the professions. The Hong Kong Institute of Surveyors hereby express its strong objections to such actions and urges the Buildings Department to seriously consider the negative impact of it.

The proposed re-organization by the Buildings Department bears a number of controversial issues which will have substantial impact on the general public. Some of the proposed ideas

have caused a lot of concerns to the relevant professions and the industry. Accordingly, the Hong Kong Institute of Surveyors has officially requested the senior officials of the government to conduct a full-scale consultation in respect of such programme. The Buildings Department has also accepted our request. We hereby urge the Buildings Department not to implement any restructuring plan before it has fully consulted the relevant staff and professions."

Your President and Mr C K LAU had the opportunity of meeting with the Director-Designate of Buildings, Mr C M Leung, on 22 July 1999 to discuss the re-organization issue. We expect that a formal consultation would be conducted by the end of August 1999, being the target date for a detailed proposal for implementation, if at all possible. I will keep members posted of the latest development in this issue.

### Building Surveyors Conference 1999

I would like to give you an update of the preparation of the 13th Annual Conference.

Theme **Managing 21st Century Building Facilities**

**物業設施管理 邁向廿一世紀**

Date 16 October 1999

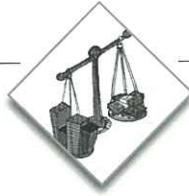
Venue JW Marriott Hotel

Time 9.00 a.m. to 5.00 p.m.

Guest of Honour Mr C M LEUNG

Director of Buildings (Designate)

This year's conference will be conducted in an 'IT-ized' format and I look forward to your participation.



## News from the General Practice Division

By Tony Tse, Chairman

### 1. APC Final Assessment, Spring 1999

The result of the Spring 1999 APC Final Assessment was sent to each candidate in early July. From now on, the APC Final Assessment will adopt the new format, and details will be sent to student members in due course. Whilst we have noted a slight improvement to the quality of the Written Assessment, the result of the APC Final Assessment, Spring 1999 is not very encouraging. Amongst a total of 82 candidates, 14 passed, representing a passing rate of about 17%.

A workshop on APC Assessment will be arranged to discuss with candidates the ways of improving their techniques etc. in attending the Assessment.

### 2. Brief notes of Land and Building Advisory Committee (LBAC)

With immediate effect, copies of the Minutes of Meetings of LBAC and the three Sub-Committees will be kept in the HKIS Administration Office. Members who wish to have more details can approach the Secretariat office.

Set out below are some of the issues being discussed by the LBAC:-

#### (a) Vision & Goals for Victoria Harbour

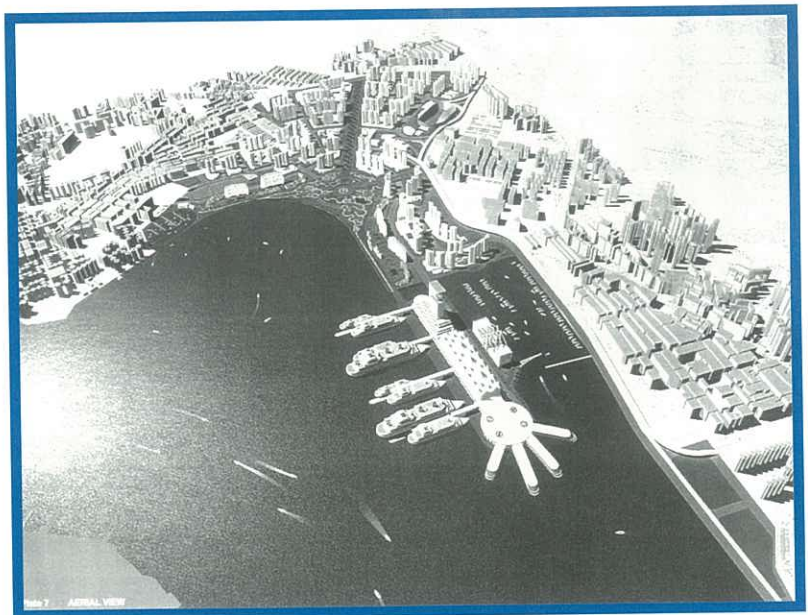
Since the exhibition of the Outline Zoning Plan, covering the proposed reclamations in the Central District and the South East Kowloon, the public has raised concerns over the future use of the Harbour. The Town Planning Board has now drafted the vision and goals for the Victoria Harbour, which is now under public consultation. The proposed vision & goals, if approved, will serve as the basis for formulating long-term planning strategy to guide the future planning of the Harbour.

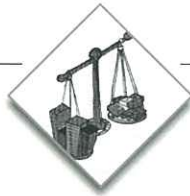
#### (b) Advertising Signboards Control Scheme

Proposal to introduce a control scheme for advertising signboards is

under consultation. The proposed control scheme is to regulate advertising signboards being attached or erected on buildings. The main elements of the proposal are:-

- (i) Installation of unregistered signboards would be illegal after the Scheme.
- (ii) Owners should notify the Registration Authority before commencement of signboard installation works.
- (iii) Only recognized or registered contractors would be allowed to construct signboards.





## *News from the General Practice Division*

### **(c) Carparking Provisions**

Lands Department is considering revising the lease condition to allow flexibility in carparking provisions. A plus or minus 5% of the carparking spaces will be allowed, subject to a maximum of 50 numbers, whichever is the lesser. For small sites, consideration will be given on individual merit basis.

### **(d) Mechanical Carparking**

A Practice Note on mechanical carparking will be issued by the Director of Lands soon.

### **(e) Service Apartment**

Proposal for allowing the disposal of service apartment by strata-title is under consideration. Details will be announced in due course.

Any members who wish to comment on the above are most welcome.

### **3. Nominations**

The General Practice Division has been asked by the General Council of the HKIS to nominate three members each to the following Standing Committees. Any members interested in giving comments or participating in these Standing Committees are most welcome. Set out below are the proposed tasks for the Standing Committees:-

### **(a) Fees & Professional Charges**

- review of existing policy on scale of fees and charges.
- study the feasibility of establishing a common basis of fee charges for all divisions.
- advise on proper fee tendering and draft code of practice.

### **(b) Geographical Information Systems (GIS)**

- incorporate division expertise and resources, and build on the platform of the database and the specialist knowledge of the Land Surveyors for the creation of a multi-facet information system.
- encourage the development of GIS.
- promote the information rich aspects of surveying.

### **(c) Government Policy**

- critically analyse and comment on recurring Government Policies e.g. Budget, Policy Address.
- comment on special issues e.g. Civil Service Reform, Housing Policy.

### **(d) Information Technology (IT)**

- promote the use of IT in surveying and its continuous development.
- establish IT policies for divisions and identify development areas.
- provide an Information Library.

- organise forums, seminars on hot topics e.g. Y2K problems.

### **(e) Research & Statistics**

- centralise property data and research data from members and practices.
- examine the prospect of regular publications on research and statistics.

### **(f) Urban Renewal**

- advise government on policy and implementation matters in respect of urban renewal.
- identify social and economic issues and comment on the solutions, options and merits.

### **(g) Environment and Sustainable Development**

- comment on environmental issues and government policies and promote the areas of development and training for surveyors.
- analyse and comment on government's sustainability indicators.
- enable the incorporation of far reaching and forward looking views and plans in government's formation of policies.



## News from the Land Surveying Division

### LSD Nominations

By Helen CHAN, Hon. Secretary

#### Nomination of Authorized Land Surveyors (ALS) to sit for the Land Surveyors Registration Committee (LSRC) under the Land Survey Ordinance (LSO)

The present appointment in the LSRC has served for 4 years and the term will expire on 17 November, 1999. Hence, the President has requested the LSD to nominate 3 members to sit for the LSRC.

Under the LSO, the nominee should have at least 5 years experience in Hong Kong, and must be an ALS. The LSD nominates the following ALSs to sit for the LSRC:

Mr. LEUNG Shou Chun, MBE  
Mr. Ted CHAN Tat Wing  
Mr. Ian WOOTTEN

#### Nomination of LSD Representative in HKIS Disciplinary Board

Mr. John WALKER, who was the LSD representative in the Disciplinary Board,

retired in late July. The LSD has appointed Mr. NG Tsan Wing, FHKIS, as the replacement, to represent LSD in the Board.

#### Nominations of LSD Representatives in the Standing Committees

The following members are appointed to represent LSD in the following Standing Committees:

Mr. Henry CHAN Hon Kwan	- Fees and Professional Charges
Mr. CHAN Siu Bun	- Geographical Information Systems and Information Technology
Mr. TSOI Cheong Wai	- Geographical Information Systems and Information Technology
Mr. MO Sun Yuen	- Government Policy
Mr. CHIU Kam Hon	- Research and Statistics
Mr. NG Jor Choi	- Urban Renewal and Sustainable Environment

Should members have comments or suggestions, please contact the above representatives directly or LSD Secretariat.

### PUBLICATIONS FOR SALE

HK Standard Method of Measurement (Hard) for Building Works (1979), 3rd Ed) (Soft)	\$ 70.00
HK Standard Method of Measurement for Building Services (1993, 1st Ed)	\$ 40.00
Building Contract with Quantities (1986, 1st Ed, second amendments published July 1999)	\$ 80.00
Building Contract without Quantities (1986, 1st Ed, second amendments published July 1999)	\$ 80.00
Sub-Contract (1986, 1st Ed, amended Sept 1997)	\$ 40.00
Tender (1986, 1st Ed)	\$ 10.00
Code of Measuring Practice (March 1999, 1st Ed, English & Chinese)	\$ 50.00

#### Scale of Professional Charges for Services in HK

BS Division (1998)	foc
GP Division (1995)	\$ 20.00
LS Division (1996, 3rd Ed)	\$ 10.00
QS Division - Itemised Scale (1994, 3rd Ed)	\$ 10.00
Inclusive Scale (1994, 1st Ed)	\$ 10.00
Agreement for the Appointment of Building Surveyors	\$ 15.00
Conditions of Engagement of Building Surveyors	\$ 60.00
HK Guidance Notes on Valuation of Properties for Mortgage Purposes	\$ 20.00
HKIS Constitution & Bye-laws	\$ 10.00
HKIS Rules of Conduct	\$ 10.00
HKIS Directory & Annual Report 1997/98	\$ 70.00
HKIS Corporate Video	\$ 80.00



# News from the Quantity Surveying Division

By TT Cheung, Chairman

## 1. APC 1999

The QSD APC will be held on 20th and 21st September 1999 at the HITEC Centre, Kowloon Bay. The format of the test will be the same as last year. As there will be more than 600 candidates sitting for the qualifying exam, we need a number of assessors. I appeal to you to show your care towards the future of our profession by joining as an assessor. I shall shortly get in touch with you to seek your assistance.

## 2. PRC Visit

We are planning to visit the Cost Bureau and Tendering Department of Guangdong Province in October 1999. Our China counterpart, the China Association of Construction Cost (CAMCC), is going to have a change in management committee in August 1999 after the 4 years' term. We plan to visit the new committee in Beijing in September to further discuss HKIS's relation with CAMCC. -I shall keep members informed on the progress in due course.

## 3. International Committee

Ms Ellen Lau and Mr. Stephen Chung will represent HKIS to attend the 3rd Annual PAQS Congress in Kuala Lumpur, Malaysia held between 25th - 29th August 1999. The key issues to be discussed are common competency standards, joint course accreditation to

Universities, and PAQS award scheme.

## 4. Listing of firms on HKIS Homepage

There will be two lists in the HKIS Homepage. The first list is a list of Private QS practices, who satisfy the definition of PQS firms as suggested by HKIS QSD, and have duly submitted their declaration form. The second list is a list of firms providing quantity surveying services. The listing criteria are that such firms should have at least one director who is a Corporate member of HKIS in the QS Division. Those who would like to be listed in HKIS Homepage under the 2 lists are advised to contact the HKIS Office to get a copy of the declaration /registration form.

## 5. Revised SMM

The SMM sub-committee has been working on the final stage of the revised

SMM. The draft is modeled from the UKSMM 7. If any members have any comments, please contact either myself or Mr. Peter Ho, convenor of the SMM Sub-Committee.

## 6. IT in Qsing

It's been very encouraging to receive a positive response from members on this topic since my last message to members. I trust that this area should be one of the key areas we should focus ourselves on in order to be competitive in the market. The Works Bureau has set up a task force on electronic tendering under the Contract Committee to evaluate the business justification for electronic tendering, to assess the feasibility of the scheme and to make recommendations to the government for such a move. Members' views are welcome. Please email me at [ttcheung@iname.com](mailto:ttcheung@iname.com).

## 7. CPD Events

The following CPD events are on the pipeline:

Date	Topic	Speaker
24/8/99	Typical Insurance Requirements for Major Construction Projects	Mr John Holmes and Mr John Lam, Jardines Construction Insurance Services
16/9/99	Life-long Learning * A talk on People Development	Dr F C Chan CLP Power Hong Ltd

# Feature

## Henry Boot Construction Ltd Alstom Combined Cycles Ltd A Most Important Case.

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

The extent to which the rates in the Bills of Quantities are applicable to value the works, particularly where there are variations or substantial increases (or decreases) in quantities, is a common source of argument between contractors and contract administrators.

The problem is, of course, at its most acute where the rate concerned is very high or very low either deliberately so, or because an error has been made.

In such circumstances contractors traditionally argue that it is not fair for very low rates to be used in valuing variations because such compounds their losses, and employers conversely argue that very high rates should not be used because it would mean that the contractor makes a windfall profit.

The very important case of **Henry Boot Construction Ltd v. Alstom Combined Cycles Ltd** is the first case to examine exactly this point, and the judgment of His Honour Judge Humphrey Lloyd

QC, has clarified matters very clearly °V at least for the time being. I say for the time being because the case is currently the subject of an appeal.

In this case, Alstom employed Henry Boot to carry out some civil engineering works at a power station in Wales. The power station comprised four combined cycle turbines. Each turbine comprised a Turbine Hall, a Heat Recovery Steam Generator and a Cooling Tower.

During pre contract negotiations Boot submitted a price of £250,880 for temporary steel sheet piling to trench excavation in the Turbine Hall area, and this price was incorporated into the contract.

During the course of the works the Engineer issued variation orders instructing temporary steel sheet piling to trench excavation in the Heat Recovery System Generator area and the Cooling Tower area.

The issue was how the additional temporary steel sheet piling was to be valued, and the reason why it became an issue at all was because Boot's price of £250,880 had been calculated in error in that it was in reality for both the Turbine Hall and the Heat Recovery Steam Generators, although the contract was

clearly entered into on the basis that it was for the Turbine Hall alone. Therefore if the rate in the Bills of Quantities was used to value the variation order, it would produce a very large profit for Boot, because the rate was really twice what it was intended it to be.

Boot of course argued that the additional works must be valued at contract rates regardless of the consequences, whereas the employer argued that a fair valuation should be made thus disregarding the contract rate, because the rate contained an error.

The matter went initially to arbitration, where the arbitrator agreed with the employer that a fair valuation should be made. However Boot appealed and the matter went before His Honour Judge Humphrey Lloyd QC, a person with considerable experience in construction matters, who formulated the issue as follows:

"Whether it is right not to make a valuation under clause 52(1)(b) of the ICE Conditions 6th Edition (which would otherwise have been based upon a rate or price) on extraneous grounds such as that it was not reasonable to use such a rate or price because it contained or was based upon a mistake or that it

---

# Feature

was not feasible on the information provided by the contractor to make a valuation based upon the rate or price."

In the course of his judgement, Judge Lloyd clarified a number of points of great importance and interest to quantity surveyors, particularly as the ICE 6th Edition contains very similar provisions for measurement and valuation as the Government of Hong Kong General Conditions of Contract ("GCC").

Firstly the judge stressed the importance of the contract rates, and the fact that they can not be avoided simply because one party is dissatisfied with them. **The contract rates were (he said) sacrosanct, immutable and not subject to correction**, and he drew attention to Clause 55(2) (GCC Clause 59(3)) that provides that there shall be no rectification of any errors, omissions or wrong estimates in the descriptions, rates and prices inserted by the Contractor. It was stressed that the effect of this clause was that a mistake in a rate or price or in its application bound both the parties equally.

The only situations where a contract rate may be departed from are where they are being used to value variations for works which are not executed under similar conditions, or where there are substantial

changes in quantities which render the rate inapplicable.

However, in either of these operations the judge considered that **the fact that a rate or price which would otherwise be applicable may be considered too high or too low is completely immaterial**. A very high rate or a very low rate is not rendered unreasonable by a variation or a substantial increase or decrease in quantities, it is already unreasonable when the contract is entered into!

Therefore, when valuing variations the words "executed under similar conditions" used in clause 52(1) (Clause 61(1)(b) and (c)) do not refer to economical or financial conditions or considerations. As the judge observed:

**The work is not executed under dissimilar conditions simply because the applicable rate may result in the Contractor being paid markedly more or less than that which might be regarded as "fair", e.g. more or less than actual or reasonable costs plus profit and overheads.**

The question whether a rate or price is profitable or not is therefore irrelevant in applying the valuation principles of such clauses.

Nor, the court considered, could Clause 52(2) (the proviso to GCC Clause 61) be used to counter the position. The relative profitability produced by a valuation under clause 52(1) does not render rates or prices for other work unreasonable or inapplicable, such rates and prices are only rendered unreasonable by reason of the variation works themselves.

Similarly when considering whether a rate had become inapplicable due to a substantial increase or decrease in quantities pursuant to Clause 56(2) (HK Government GCC Clause 59(4)(b)) the same principles applied in that the rates or prices could only be amended if the increase or decrease of itself (or in consequence of) warranted such an alteration. The relative profitability of a rate or price is immaterial. A rate which high or low due to an error is unreasonable in itself because of the error in pricing not because of a change in quantities.

The principles set out in this are therefore of very great importance to those involved in valuation matters under the contract. Whether the appeal court will amend any of the principles set down by Judge Lloyd remains to be seen.

ATTENTION ALL MEMBERS!

# HKIS Annual Report & Directory 1998/99

A list of members (Associates and Fellows only) will appear in the forthcoming issue of the HKIS Annual Report & Directory 1998/99.

Details of the full name of the member, class of membership, membership number, date of election and division will be published. Under the observance of the Personal Data (Privacy) Ordinance all members are required to confirm whether they want their details to be published. Please return the reply slip on or before 15th September 1999. If we do not hear from you, it will be presumed that all your details are to be listed.



## REPLY SLIP

[To be returned on or before 15th September 1999, for the attention of the Manager]

### List of Members - HKIS Annual Report & Directory 1998/99

Please tick in the appropriate boxes:-

- Yes, I agree to have the above listed details released in both the Annual Report & Directory 1998/99.  
 No, I do not want the above details to be listed.

Name of member (in full) : \_\_\_\_\_ HKIS membership No. \_\_\_\_\_

Class :  Associate  Fellow

Division :  BS  GP  LS  QS  PD

Contact tel no. \_\_\_\_\_

Fax no. \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### CHANGE OF CORRESPONDENCE ADDRESS

If you have or are about to change your correspondence address, please complete the following form and return for the attention of the Membership Department.

Please complete in block/capital letters:-

Surname : \_\_\_\_\_ Other names : \_\_\_\_\_

HKIS membership No.: \_\_\_\_\_ Class of membership :  F  A  S(B)  S(A)

Division :  BS  GP  LS  QS  PD

Contact Tel No : \_\_\_\_\_ Effective date of change : \_\_\_\_\_

Signature : \_\_\_\_\_ Date : \_\_\_\_\_