

Opening Address

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Chairman, Hong Kong Housing Authority

Distinguished Guests, Ladies and Gentlemen,

It is my pleasure to welcome you all to the Housing Conference 2002.

Time flies. This is our second Quality Housing Partnering Conference. I can still recall that my first official function as the Chairman of Housing Authority was to make an opening address at the Partnering Symposium in October 2000. Many of you have also participated in that meaningful event and exchanged inspiring thoughts on how we could partner for change. Naturally, you will be anxious to know what we have achieved in the past 15 months in partnership with the industry.

When we started our journey of quality reform with the motto of "Quality Housing - Partnering for Change", many of our business partners doubted whether we really meant it. Now I am pleased to tell you that the Authority has embarked on the road to improving our housing quality and our relationship with the construction industry. Actions can tell. We have made considerable progress in partnering with stakeholders and in implementing more than 90% of the 50 Quality Housing Initiatives. The partnering working environment will be conducive to sustaining continuous improvements in our delivery of quality housing.

As we are aware, construction projects have inherent risks and uncertainties that are conveniently allocated to contractors. Under a partnering spirit, we have been reviewing our conditions of contract to achieve more equitable risk sharing. For on-going projects, we have set up dispute resolution panels to deal with disputes fairly and expeditiously.

We are keen to secure competent partners and quality services, pay fair prices and reject unreasonably low bids. Under the enhanced two-envelope system, consultants compete on performance rather than fee. We have launched the first project adopting direct appointment of consultants, enabling practitioners of different disciplines to share experience more fruitfully and accept responsibility more appropriately.

As a further step to secure strategic partners for quality construction services, we have established the Premier League for building contractors. These outstanding performers will be invited to bid for the Authority's special projects, such as the open design competition project at Shui Chuen O.

Talking about Shui Chuen O, I am glad to show you that we have joined hands with the industry in a paradigm shift, boldly moving towards site-specific design and creating a stronger sense of identity to our projects. The competition is a milestone event in designing for affordable housing, attracting many brilliant professionals to show us their design talents. The project itself then becomes our pilot "Green Estate". Now in its detail design stage, the innovative ideas of the winning design have been further developed, supported by research studies on sustainability, durability and life-cycle cost. These integrated technological and environmental studies will provide a useful reference for our

future housing designs. Through active partnering with the industry, we will be able to care for our customers as well as our environment.

Partnership is a two-way relationship, and it takes time to build. Our business partners and ourselves find partnering workshops and value management workshops useful tools in fostering mutual understanding towards a common project goal.

A partnering spirit has started to flourish on all fronts of our operations. We are glad that many of our contractors have responded positively in support of our quality reform and cascade it down the supply chain. They have invested in training, enhancing built quality, safety, integrity, and environmental protection, and applying advanced construction technology as well as information technology. We believe only with the active involvement of the entire industry right through to the workers can we find sustained improvement for built quality. To this effect, we have been working in close collaboration with the Construction Industry Review Committee and the Provisional Construction Industry Co-ordination Board to change the culture of the industry.

We are glad that partnering efforts and insistence on quality start to bear fruits. This is evident from the virtually trouble-free hand-over and occupation of a record high production of 89 000 residential flats and 107 000 square metres of commercial space last year. To all partners who have toiled : I wish to express my sincere gratitude and commend you all for the collaborative efforts and extraordinary achievements!

Looking ahead, it is time to get our acts together to face future challenges. After the peak in production, we shall be seeing a steady workload after a small trough. At the

macro scale, the industry is experiencing a difficult period in the economic downturn at the moment. The world is transforming itself to a knowledge-based economy, calling for human talents and skills. Knowledge is our new currency. It is time for us to nurture our workforce, equip ourselves with better skills, procure by value, and build teams with a stronger sense of partnership to avoid waste and disputes.

The Housing Authority has been the forerunner of construction innovation. In the past two decades, we have led the industry in the field of mechanization and prefabrication. As we bring site-specific design into materialization, we must preserve all the benefits of cost effectiveness and construction efficiency of public housing we built in the past, be creative yet pragmatic, meeting client's requirement on all fronts with a "no frills" approach. It is a very big challenge, and through partnering I am sure you will be able to find solutions.

Ladies and gentlemen, with some 600 participants from all sectors of the industry, eminent speakers from both the local industry and overseas, this conference is an excellent opportunity for us to exchange views and experience, reflect and explore how we can give further momentum to the reforms already underway. I look forward to your enthusiastic participation to deliver affordable quality homes for those in need. Last but not least, I wish this Conference a great success!

Thank you.

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