

# Surveying NEWS

Volume 9 Issue 1,  
January/ February 2000



Mr Francis Ng

## Message from the President

# PROFESSIONAL ETHICS

Co-written by Mr C.K.Lau  
and Mr Francis Ng

### 1. DEFINITION

Ethics is the study of human duties, moral principles and rules of conduct. It is closely related to integrity.

### 2. INTRODUCTION

The ICAC had been having a very busy time. Quite recently, you may notice from the various **news media** that scandals in the construction industry involving cases of professional misconduct or sub-standard professional practices were reported.

A top government official had also criticized the construction industry, warning that Hong Kong's reputation would suffer if standards dropped because of the economic recession.

It is causing a great deal of uneasiness amongst practitioners in different professions of the industry throughout the territory.

### 3. PROFESSIONAL INTEGRITY AND PERSONAL INTEGRITY

'Integrity' is a Latin word. It is about

being whole and having a sense of our own basic commitments, sticking to them and sticking up for them.

There are a few notions of integrity, such as personal integrity and professional integrity.

Very briefly, **personal integrity** relates to our moral and ethical standards, which lies at the foundation of all other notions of integrity. It involves standing up for one's most fundamental beliefs and commitment, even under adverse conditions.

**Professional integrity** relates to our roles and responsibilities in business, in the profession and society at large. Different roles impose different kinds of responsibilities on us.

Professional integrity differs from personal integrity.

In personal integrity, we are allowed to choose our own basic commitments, to a certain extent. However, in professional integrity, the commitments come with the job. Once we accept the job, we also accept the basic commitment of that profession.

*A paper presented by Mr Francis Ng, in a seminar held at the City University of Hong Kong, on 21st January 2000*

## In This Issue

Message from the President	1
News from the Divisions	
Building Surveying Division	4
General Practice Division	6
Land Surveying Division	8
Quantity Surveying Division	9
Conference Report	10
Message from the Secretariat	11
News Clippings	13
Feature	15
Editor's Note	16





# Surveying

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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 Hon. Editor at the office of the Institute before the 10th of each month.

## Information & Contents

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Friday 9:00am - 5:00pm  
Saturday 9:30am - 12:30pm

## 4. RULES OF CONDUCT

Different professions may determine the basic standards and values that are central to that profession.

For surveyors, we have our standard of conduct as set out in the Guidance Notes of Rules of Conduct, that has been prepared in connection with **Bye-Laws Part VI**.

The **Rules of Conduct** are to enforce a clear and coherent framework of ethical principles which promote the duty of members to discharge their professional obligations to their clients and employers and in a manner which has regard to the wider public interest.

Some of the most important standard of conduct that we must always bear in mind are:-

**Rule (1):** "No member shall conduct himself in a manner unbecoming a member of the Institute" and

**Rule (2):** "No member shall be connected with any occupation or business in any way which would in the opinion of the General Council (of the Institute), prejudice his professional status or the reputation of the Institute".

That is to say that every member shall adopt personal and professional standards which maintain the reputation of the profession and the Institute by demonstrating the qualities of integrity, honesty, objectivity, openness and accountability.

The principles embedded in these two rules are seen as the bedrock of a member's behaviour and practice standards.

"Conflict of interest" and "confidentiality" are other important rules that we often encounter in our daily business.

## 5. CONFLICT OF INTEREST

Under **Rules 3(a)**, a member should always bear in mind that where a conflict arises or may arise between his own interest or those of any of his associates and the interests of a client or prospective client, he must disclose to the client at the earliest opportunity the possibility of the conflict, and the circumstances surrounding it. That member must inform the client that he or his firm would be unable to act impartially.

A member must not allow any personal interest, whether financial or otherwise, to interfere with the exercise of his independent professional judgment.

The basic requirement of this rule is by way of full and prompt disclosure.

To elaborate a little bit more, some examples of potential conflicts of interest arising in our profession are briefly listed as follows:-

- (i) Acting for two or more competing clients for the same development project.
- (ii) Acting at the same time as a consultant surveyor to a client and as a contract adviser to a contractor who is bidding the tender invited by the client.
- (iii) Acting as expert witness in court or Tribunal, where the member is connected with the case such as a dispute case of the responsibility of causing damages or defects to a property that is partly owned by the member.
- (iv) Recommending the client to accept a tendering contractor or a material supplier without disclosing to the client that he has an interest in that particular firm.
- (v) Select and specify proprietary building materials supplied by a proprietor owned by the member.
- (vi) Acting simultaneously as monitoring surveyor for a PSPS project and as the design and build contractor's consultant.



(vii) Accepting sub-standard works done by a contractor, with a view to adhere to the programme set out by the client, in order to hide any professional negligence or incompetence in the administration of the contract.

(viii) Specifying unnecessary works in order to increase the works budget so as to increase the level of professional fee income that is set on the basis of a percentage of the contract sum.

## 6. CONFIDENTIALITY

**Rule 3(c)** requires that members shall not disclose confidential information to a third party without written consent of the client.

Almost all business decisions involve some degree of confidentiality, that if disclosed to a third party will often prejudice the client's interest.

For example, the strategy to tender for a development site, that if disclosed to the vendor may create an unfair-play situation in the tendering process.

## 7. THREATS TO PROFESSIONAL INTEGRITY

Needless to say, the past two years had been a very difficult time for various building practitioners in the industry. We are all facing the **economic recession**.

**Closing down, redundancy, pay cut, down sizing and cost-saving** are words that we frequently hear these days. Firms are optimising their resources and maximising their efficiency.

We are all under pressure and in extreme cases, we may even be forced to give up our integrity because of pressure.

Threats, blackmail, economic sanctions are a few ways that individuals may not be able to bear the pressure that is brought to them to give up their integrity.

Temptation is also a threat to integrity. Temptation always comes from inside, from our own wants and desires.

Especially in this economic climate, we may be tempted to earn "quick" money or "big" money, only if we are to give in our integrity to monetary temptation.

Eventually, this ends up with misconduct, mal-practice, collaboration, corruption and bribes. Pressure and temptation often compliment each other to threaten our integrity.

As professional surveyors, we must maintain our professional integrity, which is something that cannot be compromised.

If we **forgo our integrity**, we will **lose** ethically an important part of **ourselves**. We will **lose our career, or firm, our profession** and even **our family**.

More importantly, we are often seen as representatives of the "entire" profession - the surveyor, whatever professional work you are engaged in. Therefore, we must not conduct ourselves in a manner unbecoming a member of the Institute.

## 8. SUGGESTIONS TO MAINTAIN OUR PROFESSIONAL INTEGRITY

What we should do or should not do to maintain our professional integrity is an open-end question.

Hong Kong has been having a sound legal system and a fair application of justice. This together with the efforts by the ICAC, I believe would provide a good deterrent against corruption.

Indeed, our traditional Chinese culture always promotes loyalty, respect for the legal system, and preserving our ethical standards. It lays good foundation for us to maintain our integrity, whether personal or professional.

To further promote and maintain our professional integrity, I attempt to outline a few suggestions as below:-

(i) We should try in every opportunity to increase **awareness of ethics**. It is important that the public as well as our profession needs to be more aware of the importance of ethical behaviour.

(ii) We should promote that the reputation of ourselves, our career, our firm, our profession and our family always relate to our ethical standards.

(iii) **Think positively and act positively.** If you pay someone a bribe, it would be much better off spending such money on improving your professional services.

Similarly, if someone attempted to pay you a bribe, you can tell him to spend the money properly to get the work done.

We must remind ourselves of the consequences and costs of doing that.

(iv) We must have **good ethical standards**. A good code of conduct, like our "Rules of Conduct", has a direct effect on people working on the front-line and it can be regarded as a useful tool against corruption.

Education on professional ethics is also very important. If there are no standards to be observed, or the staff are not told about them, the rules cannot be enforced.

(v) Finally, I would like to share with you a few words to conclude my speech.

- We must act with integrity. What we do will set an example for others.
- We must respect integrity in others.
- We must act early if warning signs are seen in others who are heading towards trouble.
- We should endeavour to help before we condemn. **✎**



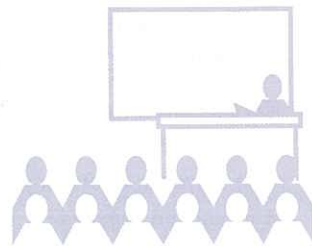


# BUILDING SURVEYING DIVISION



## BMRC AND BUILDING MANAGEMENT WORKSHOP

A Workshop on building management was jointly convened by the Building Management Resource Centre (BMRC) and HKIS in the evening of 7 January 2000. The "Workshop" formerly took the form of individual professional advice sessions attended by Incorporated Owners of private buildings. As each Incorporated Owner has got its own problems and they were usually found leaving the seminars with their unique problems unsolved, the BMRC and HKIS tried a Q&A Workshop this time, with questions and answers juggled between floor and stage. Common questions like how to select suitable renovation consultant were asked while difficult ones like how to remove advertising signs projecting from external walls of private buildings and respective liabilities were not uncommon. Apparently, the frank applause from the floor of 50 plus audience has spoken for itself. A panel of building surveyors



consisting of David Chan, Kenneth Chan and K K Lau conducted the "Workshop". About ten other members of the Division also attended the occasion and offered 'other' advice from the floor.

A few words for the BMRC - If the individual professional advice sessions are the main course, the Q&A Workshops may be nice side dishes.

The new BMRC in Central at The Center was officially opened on 28 January 2000. The Institute had offered to provide professional advice to the public in the evenings on Tuesday and Thursday. Kenneth Chan is the coordinator for this service. All those who are not yet on the rotation list are invited to join in. Please contact Kenneth at the following modes of communication to register your interest.

TELEPHONE: 2507 0587

FACSIMILE: 2147 3859

E-MAIL: [KJKCHAN@DTZ.COM.HK](mailto:kjkchan@dtz.com.hk)

## NOTES FROM THE TECHNICAL ADVISORY PANEL

### Central Construction Standardisation Body in Hong Kong (CCSB)

The Works Bureau commissioned a consultancy study on the formation of a Central Construction Standardisation Body. Mr Augustine Chow is currently representing the Institute on the Standardisation Committee. Members of the TAP had the opportunity of meeting with the Consultant. It was suggested that we should form a Task Force to work on the issue. Technical papers including the Consultancy Brief, the Inception Report and a Questionnaire are available.

### Supervision Plan

A meeting with BD's representatives, Mr K K Choy, Mr C K Au and Mr Alex Chow was held on 23 December 1999 to discuss site safety supervision and quality supervision. TAP members suggested that there should be one key personnel in similar capacity to the construction manager in the contracting firm in charge of the whole. He should also have a statutory duty and an overall responsibility of the site safety supervision and works quality supervision. Registration of key personnel should be considered. BD's representative advised that a more simplified version of the Supervision Plan would be issued for comment soon.

## BSIS and BSILS

The eligibility criteria of the BSILS have been revised. Owners, who carry out works in discharge of statutory orders, volunteer to remove UBW or appoint AP to carry repairs for their buildings would be eligible for a loan.

## Ground Investigation Works in Scheduled Areas

A proposal was being considered to designate ground investigation in Scheduled Areas as specialised works, which had to be carried out by Registered Specialist Contractors. Extension of the designation works in other areas was also being considered.

## Registration of Geotechnical Engineers

A consultation paper on Proposed Registration of Geotechnical Engineers under the Buildings Ordinance was issued by government. The proposal is to enhance public safety and to ensure that only suitably qualified and experienced geotechnical engineers may undertake design and supervision of geotechnical works and at the same time, make it possible for geotechnical engineers to be held legally responsible for the quality of their work.

## OTTV Standards

A consultation paper "Review of Control on OTTV Standards" prepared by a Working Group of APSEC was issued. The Working Group found that most existing office and hotel buildings could comply with the OTTV

levels required in the Code of Practice or even lower levels, and therefore recommended to lower the OTTV levels to enhance energy savings in the buildings. The WG noted that some buildings used unnecessarily high reflectance glass (low shading coefficient glass). This would cause "light pollution" (glare) and an even hotter environment for the pedestrian in summer. Therefore, the WG recommended that the shading coefficient of glass should be limited to not less than 0.25. The WG further suggested to extend the OTTV control to a more comprehensive method of building energy control, to take into account of not only the building envelop but also the entire building components.

## Quality Control of Building Works

Mr C K Lau and Mr Kenny Suen represented the Institute at the Working Group on Built Quality set up by the Buildings Department. The major topics discussed were on the problems of supervision and the accountability of supervisors, particularly on foundation works and their testing mechanisms. The other issue raised was the proposed increase of fines under the Buildings Ordinance, which certainly would affect all practising APs.

## Club House in Residential Developments

Lands Department would meet with Buildings Department to iron out the differences on accountable clubhouse GFA in relation to clubhouse facilities between the two Department. Salient issues were to relax the percentage of GFA for clubhouse facilities especially for small developments and to decide what counts and what not, such as landscape areas and open sided structures on the podium.

## Service Apartments

Lands Department said that the draft special conditions to control the management of service apartments had been drafted taking into account of the following principles:

- The "Services and Facilities" to be provided to the service apartments would be specified under the DMC.
- The Manager to be appointed to provide these "Services" and to manage the service apartments need not be linked to a reputable management company.
- A "Retained Interest" in the development held by the developer has to be a valuable interest to the satisfaction of the Director and this "Retained Interest" does not need be the "core" facilities or "back of house" type of facilities.
- As the Owners Corporation may vote the manager of the service apartments out after it is formed, the rights and obligations (to provide services and to manage the service apartments) of the developer or his assignee need not be linked to the ownership of the "Retained Interest".

## Fire Separation between Commercial and Industrial Parts of Buildings in Business Zones

In connection with the recent proposal to introduce business zoning within industrial areas, a technical issue was raised to determine how to set the requirements of fire separation between commercial and industrial parts of the same building. It was proposed to implement a consultancy study funded by the various professional institutions including HKIE, REDA, etc. to establish some standards for consideration by the Planning Department. ❏





# GENERAL PRACTICE DIVISION

By Tony Tse, Chairman

## 1. MANAGEMENT ORGANISATION, GENERAL PRACTICE DIVISION

Following the decision of the 1st General Practice Divisional Council meeting on 5 January 2000, council members agreed that the divisional matters be divided into four major areas in the form of panels, and their terms of reference are as follows:-

### (i) PROFESSIONAL PRACTICE AND STANDARDS AFFAIRS PANEL

- To assist GPD to review and update Guidance Notes and Code of Conduct relating to GP professional practice and standards.
- To assist GPD to review and update Professional Fee Scale for GP Division.
- To assist GPD to review and update GP directory, list of professional valuation experts.

### (ii) GOVERNMENT PRACTICE AND LOCAL AFFAIRS PANEL

- To identify and consider issues which are of concern to or may affect GP Surveyors and recommend to the GP Council appropriate view(s) and/or action(s) to be adopted/taken by the GP Council or HKIS.
- To consider current and any new government policies in respect of land, planning, estate management or other areas which affect GP Surveyors and make suitable recommendations to the GP Council.

- To comment on and establish appropriate views on current issues to enable HKIS/GP Council Spokesperson to respond to the media or the general public.
- To assist the GP Council Spokesperson to liaise with LegCo, the Consumer Council, relevant business associations, relevant local professional bodies, Government Bureaus and Departments, and other public authorities.
- To organise social events for GP Members.

### (iii) EDUCATION, MEMBERSHIP, APC AND CPD AFFAIRS PANEL

- To administer, review and update the Assessment of Professional Competence (APC) Scheme for the General Practice Division, and to participate in or contribute to the Board of Education and/or Board of Membership of the Institute.
- To assist GPD in conducting the APC including the interim and final assessments, and to receive and hear complaints relating to the APC Scheme.
- To assist GPD to review and update the recognised academic qualifications, both local and overseas, for admission to the APC Scheme.
- To liaise with the local universities and/or major employers for GP Surveyors on matters relating to education, APC training and professional skills.
- To provide, when required, advice or information to the Board of

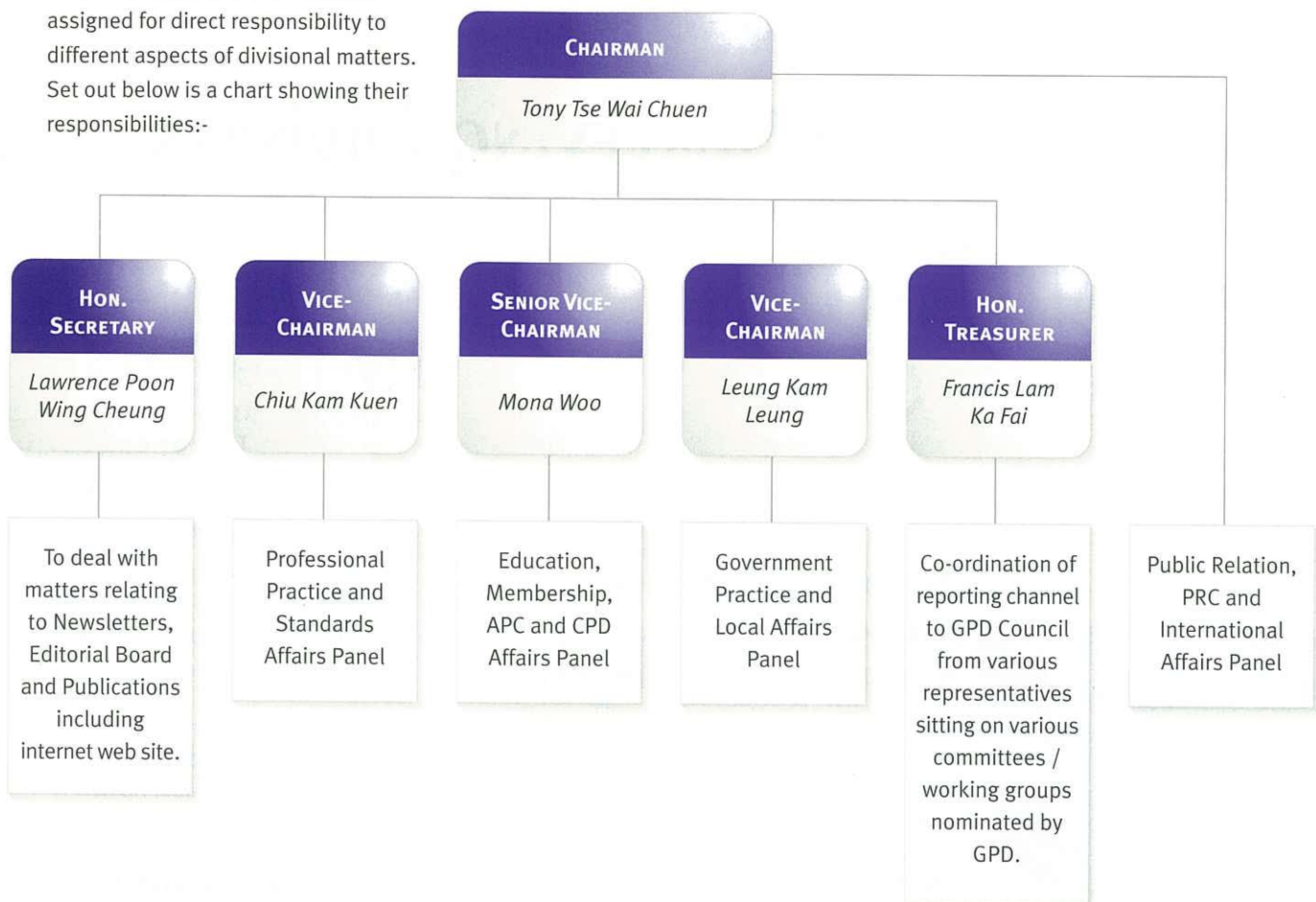
Membership of the Institute on GP membership admission.

- To plan and conduct the General Practice Division's CPD events; which may include luncheon talks, seminars, conferences, workshops, site visits... etc.
- To assist GPD to administer CPD Scheme.
- To compile and publish CPD papers, monographs, conference reports and books for enhancement of professional skills.
- To assist GPD in exploring further postgraduate education and training opportunities for GP Surveyors.

### (iv) PUBLIC RELATION, PRC AND INTERNATIONAL AFFAIRS PANEL

- To assist GPD in liaising with the relevant authorities and professional bodies at various levels in Mainland China.
- To assist GPD in liaising with the relevant international professional organisations/bodies such as RICS, IVSC etc.
- To arrange and hold visiting trips to Mainland China and any foreign countries; and to attend or organize seminars/conferences in Mainland China or foreign countries.
- To receive overseas and Mainland counterparts.
- To arrange seminars/visits with relevant organizations and government departments.

Furthermore, office bearers are also assigned for direct responsibility to different aspects of divisional matters. Set out below is a chart showing their responsibilities:-



At the same meeting, council members were invited to join the various panels and to contribute. Moreover, it was agreed that apart from the council members, members of the Division are encouraged to join the panels or to work for the different working groups set up under various panels to tackle with specific issues. Therefore, should any members be interested in matters relating to our profession, they are welcome to contact the following office bearers:-

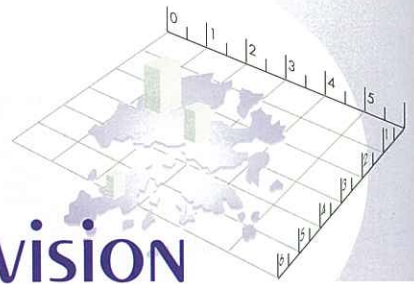
OFFICE BEARERS	NAME	TEL. NO.	FAX NO.
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<b>Senior Vice-Chairman</b>	Ms. Mona Woo	2402 1011	2415 0703
<b>Vice-Chairman</b>	Mr. Chiu Kam Kuen	2507 0602	2530 1502
	Mr. Leung Kam Leung	2908 8819	2523 3286
<b>Honorary Secretary</b>	Mr. Poon Wing Cheung, Lawrence	2788 9754	2788 9716
<b>Honorary Treasurer</b>	Mr. Lam Ka Fai, Francis	2993 2424	2993 7742

## 2. APC FINAL ASSESSMENT - AUTUMN 1999

The result of the APC final assessment, Autumn 1999 was announced in December 1999. There were a total of 151 candidates attending the assessment, of which 48 passed the written examination, representing a passing rate of about 32%. Of these 48 candidates, 28 passed the interview assessment equating to more than 58%. Although the passing rate for the interview assessment has much improved with the written assessment as a screening test, the overall passing rate, if based on the total number of candidates, is 18.5%, which is not satisfactory.

The new council will be reviewing the result of the APC, and will consider whether any improvements are required in the setting of examination questions as well as the marking scheme and standard. Members, including student members, are most welcome to send suggestions to the office bearers of General Practice Division for consideration. ❏





# LAND SURVEYING DIVISION

## MAINLAND AND INTERNATIONAL NEWS

by WONG Chung-hang, Chairman



### 2000 MAINLAND AND HONG KONG CONFERENCE ON URBAN CONSTRUCTION AND THE ENVIRONMENT (2000內地與香港城市建設與環境研討會)

The Ministry of Construction (建設部) and the Works Bureau (HKSAR) organise the Conference every year. The purpose of the Conference is to promote the exchange of technology, expertise and experience between the construction industry in the Mainland and Hong Kong. The 2000 Conference will be held from 12-14 April 2000 in Chongqing. The HKIS and HKIP are the co-chairmen of the Organising Committee this year. Mr Hak CHAN, Junior Vice-chairman of the Institute, will present a paper on Land Information System and Land Information Management.

### FIG COMMISSION 7 ANNUAL MEETING

The Annual Meeting of FIG Commission 7 on Cadastre and Land Management will be held in Hamburg, Germany during 14-19 May 2000. Delegates to the Annual Meeting are usually the members of various Commission 7 working groups and regional correspondents. Mr Conrad TANG of the Hong Kong Polytechnic University has actively participated in the Cadastre Working Group in the past few years. Mr YEUNG Kin-fai is the HKIS representative and correspondent for many years. The programme of the Annual Meeting consists of a series of working sessions, technical visits and the Symposium on Land Markets.

### FIG WORKING WEEK - PRAGUE 2000

The coming FIG Working Week will be held in Prague, the capital of Czech Republic during the week 22-26 May 2000. The Czech Union of Surveyors and Cartographers hosts the event. Programmes of the FIG Working Week include a General Assembly, Internal Meetings of Commissions, a Symposium on History of Surveying and Mapping, the Conference on "Quo Vadis" Surveying in the 21st Century, technical excursions and a variety of commercial and non-commercial exhibitions. Details of the FIG Working Week - Prague 2000 can be obtained from the LSD Hon Secretary Mr CHEUNG Wai-man.

## NOMINATIONS AND APPOINTMENTS OF LSD REPRESENTATIVES TO HKIS COMMITTEES

By CHEUNG Wai-man, Hon. Secretary

The following new nominations and appointments for the respective committees are announced for general information:-

### LAND SURVEYING DIVISION SPOKESMAN

Mr CHAN Hon-kwan, Henry  
Mr Ian F WOOTTEN

### DIVISIONAL REPRESENTATIVE TO THE BOARD OF MEMBERSHIP

Mr YEUNG Kin-fai

### HKIS PUBLIC RELATION COMMITTEE

Mr LEUNG Shou-chun  
Mr LAW Kai-chung

### HKIS EDITORIAL BOARD

Mr CHAU Ming, Marvin

### HKIS TECHNICAL SURVEYOR

Mr CHAN Tat-wing, Ted

### LSD LAND SURVEY LEGISLATION COMMITTEE

Mr LAM Li-wah  
Mr TAN Chin-hor

### LSD CPD CONVENORS

Mr KWAN Lam-fat  
Mr LAM Lik-shan

### LSD TECHNICAL/SOCIAL FUNCTION CONVENORS

Mr CHAN Tak-hing  
Mr AU Chi-ho  
Mr TANG Sze-kin, Eric  
Ms LO Hoi-yin





# LAND SURVEY LEGISLATION COMMITTEE (LSLC)

By Ms Rina TSOI, Secretary of LSLC

In order to continue the study on the feasibility of extending the Land Survey Ordinance (Cap. 473) to cover land boundary surveys for not just the division of land but for all land transactions, the LSLC has been re-appointed for 1999-2000 with some change of membership as follows:-

Mr LEUNG Shou-chun	Chairman
Mr CHAN Hon-kwan, Henry	Member
Mr KWAN Lam-fat	Member
Mr LAW King-wai	Member
Mr Jacky TULL	Member
Mr Ian F WOOTTEN	Member
Mr TAN Chin-hor	Member
Mr LAM Li-wah	Member
Ms Rina TSOI	Secretary

The first meeting of LSLC is to be held in mid January 2000 and more information on the progress of the Code of Land Boundary Survey will be provided in the coming newsletter. ■

# QUANTITY SURVEYING DIVISION

By TT Cheung, Chairman

## KUNG HEI FAT CHOY!

### 1. APC 1999

All papers have been assessed. Interviews will be conducted in January 2000. It is expected that the results will be available after the Chinese New Year.

### 2. INTERNATIONAL COMMITTEE

The next PAQS Congress will be held in Australia in June 2000. Details of the event are available at the HKIS office. The General Council has approved in principle to jointly organize an international cost conference with China Engineering Cost Association in year 2001. Those who are interested in joining the organizing committee, please contact me.

### 3. PRC VISIT

We plan to visit Guangzhou, Beijing, Shanghai, Tianjian and Hainan in this council term to continue our influence in the quantity surveying profession in China. Details of the trips will be announced in due course. ■





# REPORT ON THE FIRST HONG KONG SYMPOSIUM ON SATELLITE POSITIONING SYSTEM APPLICATIONS' 99



Prof J M KO presents a souvenir to Mr Hak CHAN.

By Dr Esmond MOK  
Associate Professor,  
Dept. of Land Surveying & Geo-informatics,  
The Hong Kong Polytechnic University

Prof J M KO received Prof P A CROSS on behalf of the HKPolyU. Between them in the picture is Dr Esmond MOK.

Hong Kong Institution of Engineering Surveyors (HKInstES), The Hong Kong Society for Transportation Studies (HKSTS), Leica Geosystems Limited, PIL Systems Limited,

Topcon Optical (HK) Limited and the Trimble Navigation Limited.

Over 170 participants from different fields and professions, including survey and mapping, engineering construction and transportation engineering attended the Symposium. It was our honour to have Mr

Hak CHAN, Deputy Director / Survey and Mapping, Lands Department of the HKSAR, and Prof J M KO, Acting Dean of the Faculty of Construction of the Hong Kong Polytechnic University to give the opening speech to mark the start of the Symposium at 9:30 a.m. After the photo taking session, the keynote speech was delivered by the renowned GPS scholar, Prof P A CROSS, Head of Department of Geomatic Engineering of University College London. Professor CROSS first highlighted the current status and future trends of satellite positioning system development. He then addressed the major difficulties of satellite positioning, including multipath and atmospheric errors, and satellite visibility. These are the major factors that affect satellite positioning accuracy, both for long and short baselines - in both static and



Opening speech by Prof J M KO



Opening speech by Mr Hak CHAN



Prof P A CROSS giving the keynote speech.

**P**osition determination using navigation satellites has become increasingly popular in the civilian community because this technology can provide accurate position, velocity and time anywhere, anytime and under all weather conditions in a highly efficient and effective manner. Advancement of micro-electronic technologies has brought down the manufacturing cost of high-performance satellite positioning receiver hardware to become very affordable. Also, the U.S. Government has given a clear and positive policy on civilian use of GPS while smooth progress has been noted in the development of the Russian GLONASS satellite positioning system. It is anticipated therefore that satellite positioning technologies will be applied extensively in Hong Kong in the 21st century.

In view of the increasing awareness of the Hong Kong community about the Satellite Positioning System technology and its potential applications, there is a demand for a forum for different professions to discuss and share the satellite positioning experience. The Department of Land Surveying and Geo-informatics (LSGI) made an initiation to organize "The First Hong Kong Symposium on Satellite Positioning System Applications", which was held on 11 December 1999 in Chiang Chen Studio Theatre of the Hong Kong Polytechnic University. This Symposium focused on the applications of satellite positioning techniques in the areas of survey and mapping, vehicle navigation, GPS/GIS integration and construction engineering. The Symposium was co-sponsored by The Hong Kong Institute of Surveyors (HKIS), The



kinematic modes. Professor CROSS expressed the opinion that modelling of these errors is the major research challenge. With regard to the satellite visibility problem, especially in some areas such as in high rise environments, he suggested that a device called "pseudolite" that can broadcast emulated satellite signals, might be a solution for some applications. Lastly, Professor CROSS cited different examples of satellite positioning applications. The keynote speech ended with the remark that the applications of satellite positioning are limited only by our imagination!

Seventeen papers were presented in this one-day Symposium, covering the areas of land and sea navigation, transformation of coordinates, future trends of satellite positioning technology, engineering construction and survey & mapping applications. The Symposium was drawn to a close at about 5:30 p.m. after the closing remarks given by the Symposium Chairman, Dr Esmond MOK.

There was an exhibition viewing session after lunch time. The exhibition room, CF305, was crowded with people during this session. Participants made use of this time to get the most updated information on different types of positioning equipment and to see demonstrations. Although the paper presentation programme was quite intensive, participants could leisurely socialize with old and new friends during tea and lunch breaks!



Participants in the Symposium



# FORTHCOMING EVENTS

## HKIS SURVEYORS LUNCH

22nd February 2000

Guest Speaker *Mr Kim A Salkeld*  
*Deputy Secretary for Environment and Food Bureau*  
*HKSAR Government*

Further details to be announced in the post.

## HKIS CONFERENCE 2000

"Buildings: heritage in the new millennium"



4th March 2000, 9.00 am - 5.00 pm

Ballroom, Conrad International

Pacific Place

88 Queensway, Hong Kong


Fees (per person)	<i>HKIS Members or Non-members</i>	<i>HK\$950</i>
	<i>HKIS Student B members</i>	<i>HK\$750</i>
	<i>HKIS Student A members</i>	<i>HK\$500</i>

For reservation forms please contact the HKIS office at 2526 3679

# PUBLICATIONS

## HKIS GUIDANCE NOTES ON THE VALUATION OF PROPERTY ASSETS (SECOND EDITION 1999, 262PP.)

This new edition in loose-leaf form has been revised and updated since it was first published jointly by the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors (Hong Kong Branch) in 1988. There are 13 guidance notes and 10 background papers. The Guidance Notes apply to the valuation of Land and Buildings in Hong Kong and covers valuations for incorporation in Company Accounts and other financial statements, for investment and security purposes, and also in connection with take-overs and mergers.

The Guidance Notes are available from the HKIS office at HK\$280 per copy. For details of mail order, please contact the HKIS office. 



# Lunar New Year Greetings from 恭賀新禧 Rating and Valuation Department 差餉物業估價署同人鞠躬

The Rating and Valuation Department will provide its services in the new offices on **13th to 18th Floors** in **Cheung Sha Wan Government Offices at 303 Cheung Sha Wan Road, Kowloon** in phases from the dates shown below:

DATE	FLOOR	DIRECTORATES	NAME	TELEPHONE	FAX	
29 Feb	18	Commissioner	Kenneth T W Pang	彭贊榮	2150 8800	2152 0188
		Deputy Commissioner	C S Wong	黃振韶	2150 8801	2152 0188
		Rating Adviser	D R Stevenson	史偉信	2150 8802	2152 0188
		Assistant Commissioner (Rating & Valuation)	H C Lo	老興忠	2150 8803	2152 0188
		Assistant Commissioner (Administration & Staff Development)	K K Mok	莫錦鈞	2150 8804	2152 0188
		Assistant Commissioner (Special Duties)	F G Heath	許富賢	2150 8805	2152 0188

DATE	FLOOR	DIVISIONS	PRINCIPAL VALUERS IN CHARGE	TELEPHONE	FAX	
29 Feb	18	Support Services Division	( post temporarily vacant )	2152 8806	2152 0108	
22 Feb	18	Special Properties Division	M S Tanner	鄧 勵	2150 8850	2152 0118
21 Feb	17	Computer Division	W R W Spencer	史秉誠	2150 8700	2152 0117
28 Feb	16	New Territories Division	P K Kong	江炳坤	2150 8600	2152 0116
		New Territories (Rural Properties) Division	K H Lam	林健夏	2150 8650	2152 0126
17 Jan	15	Landlord & Tenant Services Division	K S Shum	岑國社	2150 8550	2152 0115
22 Feb	15	General Revaluation & Capital Valuation Division	T F Lo	勞大輝	2150 8500	2152 0135
22 Feb	14	Urban Division	L M Yip	葉亮明	2150 8400	2152 0119
		Rating Division	Y L Yuen	袁英倫	2150 8450	2152 0139

DATE	FLOOR	DIVISION	SENIOR TREASURY ACCOUNTANT	TELEPHONE	FAX	
21 Feb	13	Accounting & Billing Division	Helen Cheung (Mrs)	張吳曼娥	2150 8300	2152 0113

#### OTHER ESSENTIAL NUMBERS

	TELEPHONE	FAX
Technical Secretary (Information)	2150 8807	2152 0108
Customer Services Officer	2150 8833	2152 0108
Telephone Operator	2150 8888	
General Enquiries (Counter Service)	2150 8390	
24-Hour Automatic Enquiry Service	2152 2152	
Info-Hotline Service on Age and Floor Area of Domestic Properties (Enquiry)	2805 6616	
(Chargeable Service)	900 6053 8888	

**E-MAIL ADDRESS:** [rvdtsif2@netvigator.com](mailto:rvdtsif2@netvigator.com)



**NEWS EXTRACTED FROM THE INTERNET ON REAL ESTATE, ENVIRONMENT,  
PROPERTIES/ PLANNING, LAND, INFORMATION TECHNOLOGY,  
CONSTRUCTION, ANY OTHER RELATED ISSUES AND SURVEYING**

**SIX PRE-SALE CONSENTS ISSUED IN DECEMBER**

The Lands Department issued six pre-sale consents for the sale of 6,348 residential units in uncompleted developments in December. Three of the developments are on Hong Kong Island, two in Kowloon and one in the New Territories. The units involved are estimated to be completed between December 1999 and July 2001.

One pre-sale consent was also issued to a commercial development in Aldrich Bay Reclamation expected to be completed in February 2001 while consents to assign were issued to two residential projects involving 1,496 units in Aberdeen and on Lantau Island.

**BOOKLET ON CONTROL OF COOKING FUME  
EMISSION**

The Environmental Protection Department (EPD) has published a booklet today (Tuesday) in a bid to reduce nuisances caused by cooking fume emission from restaurants and the food business. Entitled "Control of Oily Fume and Cooking Odour from Restaurants and Food Business", the booklet provides restaurant owners and environmental professionals guidance on how to control cooking fume emission. The booklet sets out various practical measures for controlling cooking fume emission.

These include proper siting of the exhaust outlets and adequate provision, operation and maintenance of effective control equipment, such as water spray hoods and electrostatic precipitators. Copies of the booklet are available at the Air Management Group of the EPD on 33/F., Revenue Tower, 5 Gloucester Road, Wan Chai and the six EPD Local Control Offices. Enquiries can be made on 2594 6262.

**MANDATORY MANAGEMENT OF BUILDINGS  
WITH SERIOUS PROBLEMS**

The Government has proposed to confer the Secretary for Home Affairs (the Authority) a power to order the management committee (MC) of the owners' corporation (OC) of a building with serious management and maintenance problems and without a manager, to employ a building management agent from a gazetted list specified by the Authority. The proposal and a number of building management measures provided in the Building Management (Amendment) Bill 2000 aims to enhance effective building management and safety and therefore to benefit the community. Another proposed amendment will empower the Authority to publish in the Gazette a Code of Practice on Building Management and Maintenance (the Code) which will provide an objective basis for the Authority's evaluation of imposing mandatory management on problematic buildings and issuing of orders. If the MC fails to comply with the Authority's orders within the period specified, they will commit an offence which, upon conviction, carries a maximum fine of \$50,000, and a daily fine of \$1,000 may also be imposed. The Building Management (Amendment) Bill 2000, which has been approved by the Executive Council, published in the Gazette 14 January 2000 and introduced into the Legislative Council on 26 January.

**SLOPE MAINTENANCE RESPONSIBILITY  
INFORMATION SYSTEM (SMRIS)**

A user-friendly information system on maintenance responsibility of all man-made slopes in Hong Kong has come into operation for easy public reference. Under the Slope Maintenance Responsibility Information System (SMRIS), maintenance responsibility information on the 54,000 man-made slopes as registered by the Geotechnical Engineering Office would be disclosed, managed and updated to enhance public awareness of slope safety and promote proper slope maintenance. Starting from 29 December 1999, members of the public can visit Lands Department's Slope Maintenance Responsibility Information Centre on the First Floor, North Point Government Offices, 333 Java Road, to gain easy and direct access to information on slope maintenance responsibility during office hours. Prior appointment should be made by telephone 2231 3333.



### **ARBITRATION (AMENDMENT) 1999 BILL PASSED**

The Legislative Council passed the Arbitration (Amendment) Bill 1999 on 5 January 2000. The main purpose of the Bill is to implement the Arrangement on the reciprocal enforcement of arbitral awards between the Mainland and the Hong Kong Special Administrative Region.

Prior to the reunification, the recognition and enforcement in Hong Kong of arbitral awards made in other jurisdictions, including the Mainland, was governed by Convention on the Recognition and Enforcement of Foreign Arbitral Awards done at New York ("the New York Convention"). The New York Convention continues to apply to the Hong Kong Special Administrative Region after the reunification. However, since the Convention is an international agreement, it is no longer applicable to the enforcement of arbitral awards between the Mainland and Hong Kong.

The Administration reached consensus with the Mainland in this aspect. The new arrangement was made in accordance with the spirit of the New York Convention. In addition, to meet present day's needs, it will allow awards made by over 100 Mainland arbitral authorities with relevant experience to be enforced in Hong Kong.

The Arbitration (Amendment) Bill 1999 defines clearly the type of Mainland awards that can be enforced in Hong Kong and sets out relevant procedures and grounds for refusal of enforcement. The Bill stipulates that only the mainland awards made by recognised arbitral authorities would be enforced in HKSAR, and the list of recognised arbitral authorities will be published from time to time in the gazette.

### **GRADUAL TRANSFER OF HA SERVICES**

A gradual transfer of the Housing Authority's Estate Management and Maintenance (EMM) services has been proposed alongside an attractive release package for staff to encourage them to join the private sector. No less than 25,000 units from the Authority's existing public rental housing stock will be transferred in 2000/01 and another 50,000 units for the year after, a task force formed under the Authority suggests. The pace of transfer thereafter will be reviewed within the first two years.

The proposals, contained in a report by the Authority's task force formed to study implementation details of the "phased service transfer" (PST) approach, will be discussed by the Authority at its meeting on 27 January 2000. If endorsed by the Authority, the first batch of PST contracts will be awarded in mid 2000, covering a comprehensive range of EMM services, including property management and maintenance. Tenancy management functions in relation to the exercise of the Authority's statutory power will be retained.

Each PST contract will cover 8,000 to 10,000 units over a three-year period, comprising a balanced mix of estates. In addition, a tender evaluation system with equal weighting on tender price and technical proposal will be developed. Specification of service standards will be output-oriented with clearly defined Key Performance Indicators (KPI). A comprehensive performance monitoring system will be devised to objectively measure performance against the KPIs. A higher level of tenants' participation will be included in the monitoring system. All new measures aim at enhancing services to the tenants.

A release package has been specially designed for staff and will be offered to all those directly affected by the PST. Based on the Abolition of Office terms, the package includes the payment of an enhanced pension and an ex-gratia payment equivalent to six times the staff's final salary.

### **LANDS DEPARTMENT LAUNCHES MILLENNIUM VISION**

The Lands Department launched at end of 1999 its new Vision Statement, which is "To strive to achieve excellence in land administration in Hong Kong for the greater benefit of the community."

- To keep pace with economic and market trends in a local and regional context;
- To continuously review policies and employ best practices to meet the changing needs of the community;
- To develop and sustain a culture of transparency and professionalism; and
- To use up-to-date technology and optimise human resources to enhance productivity and efficiency.

### **LAND REGISTRY 1999 STATISTICS**

On 4 January 2000, the Land Registry released the land registration statistics for the year 1999 and those for last December.

A total of 98,466 sale and purchase agreements on building units, including both residential and non-residential properties, were received for registration in 1999, representing a decrease of 11.7 per cent and 52.1 per cent compared with 1998 and 1997 respectively.

The total amount of consideration involved in these agreements was \$245.64 billion, down 24.7 per cent against 1998 and 70.4 per cent against 1997.

During the year, 140,858 assignments of building units were lodged for registration, compared with 134,994 recorded in 1998 and 220,911 in 1997, showing an increase of 4.3 per cent and a decrease of 36.2 per cent respectively.

The total amount of the consideration involved amounted to \$300.06 billion, showing a decrease of 13.9 per cent and 62 per cent respectively when compared with the two preceding years.





### TASK FORCE ON BUILDING SAFETY AND MAINTENANCE

In order to conduct a comprehensive review of the policies and enforcement action on building safety and preventive maintenance, the Planning and Lands Bureau will establish a Task Force in early 2000. Led by Mrs Helen Yu Lai Ching-ping, the Task Force will propose improvement measures later in 2000. Improving building safety will be an important policy objective and a priority task.

### BUILDING PLANS APPROVED IN NOVEMBER 1999

The Buildings Department approved 24 building plans in November 1999, seven on Hong Kong Island, seven in Kowloon and ten in the New Territories. The approved plans comprise 15 for apartment and apartment/commercial developments, three for commercial developments, one for factory and industrial developments, and five for community services developments. In the same month, consent was given for works to start on 17 building projects, which will provide 272,840 square metres of usable domestic floor area and 32,171 square metres of usable non-domestic floor area on completion.

The department also issued 31 occupation permits, eight on Hong Kong Island, eight in Kowloon and 15 in the New Territories. Of the buildings certified for occupation, the usable floor areas for domestic and non-domestic uses were 230,971 square metres and 134,657 square metres respectively.

The declared cost of the new buildings completed last November totalled about \$5.845 billion.

In addition, eight demolition consents involving 13 buildings and structures were issued.

The department's Control and Enforcement Division received 1,493 complaints against unauthorised building works in November 1999, and issued 2,129 removal orders on unauthorised works. ■

# IS THE COST OF PREPARING A CLAIM RECOVERABLE?



**W**hen a claims situation arises, contractors are invariably put to cost in preparing a submission to go to the Architect or Engineer. The question often asked is whether the cost is recoverable as part of the claim ascertainment and payment. This is particularly the case where the contractor has been put to the expense of employing a contracts consultant to prepare the submission on its behalf.

Whilst there is no specific authority on the subject, the generally accepted position seems to be that in the absence of express terms in the contract which give an entitlement to payment (which I have never seen), the cost of producing documents in support of a claim as required by the conditions of contract will not be recovered.

This is because in providing the submission or information the contractor will be merely complying with the requirements of the contract, and on this basis should have allowed for any such costs that he would incur in his tender.

However, there may be specific circumstances where a contractor may be entitled to reimbursement of the costs of preparing a claim.

For example, where the conditions of contract require the Architect or Engineer having received notice and details from the contractor or subcontractor to ascertain loss and expense, any failure to so ascertain will constitute a breach of contract.

This point is made by Mr Vincent Powell-Smith in his book 'Problems in Construction Claims' where he states:

"If the contractor invokes clause 26 [of JCT 1980] and does what is required, the Architect is under a duty to ascertain or instruct the quantity surveyor to ascertain whether loss or expense is being incurred and its amount. This follows from the wording of clause 26.1 which uses the word 'shall' and which thus imposes a duty on the Architect, provided that the Architect has formed a prior opinion that the contractor has been or is likely to be involved in direct loss and/or expense as a result of the specified event(s) and which is not recoverable under any other provisions of the contract."

And the case of *Croudace Ltd -v- London Borough of Lambeth* (1986) where it was confirmed that the Architect's failure to ascertain, or instruct the quantity surveyor to ascertain, the amount of direct loss and/or expense suffered or incurred by the contractor is a breach of contract for which



the Employer may be liable in damages if the contractor can establish that he has suffered damage as a result of the breach.

The damages, which can be recovered, will be governed by the rules in Hadley -v- Baxendale (1854). Under these rules the damages recoverable are:

- those arising naturally i.e. according to the usual course of things from such breach
- such as may reasonably be supposed to have been in the contemplation of both parties at the time that they made the contract.

It would appear a sound argument that both the employer and the contractor when entering into the contract would contemplate that if the Architect or Engineer fails to ascertain loss and expense and hence is in breach, the parties should have contemplated that the contractor would be put to expense in preparing a fully documented claim, and on this basis such expense would therefore be recoverable.

From a Hong Kong perspective the Private Form (RICS) of Contract Clauses 11 and 24 provide that the 'Architect shall either himself or shall instruct the Quantity Surveyor to ascertain the amount of such loss and/or expense', and similarly the Government of Hong Kong GCC Clauses 48,54, and 63 provide that 'the Surveyor/Engineer shall ascertain the Costs incurred...'

Therefore under both these local forms of contract should the Architect/Surveyor/Engineer/ fail to ascertain the loss and expense or costs, when it is agreed such loss and expense or Costs have been incurred, the contractor would appear to have a good argument to seek reimbursement of the costs of employing a consultant to prepare a fully documented and detailed claim submission.

A second situation where the costs of preparing a claim may be recoverable is where the matters are referred to arbitration.

In such circumstance an arbitrator has discretion to direct by whom and to whom costs shall be paid. The exercise of the

arbitrator's discretion is limited to costs connected with or leading up to the arbitration. Normally the arbitrator will award costs which have been incurred after the service of the arbitration notice in favour of the successful part, but not costs incurred before the notice of arbitration. This was confirmed in the case of James Longley and Co Ltd -v- South West Regional Health Authority (1983) where the claimants' bill of costs contained an item of \*16,022 for the fees of Mr Roy K Short, a claims consultant. It was directed that the fees insofar as they related to work done in preparation of the claimants' final account and to work as a general adviser to the claimants were to be disallowed but allowance was made for \*6,452 in respect of work done in preparing the claimants' case for arbitration, namely the preparation of three schedules annexed to the Points of Claim.

However, if costs incurred before the service of the notice are in contemplation of the arbitration then the arbitrator may include them in his award of costs. It may be argued that costs of preparing a claim document, which ultimately form part of the pleadings but is prepared before the arbitration notice is served falls into the category of costs in contemplation of arbitration. A note on the file before the claim is prepared to the effect that it is being prepared in contemplation of arbitration may prove helpful.

In summary in the absence of an express entitlement in the contract, the costs of preparing a claim will not be recoverable unless it can be shown that the costs were incurred either because there was a breach of contract by the Architect or Engineer in failing to ascertain the contractor's entitlement or it can be shown that prior to the service of an arbitration notice the preparation of the claim is in contemplation of arbitration. ■

**John B Molloy, LLB(Hons), BSc(Hons),  
FHKIS, FRICS, MCI Arb, RPS(QS).**

**Managing Director, James R Knowles (Hong  
Kong) Limited**

## Editor's Note



Your new Editorial Board met last December to discuss publication plans for the new council year. We took great length in discussing about the feedback from the members' survey conducted in 1999. Many of the suggestions were reviewed and the EB decided to gradually introduce special features in response. The Board will continue with the good work set by the predecessors and make necessary improvements. You may have noticed the new look of this newsletter. This is the creative work of a new design house and printer, engaged on a three-month trial basis to undertake the publication of the Newsletter. We hope the new column "News Clipping" can provide you with updated information on issues related to the surveying practice.

The Board needs your support and suggestion for improvement. Members may contact the Hon. Editor at [editor@hkis.org.hk](mailto:editor@hkis.org.hk).

Starting from the next issue, Legislative Councillor, the Hon Edward S T Ho will provide his briefing from the LC Chamber on proposed and approved legislative changes affecting the profession. A "Students' Corner" will be introduced for the dissemination of information that is beneficial to our student members. To start with, the 1999 BSD/APC Practical Task question and briefing notes will be published. Students will be able to review the question and study the briefing notes originally provided to Assessors. ■