

Chapter I Introduction

1.1 The Select Committee on Building Problems of Public Housing Units (Select Committee) was appointed by resolution of the Legislative Council (the Council) on 7 February 2001 with the following terms of reference:

"That this Council appoints a select committee to inquire into the building problems in the production of public housing units having regard to the circumstances surrounding the incidents in Tin Chung Court, Shatin Area 14B Phase 2, Tung Chung Area 30 Phase 3 and Shek Yam Estate Phase 2, and based on this to identify positive recommendations for a complete overhaul of the overall policies and system of public housing, which should include examining whether the Housing Authority should be reorganized, split or abolished, so as to raise the quality of public housing; and that in the performance of its duties the committee be authorized under section 9(2) of the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) to exercise the powers conferred by section 9(1) of that Ordinance."

The membership of the Select Committee is in **Appendix 1**.

1.2 The Select Committee commenced its work in February 2001. It tabled its First Report at the Council on 22 January 2003. The First Report contains an account of the Select Committee's findings and observations on the overall policies and system of public housing and the incidents it studied except Tin Shui Wai Area 31 Phase 1 and the Select Committee's recommendations arising therefrom. The practice and procedures adopted by the Select Committee in conducting this enquiry were also provided in the First Report. The Select Committee decided to defer its report on the Tin Chung Court incident, as new information relating to it was obtained in late 2002 and

criminal proceedings against persons involved in that incident at the Court of First Instance would not commence until June 2003. The First Report was endorsed by a resolution passed by the Council upon a motion moved by Hon Miriam LAU Kin-ye, Chairman of the Select Committee, at the Council meeting of 12 February 2003.

1.3 The Select Committee commenced its study of the Tin Chung Court incident in September 2001 and obtained evidence from a total of 32 witnesses. A list of the witnesses is in **Appendix 2**. Many of its findings related to the management deficiencies common to all four incidents studied by the Select Committee were set out in its First Report. After the tabling of the First Report, the Select Committee continued to meet and examine the new information obtained in relation to the Tin Chung Court incident. In the meantime, the relevant criminal trial by jury commenced in June 2003 and was completed in October 2003. Of the seven defendants, five were found not guilty and two were convicted of conspiracy to defraud and each sentenced to seven years' imprisonment. The two who were convicted have filed notices of appeal against both conviction and sentence. The Select Committee obtained and examined the transcript of the summing-up delivered by the Judge of the trial and the transcriptions of the video interviews conducted by the Independent Commission Against Corruption (ICAC) with five of the accused which had been submitted to the Court as evidence. The Select Committee decided to note alongside its findings and observations certain evidence referred to in the transcript or contained in the transcriptions where such evidence has particular illustrative or corroborative value. The Select Committee forwarded its findings to the parties concerned for comments prior to finalizing its conclusions and recommendations.

1.4 This Second Report (the Report) contains the findings and observations of the Select Committee on the Tin Chung Court incident and its recommendations arising therefrom. The Report comprises three volumes, as follows:

- Volume I Main Report, list of written evidence and minutes of proceedings; and

- Volumes : Minutes of evidence in the form of verbatim IIA to IIB transcripts in their original language in respect of the public hearings of the Select Committee.

1.5 In this Second Report, Chapter II explains the background and the management structure of the Tin Chung Court project. Chapters III to IV set out the planning, design and construction processes of the project and the Select Committee's findings on the deficiencies in these processes. Chapter V focuses on how the design of the project was verified, and Chapter VI on the personal responsibilities of the parties concerned in ensuring work quality. The Select Committee's conclusions and further recommendations are provided in Chapter VII.

1.6 The Select Committee finds it necessary to reiterate that any findings contained in the Report are not intended and should not be used to pre-empt, influence or in any way prejudice any proceedings pending in Court or elsewhere.