

**Presentation by Secretary for Works
at the Special Meeting of the Finance Committee
on Wednesday, 21 March 2001**

Mr Chairman,

I would like to start with some brief remarks before answering questions from Honourable Members.

Public Works Programme

2. We have done our best to ensure that the implementation of public works projects adheres to programme. By the end of the current financial year, the actual expenditure on the Public Works Programme is expected to be \$23 billion.

3. In the coming financial year, some 230 new public works contracts and consultancy agreements will commence and we expect that more than 20,000 new jobs will be created. Major projects to start construction include the infrastructure support for the Hong Kong Disneyland at Penny's Bay, the Science Park building blocks at Pak Shek Kok, and Castle Peak Road Improvement.

4. There is no cut-back of projects on the Public Works Programme for 2001-02. The estimated expenditure of \$21 billion merely reflects the trend of tender prices, which are expected to be lower, and the expenditure profile of certain major new projects currently under planning. Once construction commences, the new projects will boost expenditure in the coming few years.

5. Government maintains robust spending on minor works, consultancy assignments, and site investigation works, which can be implemented within a short time. Expenditure on such works in 2001-02 will be about \$5 billion, an increase of some \$400 million over this year.

Works Departments

6. Now, I would like to say a few words on the work of the Works Departments.

7. The ***Architectural Services Department*** completed several major municipal and health care projects and school projects. In the coming year, the Department will continue to build new schools under the Whole Day Primary Schooling Programme, complete improvement works for a further 37 schools, and commence feasibility studies on the improvement works for about 340 schools for overall completion by 2005. It will

contribute to sustainable development by adopting the principles of sustainable building design and construction.

8. The *Civil Engineering Department* will continue to upgrade 250 government slopes and conduct safety screening of 300 private slopes per year under the 10-Year Extended Landslip Preventive Measures (LPM) Programme, which is now in its second year. The Department will also continue to implement the essential infrastructure for Penny's Bay Development for the Hong Kong Disneyland, as well as other projects for housing, schools and port development.

9. The *Drainage Services Department* will continue to implement extensive flood control and mitigation projects. Stage III of the Shenzhen River Regulation Project is expected to commence later this year. River training works at River Indus, River Beas and Kam Tin River will be largely completed by 2002. The drainage upgrading works in West Kowloon is now in full swing. Construction works under new drainage improvement projects costing \$5 billion will start progressively from the end of this year.

10. The *Electrical and Mechanical Services Trading Fund* has achieved satisfactory financial performance and productivity improvement. It has continuously enhanced services and reduced prices. The Department has achieved ISO 9001 and ISO 14001 Corporate Certification for its quality management system and environmental management system respectively, and aims to gain the OHSAS 18001 for occupational health and safety by the end of 2001. It will continue to provide effective technical support to government bureaux on development and implementation of energy efficiency policy.

11. The *Highways Department* is bringing forward a number of major highways projects, including Route 9 from Tsing Yi via Cheung Sha Wan to Shatin, and Route 10 from North Lantau to Yuen Long, which are under various design stages. Phase 1 construction of Route 9 is scheduled to commence in early 2002. The Department is also implementing the essential public infrastructure works for a number of new railway lines in the urban area and in the New Territories.

12. The *Territory Development Department* will continue with the formation of land and provision of infrastructure in Tsueng Kwan O, Tung Chung and Tin Shui Wai which are in good progress. Construction of Trunk Road T7, which by-passes the Ma On Shan Town Centre area, commenced in January this year. Planning of South East Kowloon development is well advanced and detailed design work is scheduled for this year.

13. The *Water Supplies Department* will continue to extend the water supply system to meet future demand arising from new developments. The project on rehabilitation and replacement of aged watermains has commenced. Construction of the closed aqueduct in Guangdong to improve Dongjiang water quality is scheduled for completion in 2003. On the advice of the Advisory Committee on the Quality of Water Supplies, water quality data were, for the first time, published in the Water Supplies Department website in August 2000. Agreement in principle has been obtained from the Guangdong Authority to publish the water quality data at Dongjiang mainstream.

Construction Industry Review

14. Finally, I would like to say a few words about the Construction Industry Review. The Construction Industry Review Committee (CIRC), which was appointed by the Chief Executive (CE) in April 2000, has completed the industry review and submitted its report to the CE in January 2001. The report recommended over 100 improvement measures, covering a wide spectrum of activities in the construction industry.

15. We welcome the report of the CIRC and agree to its objective to improve the quality and cost-effectiveness of the industry for it to be capable of self-driver towards excellence. We have studied carefully the findings and recommendations of the CIRC and consider that many improvement measures are worth pursuing. We are working closely with relevant Government bureaux and departments with a view to examining the way forward.

16. Mr Chairman, the Directors and I will be pleased to answer questions from Honourable Members.