

**Presentation by the Secretary for Development
at the Special Finance Committee Meeting
(7 April 2008 at 2:15 pm)**

Chairman,

In 2008-09, the allocation for Development Bureau for its operating expenditure on works is \$7,204.2 million, representing an increase of \$102.5 million or 1.4 % as compared with that in the preceding year. There will be an increase of 113 civil service posts, including 92 posts for phasing out non-civil service contract positions with long term service needs, and the remaining 21 to assist in implementing various initiatives in the works portfolio.

Our capital works projects have been progressing smoothly in the 2007-08 financial year. The Revised Estimate of the Capital Works Programme is \$20.5 billion, which is roughly the same as the Original Estimate. Discounting the upfront endowment of \$21.6 billion to the West Kowloon Cultural District Authority, the estimated expenditure on infrastructure projects for 2008-09 will be \$21.8 billion. While the rise in expenditure may still fall short of Members' expectation to some extent, it marks the start of a good trend.

Over the next few years, we will vigorously implement various infrastructure projects, including the ten major projects announced by the Chief Executive, in order to dovetail the long-term economic development of Hong Kong. We will engage the public at the early

stage of the works projects with an aim to fostering more community consensus.

Apart from major infrastructure projects, we will press ahead with other works projects to bring about improvement to the quality of life of our citizens. We will continue to actively alleviate the flooding problems in the urban areas, focusing on the construction of three drainage tunnels in Hong Kong West, Tsuen Wan and Lai Chi Kok, at a total cost of \$6 billion. Construction of the Hong Kong West and Tsuen Wan drainage tunnels has commenced in end-2007. Construction of the Lai Chi Kok drainage tunnel will commence in mid-2008. We will also roll out stages 3 and 4 of the water mains replacement and rehabilitation programme at an estimated cost of about \$9 billion, with works commencing in phases from 2008 onwards. Other major projects that will enter the construction stage in full steam include the Reconstruction and Improvement of Tuen Mun Road, Development at Anderson Road, and Redevelopment of the Hong Kong Sports Institute. In the coming year, we expect that the new projects will create about 27 000 jobs in the construction industry.

By March 2008, the Public Works Subcommittee of the Legislative Council has approved a total of 45 submissions at a total cost of about \$27.6 billion. This has already surpassed the total sum of \$26.2 billion approved in the 2006-07 session. I am confident that the Legislative Council will continue to support our funding submissions.

The Development Bureau was set up on 1 July 2007 and has taken over from the Home Affairs Bureau policy matters on heritage conservation. Since then, the Development Bureau has taken forward the new heritage conservation policy in a holistic manner. In the years to come, we will continue to press ahead with the various new heritage conservation initiatives and measures announced by the Chief Executive in his Policy Address in October 2007. The Revitalising Historic Buildings Through Partnership Scheme, which has been widely publicized by the media, was formally launched on 22 February this year after securing funding support of the Finance Committee. The first stage of the Scheme includes 7 government-owned historic buildings. Initial response to the Scheme has been encouraging. Open days for these 7 historic buildings were held in the first two weeks in March which were attended by over 360 representatives from some 110 non-profit making organizations. We have organized a workshop in early April to provide the applicants and their professional advisers an opportunity to have a further understanding of the Scheme. We will also explore suitable economic incentives on a case-by-case basis to facilitate conservation of important privately-owned historic buildings. In the case of King Yin Lei, we have already reported to the Legislative Council Home Affairs Panel on a few occasions the progress in obtaining the owner's agreement to fully restore and preserve King Yin Lei by way of land exchange. Throughout the process, we will attach importance to transparency and openness.

I fully appreciate that there are demands for greater public participation and transparency in enhancing the work on heritage

conservation. In this respect, we will step up efforts in engaging the public, professionals and stakeholder groups on heritage conservation issues. For instance, we have just embarked on a 3-month public engagement exercise to allow the public to express views on the future use of the site of the former Hollywood Road Police Married Quarters. The exercise will include open days, workshop and consultation meetings with stakeholders such as the Central & Western District Council, the Antiquities Advisory Board and tourism groups, etc. On the publicity front, we will enhance communication with the public as well as heighten public interest and awareness on conservation work through our dedicated heritage website and a series of campaign activities. We have earmarked resources in the 2008-09 Estimates to cater for the additional expenditure required for the above new initiatives. Subject to the approval of the Finance Committee of the Legislative Council on 25 April, we will set up the Commissioner for Heritage's Office to further intensify our efforts on heritage conservation work.

Thank you.