

Legislative Council Panel on Development

**Initiatives of Development Bureau
in the 2008-09 Policy Address and Policy Agenda**

INTRODUCTION

The Chief Executive (CE) delivered the 2008-09 Policy Address on 15 October 2008 entitled “Embracing New Challenges”. This is supported by the Policy Agenda Booklet which lists the HKSAR Government’s new and ongoing initiatives. This paper elaborates on those initiatives under the Development Bureau (DEVB).

2. In light of Members’ concern about progress of capital works projects particularly in light of upsurge in construction cost over the past year, we are taking the earliest opportunity to report to Members those approved projects which would require an increase in their approved project estimates (APE) to meet contract price fluctuations allowed for under the contracts or to enable tendered projects to proceed to construction (paragraphs 28 to 32 refer). Subject to Members’ support, this would enable us to submit the funding applications to the first Public Works Subcommittee (PWSC) meeting on 7 November 2008, followed by Finance Committee (FC) meeting on 21 November 2008 to avoid any disruptions to or delay progress of these approved projects.

POLICY ADDRESS AND POLICY AGENDA INITIATIVES

3. The work of DEVB will mainly contribute to the two themes of “Developing the Infrastructure for Economic Growth” and “Quality City And Quality Life”. We will also strive to enhance public governance and improve services to the public. An extract of all new and ongoing initiatives under DEVB as contained in the 2008-09 Policy Agenda Booklet is at **Annex 1**. Major items are highlighted in the paragraphs below.

Infrastructure Development as a Driving Force for Hong Kong's Development

Government Expenditure on Infrastructure Projects

4. Members may recall that when we briefed this Panel on 23 October 2007, the concern was on the low level of Capital Works Programme (CWP) expenditure. We then explained that CWP expenditure started to decline from its peak of \$31.4 billion in 2004-05 because a number of planned large scale projects such as Kai Tak Development, Central-Wan Chai Bypass, and Wan Chai Development Phase II had not commenced as scheduled, as they required more time for completing the statutory procedures and for undertaking the needed preparatory work including public engagement. The actual CWP expenditure in 2007-08 was \$20.5 billion, which was the lowest in the past ten years.

5. To fulfil the CE's pledge of pressing ahead with infrastructure, various works departments under the steer of DEVB have made every effort to expedite the progress of on-going projects as well as implementation of minor works. As a result of these concerted efforts, the spending performance of CWP up to end August 2008 is satisfactory. We now project total spending for 2008-09 to reach about \$23 billion, which is \$1.2 billion more than the original estimate of \$21.8 billion in the 2008-09 Estimates, or 12% more than the spending in 2007-08. While works departments are compiling the estimated cashflow expenditure of the various projects in the coming year for the purpose of the 2009-10 Draft Estimates, we are expecting a larger magnitude in the growth of capital works expenditure in 2009-10.

Progress on Ten Major Infrastructure Projects and Other Major Projects

6. During the past year, the Administration has pressed ahead with the planning of the Ten Major Infrastructure Projects (10 Major Projects) announced by the CE in the 2007-08 Policy Address. Substantial jobs will be created in the construction sector during the construction stage. Among the 10 Major Projects, three of them, namely New Development

Areas, Lok Ma Chau Loop and Kai Tak Development are spearheaded by DEVB. We would like to update Members on these three projects –

(a) *New Development Areas*

7. We commissioned, in June 2008, “the North East New Territories New Development Areas (NDAs) Planning and Engineering Study”, which will formulate a development plan to guide implementation of the NDAs, namely the three-in-one covering Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling. The current target is to provide the necessary infrastructure facilities to enable the first population intake to take place in 2019. We will conduct Stage 1 Public Engagement of the Study later this year and we aim to complete the North East New Territories NDA Study by 2011.

8. As regards the other NDA at Hung Shui Kiu (HSK), it is the subject of a preliminary study on broad implications of the planned railway infrastructure under way. The study will provide input to the HSK NDA planning and engineering study, which we plan to commence in mid-2009 and complete by 2012. However, it should be noted that these NDAs are planned for population growth in the next decade and we should allow the planning work to proceed as scheduled, instead of accelerating them simply for the purpose of increasing capital works expenditure.

(b) *Lok Ma Chau Loop*

9. We have set up a joint task force with the Shenzhen Municipal Government, namely the “Hong Kong-Shenzhen Joint Task Force on Boundary District Development” (JTF), to accelerate studies on the planning and development in respect of the areas in proximity to the boundary. At its meeting held on 18 September 2008, the JTF was briefed on the findings of the public engagement exercise undertaken separately in Hong Kong and Shenzhen in June/July 2008 to collect community views on the possible future land uses for the Lok Ma Chau Loop.

10. As indicated by the CE in the Policy Address, the possible land uses that are supported by respondents in both Hong Kong and Shenzhen are tertiary education, hi-tech R and D and creative industries. On this basis, the two governments will conduct more in-depth discussions with major stakeholders in the coming months, with a view to deciding on the specific land uses and the development model. We will be seeking funding approval from the Legislative Council (LegCo) later this year to embark on a comprehensive planning study around the middle of next year.

(c) Kai Tak Development

11. The Kai Tak Development has entered the implementation stage. Following the decision that the Government will fund the cruise terminal, we have started the preparatory work for the cruise terminal berths and the associated site formation works. We aim to start detailed design and construction of these works in early 2009 and early 2010 respectively. This will enable commissioning of the first berth for cruise vessels by mid-2013. As for the cruise terminal building, we will proceed with its design and construction in parallel to shorten the implementation timetable. We schedule to complete the full-fledged building in early 2015. We understand the Commerce and Economic Development Bureau will separately brief Members on the cruise terminal development.

12. On a separate front, we are finalising the design of the infrastructure to serve the public housing development and the Kai Tak Government Offices. We plan to start construction works on site in mid-2009 for completion in early 2013. Given the size and scale of the Kai Tak Development, DEVB is overseeing its implementation and has drawn up several works packages to ensure smooth and efficient delivery. Following LegCo approval of one works item last year, we intend to seek funding for another five works items at a total cost of some \$2.4 billion in the coming year.

Other Large Scale Projects

13. Apart from the 10 Major Projects, good progress has also been made on the planning of other large scale projects. For instance, we will

proceed jointly with the Shenzhen Government on the Liantang/Heung Yuen Wai boundary control point project, which will bring significant improvements to cross-boundary traffic upon its completion in 2018. We have set up a dedicated working group under the Hong Kong-Shenzhen Joint Task Force on Boundary District Development to oversee the implementation of this project. We will shortly seek LegCo's funding support to commence an investigation and preliminary design study. Other large scale projects under active planning include -

- (i) West Island Line;
- (ii) Harbour Area Treatment Scheme Stage 2A;
- (iii) Various campus improvement projects for the new "3+3+4" academic structure;
- (iv) Central-Wan Chai Bypass and Wan Chai Development Phase 2;
- (v) Widening of Tolo Highway/Fanling Highway between Island House Interchange and Fanling;
- (vi) Sludge Treatment Facilities;
- (vii) Central Kowloon Route;
- (viii) Cross Bay Link and Tseung Kwan O-Lam Tin Tunnel;
- (ix) Replacement and rehabilitation of watermains, stage 4; and
- (x) Expansion of Tai Po Water Treatment Works.

The commencement of these projects will bring CWP spending to higher levels in future years.

Delivery Capability of Construction Industry

14. With the advent of an era of rapidly rising CWP expenditure, we need to assure we have the required delivery capacity. This includes general labour supply in the construction industry, as well as professional and supervisory staff within the Government or supplied through consultants.

15. On labour situation in the construction industry, the unemployment rate is still 6.7% in the most recent quarter (May to July 2008). While the enlarged CWP will provide more job opportunities, we need to look ahead to examine any skills mismatch (e.g. in terms of the types of workers required for the various types of jobs) that may arise and enhance training where needed. We will also have to address other problems such as ageing in the construction work force as well as the

reluctance of the younger generation to join the industry. In this regard, the Construction Industry Council is conducting a study to assess and forecast the supply and demand of construction workers and supervisors / technicians in the coming years. DEVB has commissioned a similar study focusing on construction professionals. Both studies have included consultations with construction industry stakeholders. The results of the studies will be provided to relevant parties including the Development Panel, if necessary, with a view to devising a strategy which best meets our future needs.

16. As regards the delivery capacity of the Government itself, DEVB is assessing the situation. Our preliminary view is that difficulties or delays often happen at the pre-construction stage and there is a need to enhance strategic co-ordination at the higher level so that teething problems can be ironed out speedily and projects can be implemented in the desired time frame to meet the needs of the community. In doing so, we will first look into the possibility of redeployment of existing resources. Should additional resources be required, we will seek approval from the LegCo in accordance with the established mechanism.

Initiatives under “Quality City and Quality Life”

Harbourfront Enhancement

17. Victoria Harbour is an important natural asset shared by all the people of Hong Kong. In response to increasing public aspirations for enhancement of the Harbour for public enjoyment and growing concern over harbourfront development, we will commit additional resources to strengthen our policy on harbourfront planning and implementation of harbourfront enhancement initiatives. Specifically, we will –

- (a) set up a dedicated team in the Planning and Lands Branch to be headed by a Principal Assistant Secretary to handle harbourfront-related planning and land issues;
- (b) open up as much unoccupied government land as possible (including, where appropriate, sites now under short term tenancies) for the development of continuous promenades along the harbourfront;

- (c) identify practical temporary quick-win projects for public enjoyment of the harbourfront as early as possible;
- (d) co-ordinate inter-departmental efforts on harbourfront planning; and
- (e) strengthen engagement of District Councils, the Harbour-front Enhancement Committee and the public in identifying and implementing both long-term as well as short-term harbourfront enhancement projects where appropriate.

Heritage Conservation

18. In the coming years, heritage conservation will continue to be a priority for DEVB. Since the announcement of the new heritage conservation policy and a package of initiatives to promote heritage conservation in the 2007-08 Policy Address, the Government has established the Commissioner for Heritage's Office and made good progress on various fronts.

19. In the Government domain –

- (a) we have already implemented the Heritage Impact Assessment mechanism for all new capital works projects. This will ensure that impact on heritage sites will be avoided or minimised and mitigation measures be devised if impact is unavoidable;
- (b) we have launched the "Revitalising Historic Buildings Through Partnership Scheme". The Scheme aims to provide financial assistance to non-profit-making organisations to put selected historic buildings to adaptive re-use. There was exceptionally good response to the Scheme and 114 applications were received for the first batch of seven government-owned historic buildings. An Advisory Committee on the Revitalisation of Historic Buildings, comprising relevant professionals and experts, has been formed to assess the applications. We expect that the vetting for the first batch of buildings would be completed by the end of the year and we will approach

LegCo for funding under the sum of \$1 billion earmarked by the CE in his 2007-08 Policy Address to implement the successful projects. We are also planning to launch the second batch of buildings for the Scheme;

- (c) we have completed a review on the relationship between the monument declaration system under the Antiquities and Monuments Ordinance (Cap.53) (the Ordinance) and the grading system of the Antiquities Advisory Board (AAB) and are discussing with AAB on the way forward;
- (d) we aim to complete the comprehensive grading of some 1,440 historic buildings by the end of this year and consult the AAB on the results of the review;
- (e) we have, in the past year, declared three historic buildings (Maryknoll Convent School, King Yin Lei and the Green Island Lighthouses Compound) as monuments under the Ordinance for permanent protection. As regards the historic building at 128 Pokfulam Road (Jessville), although we have removed its proposed monument status upon its being accorded a Grade III status by AAB, we are engaging the owners on possible development cum conservation proposals; and
- (f) we have conducted studies on overseas practice in adapting building codes to facilitate adaptive re-use of historic buildings and overseas experience on revitalisation of historic buildings. We will apply this practice and experience in our heritage conservation work as appropriate.

20. In the private domain –

- (a) we have applied the policy on economic incentives to facilitate conservation of privately-owned historic buildings to the first case of King Yin Lei through a non in-situ land exchange arrangement with the owner. The matter is progressing well and subject to completion of the town planning process, the land grant will be effected. Meanwhile, restoration under the supervision of a Mainland expert is under way; and

- (b) we have launched a scheme to provide financial assistance to facilitate maintenance of privately-owned graded historic buildings. Under the scheme, owners receiving financial assistance have to open up the buildings for some public access.

21. With the Commissioner for Heritage's Office serving as a focal point, we have stepped up efforts on public engagement and discussions on various heritage projects. We have launched a publicity and public awareness campaign from January to May 2008 and activities organised included exhibitions, seminars, photo competition, etc. We have also set up a dedicated heritage website (www.heritage.gov.hk) and published a bimonthly newsletter “活化@Heritage” to enhance effective communication with the public at large.

22. In the coming year, we will take forward the following major heritage conservation and revitalisation projects –

- (a) Central School (in the Former Hollywood Road Police Married Quarters Site)

In the past year, we have conducted various studies on the site including its historical significance, development potential and constraints and the ambience of the area. We have launched a public engagement exercise from February to May 2008 and received valuable views on how to put the site to best use. In his Policy Address, the CE has announced that we will remove the site from commercial sale once and for all and will involve the public in finding the best approach to revitalise the site for education and creative industries uses while recognising its historical significance. We intend to launch an expression of interest exercise/open design competition next year to invite private organisations, professionals and prospective operations to submit creative proposals on how best to revitalise the site;

- (b) Central Police Station Compound

Following a six-month public engagement exercise from October 2007 to April 2008 conducted by the Hong Kong Jockey Club (HKJC), the Administration has entered into a

partnership with HKJC to take forward the conservation and revitalisation of the Central Police Station Compound project based on a number of parameters. HKJC is now working with its architects to come up with a revised conceptual design of the proposed new structure which will address the various concerns raised during the public engagement process. The project will need to go through statutory procedures, including those under the Town Planning Ordinance and the Environmental Impact Assessment Ordinance and the public will have opportunities to express their views; and

(c) Commercial usage of historic buildings

We will also explore various options of making best use of historic buildings considered to have good commercial potential. In particular, we are planning to invite Expression of Interest by private operators for the adaptive re-use of Haw Par Mansion. A possibility is to make use of the Mansion for wine-related facilities to help promote the development of wine industry in Hong Kong.

Sustainable Built Environment

23. We are committed to addressing public concerns over building bulk and height on one hand and the benefits of having green and sustainable building features, building design and building standard on the other. The Government departments concerned have reviewed in detail the present arrangements for the provision of green building features as well as the need for a cap on the gross floor area (GFA) concessions granted under the Buildings Ordinance. We have conducted a number of surveys and studies to assess the effectiveness of the existing GFA concessions and to gauge public views on policies on green features. We have also commissioned a consultancy study to advise on sustainable building design features that would enhance the urban living space environment. As the subjects are complex and have wide ranging implications on Hong Kong's built environment, we consider it necessary to engage the public before introducing any changes. We plan to collaborate with the Sustainable Development Council to conduct this public engagement process to identify the preferred options.

Public Open Space in Private Developments

24. In view of recent concerns over the provision, management and operation of public facilities in private developments, particularly open spaces, DEVB is reviewing the policy and examining the implementation issues in the light of public views received. We intend to explore a mechanism under which the location, layout, design and landscaping of public open space would be able to meet the public's aspirations as much as possible, and means for ensuring that the owners' obligations in terms of managing and maintaining such facilities and opening them for public use are fairly and effectively discharged.

25. Meanwhile, to enhance transparency and public accessibility to these public facilities in private developments, DEVB has released a second list of private developments which are required under a land lease or a deed of dedication to provide and manage various public facilities. We will publish updated lists covering earlier or new developments as and when ready.

INCREASES IN APPROVED PROJECTS ESTIMATES

Upsurge in Construction Costs

26. We have witnessed a steady increase in construction material prices since mid-2007. A chart showing the trend of material costs increases is at **Annex 2**. For example, the July 2008 cost index for steel reinforcement has risen 48%, 90% and 150% over the corresponding indices in January 2008, July 2007 and January 2007 respectively (i.e. over the period of ½ year, 1 year and 1½ years).

27. These price increases and general labour cost rises are reflected in tender prices. The tender price index¹ for government building works compiled by the Architectural Services Department for Quarter 2 in 2008 has risen by 14% over the last quarter and 48% over the past 12 months. More or less similar increases are also reflected in the tender price index compiled by the Housing Authority (Quarter 2 in 2008 has risen by 11%

¹ The tender price index is a quarterly index compiled by the Architectural Services Department based on data from accepted tenders.

over the last quarter and 42% over the past 12 months). The trend of increases in tender price index is illustrated at **Annex 3**.

28. The increases in material prices and labour costs have given rise to two problems: projects under construction which have a price fluctuation provision in the contract would not have adequate funds to meet the price adjustments while the returned tenders for projects under tendering are considerably higher than the APE. We have to tackle these immediately so that construction would not be impeded and contracts could be awarded without delay. The overall situation as of to date is as follows --

- (a) for 25 projects the construction of which has started, the original provision for price adjustment in the APE is inadequate to pay for the increased cost of labour and materials;
- (b) for 8 projects the construction of which has yet to start, the returned tender is much higher than the original estimate and the APE will need to be increased before the projects can proceed to the construction stage; and
- (c) for 2 highly time-critical projects the construction of which has yet to start, works tender will be invited in November 2008 but based on current market trend (i.e. sharp increase in tender price index), the APE will need to be increased before the projects can proceed to construction.

29. As regards 28 (a), the list of the projects is at **Annex 4**. Under these projects, there are contract provisions for adjustment to contract payments in accordance with movements in the cost of labour and materials in government civil engineering and building contracts. The objective of this provision is for equitable risk sharing between the Government as the employer and the contractor. The contract price fluctuation (CPF) payment is calculated based on the difference between the indices of costs of construction labour and materials at the time of tendering and the current values of these indices at the time of payment in accordance with a predetermined relative proportion for each cost index. As a result of sharp escalation of material prices, the payment for CPF has increased significantly recently. For these 25 projects, the original provision for price adjustment in the APE is inadequate to pay for the increased CPF. Increases in the APE for these 25 projects are required to make up the inadequate provision.

30. A summary of the price adjustment factors for converting project costs from constant prices to Money-of-the-day (MOD) prices as promulgated to the PWSC from March 2000 is at **Annex 5**. The price adjustment factors over the period from April 2001 to March 2004 are mainly negative and will result in negative price adjustments. The price adjustment factors adopted in subsequent periods are very modest and will not be adequate to cope with the rapid rise in the contract price fluctuation payments required. For example, the provision for price adjustment for 6711TH – Route 8 between Tsing Yi and Cheung Sha Wan was -\$123.1 million (i.e. anticipated fall in material prices at the time the project was approved). After the rapid rise in material prices, the latest estimated requirement for CPF payment is \$1.23 billion. We are now proposing an APE increase of \$600 million, and the remainder of the required additional CPF payment will be offset by contingency provision in the project. Another example is 8051MM – Prince of Wales Hospital-Extension Block, the provision for price adjustment allowed in the PWSC paper was \$124.9 million. The latest estimated requirement for CPF payment is \$413.9 million, and therefore an increase of \$288.6 million is required.

31. As regards 28 (b), a list of the projects is at **Annex 6**. There are now a total of seven building projects and one highways project that would require APE increases before the projects can proceed to the construction stage. For these projects, works departments have carefully scrutinised each project in detail, and concluded that against the prevailing market condition, a re-tendering is unlikely to attract any favourable tender that could be accommodated within the APE. Instead, re-tendering will delay the project by at least six to nine months which is highly undesirable. This is particularly so in the case of education facilities needed to meet policy needs or leisure facilities serving local residents such as the Tung Chung Swimming Pool.

32. As regards 28 (c), a list of these projects is at **Annex 7**. Foundation works for these two projects have started and tenders for construction of the main works will be invited in November 2008. Based on latest tender price index and pre-tender estimates, the APE for these two university campus development projects will need to be increased before the projects can proceed to the main construction stage. In view of the urgent need to improve the campus facilities at The University of Hong Kong and The Chinese University of Hong Kong, the Administration supports the institutions' proposal to seek increases in APE in parallel with tender invitation.

33. Subject to Members' views, we propose to submit funding applications to increase the APE for these three groups of projects to the PWSC meeting on 7 November for consideration in order to avoid further delays in the progress of these projects.

34. Looking ahead, the recent financial tsunami may have an impact on construction costs, particularly the prices of materials. We will monitor the situation closely.

CONCLUSION

35. We welcome Members' feedback and pledge to work closely with LegCo in taking forward DEVB's priorities in the coming four years. Members are also invited to comment on the proposal to increase the APEs for three groups of Category A projects. This will enable us to seek PWSC/FC's approval in a timely manner.

Development Bureau
15 October 2008

List of DEVB's Initiatives in the 2008-09 Policy Agenda Booklet

A list of DEVB's initiatives in the 2008-09 Policy Agenda Booklet is appended below. We have 7 new initiatives and 38 on-going initiatives mainly under the two themes of "Developing the Infrastructure for Economic Growth" and "Quality City And Quality Life".

Developing the Infrastructure for Economic Growth

New Initiatives:

We will:

- *Strengthen our capability to resolve cross-bureaux and cross-departmental issues relating to major infrastructure, to conduct high level public engagement, and to address strategic issues which might impede progress in the major infrastructure projects.*
- *Develop a strategy on manpower resources in individual sectors of the construction industry to meet the demand for the implementation of the upcoming infrastructure projects.*
- *Commence development of the Liantang/Heung Yuen Wai Boundary Control Point by proceeding with a detailed engineering study including design for the new control point and passenger building as well as the access road network.*

On-going Initiatives:

We are:

- *Carrying out the planning and engineering study on the "Three-in-One" New Development Area (NDA) comprising Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling, with a view to providing housing land and meeting other land use requirements in the future, and conducting a preliminary study on the implications of the planned and existing railway infrastructures in North West New Territories for input into the upcoming Hung Shui Kiu (HSK) NDA study. We aim to complete the*

“Three-in-One” NDA and HSK NDA studies by 2011 and 2012 respectively.

- *Co-operating closely with the Shenzhen Municipal Government through the “Hong Kong-Shenzhen Joint Task Force on Boundary District Development” in jointly exploring the optimal land uses of the Lok Ma Chau Loop to the mutual benefits of both sides, and steering further research and planning work on other cross-boundary development issues like border crossings and the development of the boundary areas.*
- *Undertaking the necessary legislative and administrative measures with a view to reducing the coverage of the Frontier Closed Area and examining the potential uses of the land to be released from the Area.*
- *Pressing ahead with the implementation of mega projects essential to Hong Kong’s economic development, such as the Kai Tak Development through close supervision at a high level.*
- *Continuing to work closely with the Construction Industry Council (CIC) to pursue initiatives for improving the standards of the construction industry, in particular on promoting construction site safety.*
- *Continuing with the comprehensive review of the manpower situation in the construction industry in collaboration with CIC.*
- *Working closely with the Construction Workers Registration Authority to facilitate registration of construction workers and implementation of prohibition in phases.*
- *Strengthening collaboration with the Mainland authorities to assist the local construction industry in exploring business prospects and pursuing mutual recognition of professional qualifications under the CEPA, and with Mainland cities in the secondment of graduate trainees to encourage exchange of talent and enhance co-operation.*
- *Refining the Land Titles Ordinance in consultation with stakeholders with an aim to introducing amendments to the Ordinance and the supporting regulations into the Legislative Council as early as possible.*
- *Progressively implementing the proposals in the Revised Concept Plan for Lantau to realise the vision for balanced and co-ordinated development of Lantau.*

- *Monitoring the pilot scheme of including "hotel use only" sites in the Application List to encourage the development of hotels to support our tourism industry.*

Quality City And Quality Life

New Initiatives:

We will:

- *Strengthen our work on harbourfront enhancement and the implementation of harbourfront enhancement initiatives.*
- *Consult the public on the conservation and revitalisation of the original site of the Central School (i.e. the Former Police Married Quarters Site on Hollywood Road) for educational use and promotion of creative industries that will best reflect the historical significance of the Site and complement the characteristics of the Hollywood Road area.*
- *Conduct a review on the policy for the provision of public facilities in private developments.*
- *Consult the public on appropriate measures to be taken to reduce the bulk of buildings and to foster development of a better and more sustainable built environment.*

On-going Initiatives:

We are:

- *Planning the launching of the second batch of buildings under the "Revitalising Historic Buildings Through Partnership Scheme" so that more historic buildings can be put into adaptive re-use through the operation of social enterprises by non-governmental organisations.*
- *Exploring various options of making best use of historic buildings with commercial potential.*
- *Taking forward the conservation and revitalisation of the Central Police Station, Victoria Prison and the former Central Magistracy Compound in partnership with the Hong Kong Jockey Club.*

- *Putting in place appropriate measures to provide financial assistance to owners in maintaining their privately-owned graded historic buildings.*
- *Continuing with the development of a comprehensive cycle track network in the New Territories to improve the quality of living.*
- *Pressing ahead with the detailed design and construction works for the comprehensive water mains replacement and rehabilitation programme.*
- *Continuing to achieve the objective of decking and/or landscaping 16 sections of nullahs by 2014 to improve the living environment.*
- *Firming up options for the improvement of the Yuen Long Town Nullah to enhance the local environment quality and the ecological value of the nullah.*
- *Taking forward the re-provisioning of the Sha Tin Water Treatment Works in stages with a view to minimising the risk of disruption of water supply to the public during re-provisioning.*
- *Continuing to promote the wider use of energy efficient devices and adoption of renewable energy systems in public works projects.*
- *Completing the development of Greening Master Plans (GMPs) for remaining urban areas and start the greening works by end-2009. Thereafter, we will move onto the preparation of GMPs for the New Territories.*
- *Developing a performance-based regulatory system to facilitate modern and innovative building design.*
- *Preparing the relevant subsidiary legislation for a minor works control system in accordance with the Buildings (Amendment) Ordinance 2008. We will implement the minor works control system to streamline statutory procedures for processing such works in order to improve the legislative framework for building control and building safety as early as possible.*
- *Proceeding with drafting legislation on a mandatory building inspection scheme and a mandatory window inspection scheme to require private building owners to inspect their buildings and windows regularly for introduction into Legislative Council as early as possible.*

- *Working closely with the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority (URA) to assist owners of older buildings to properly manage and maintain their buildings. We are also continuing our efforts to enhance building management and maintenance of private buildings through public education, publicity and participation of professional bodies.*
- *Implementing the flood prevention programme to enhance the protection level in flood prone areas, including a review of the Drainage Master Plans for northern and northwestern New Territories.*
- *Continuing with the Landslip Preventive Measures Programme to improve slope safety and visual impact of the built environment. We will upgrade another selected batch of 250 substandard Government man-made slopes and conduct safety-screening for another 300 private man-made slopes in the coming year.*
- *Proceeding with the preparatory work for the Landslip Prevention and Mitigation Programme to dovetail with the current 2000-2010 Landslip Preventive Measures Programme.*
- *Collaborating closely with the URA and the HKHS in area improvement schemes to preserve local characteristics.*
- *Continuing to stipulate in all outline zoning plans clear development restrictions on plot ratio/gross floor area, site coverage and/or building height where justified to improve the living environment.*
- *Engaging the local community in finalising the revised schemes of property development projects of a reduced development intensity at Nam Cheong and Yuen Long Stations along the West Rail.*
- *Ensuring that our planning, land use and urban design are in line with our stated mission to protect the Victoria Harbour and enhance it for the enjoyment of our residents and visitors alike, with the participation of the community.*
- *Conducting a review of the Urban Renewal Strategy to ensure that it will continue to reflect the values and priorities of the community. We aim to complete the review in mid-2010.*

Investing for a Caring Society

On-going Initiatives:

We are:

- *Identifying appropriate land uses for Area 112 and Area 115 of Tin Shui Wai to promote the economic and social development of the area, and to bring more employment opportunities to its residents.*

Developing Democracy And Enhancing Governance

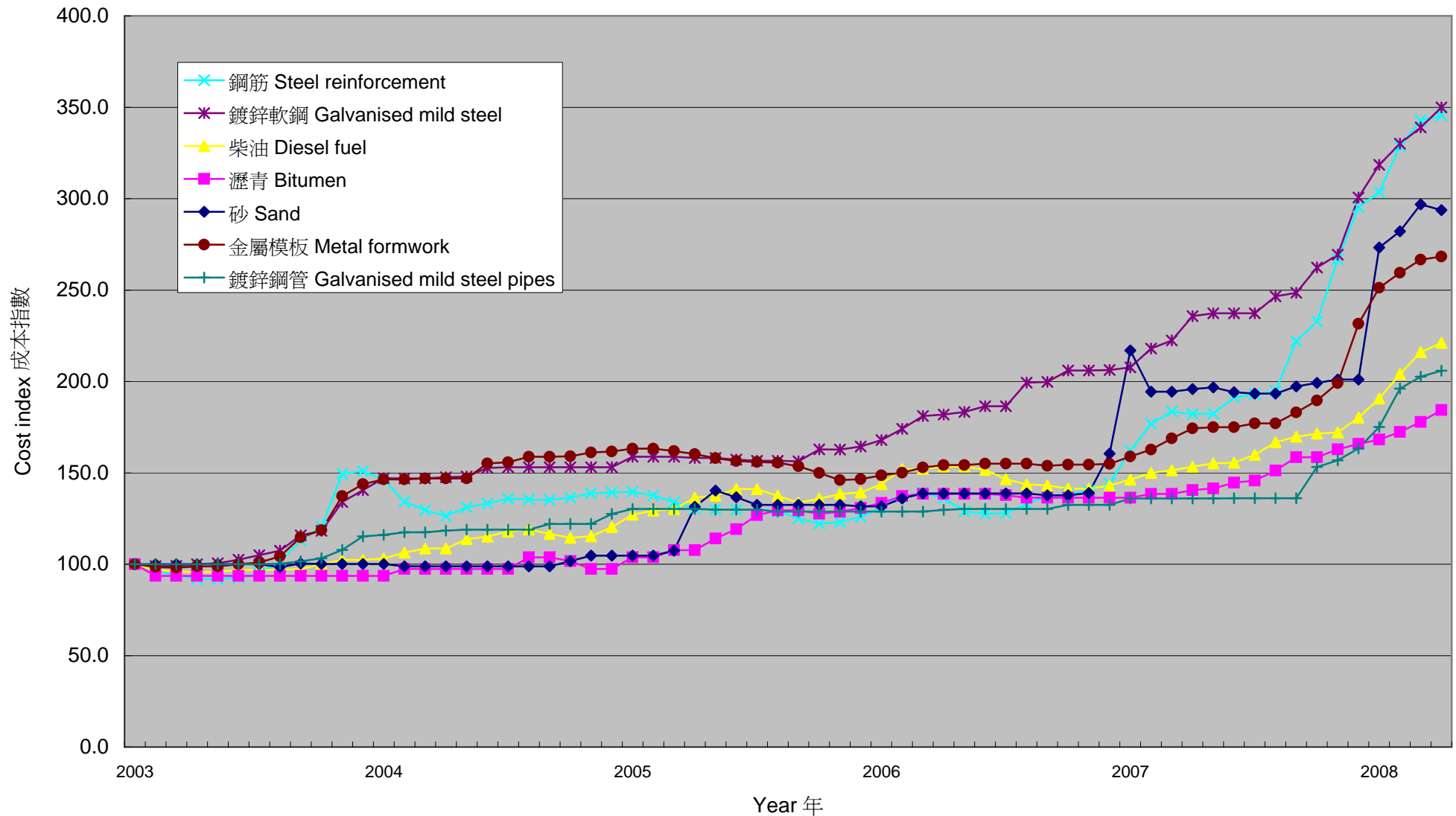
On-going Initiatives

We are:

- *Ensuring that the Architectural Services Department can achieve the target of outsourcing to 90% of the delivery of new projects in 2008-09 under its re-engineering programme.*
- *Continuing to review the small house policy with a view to formulating preliminary proposals for more in-depth discussion and continuing with the implementation of a set of streamlined procedures to expedite the processing of small house applications.*
- *Continuing to find ways to expedite the processing of lease modification and land exchange applications including a review on the effectiveness of the pilot scheme set up in the Lands Department.*

公營建築工程的材料成本指數 (2003年4月=100)
(2003年4月至2008年7月)

Index Numbers of Costs of Materials used in Public Sector Construction Projects (April 2003=100)
(April 2003 – Jul 2008)



Architectural Services Department's Tender Price Index 建築工程投標價格指數



由於合約價格調整付款項目增加而須提升核准工程預算的25個工程項目
25 Projects requiring increase in APE due to increase of Contract Price Fluctuation (CPF) payments

部門 Department	工務工程 編號 PWP No.	工程名稱 Project title	核准 工程預算 (百萬元) Approved Project Estimate (APE) (\$million)	財委會 批准日期 FC Approval Date	最新工程 項目預算 (百萬元) Latest Project Estimate (\$million)	工程 開展日期 Project Startt Date	預計 完工日期 Anticipated Project Completion Date	工務小組委員 會文件訂明 就價格調整 提供的撥款 (百萬元) Provision for Price Adjustment in PWSC paper (\$million)	合約價格調 整付款項目 的最新預算 (百萬元) Latest Estimate for CPF Payment (\$million)	建議增加的 核准 工程預算 (百萬元) Proposed Increase in APE (\$million)
建築工程 (11項) Building Projects (11 nos.)										
建築署 ArchSD	3242RS	將軍澳運動場 Tseung Kwan O Sports Ground	352.3	06年3月 Mar-06	392.8	06年4月 Apr-06	09年4月 Apr-09	13.0	53.6	40.5
建築署 ArchSD	3256RS	大嶼山東涌第17區體育館、社區會堂暨圖書館 Indoor recreation centre, community hall cum library in Area 17, Tung Chung, Lantau	391.6	06年5月 May-06	429.7	06年12月 Dec-06	09年10月 Oct-09	21.6	81.0	38.1
建築署 ArchSD	3065KA	位於北角電照街的海關總部大樓 Customs headquarters building at Tin Chiu Street, North Point	1,073.4	06年6月 Jun-06	1,352.0	07年4月 Apr-07	10年9月 Sep-10	66.2	344.8	278.6
建築署 ArchSD	3243LP	中區警區總部及中區分區警署搬遷計劃 Reprovisioning of Central District Headquarters and Central Divisional Station of the Police	243.2	06年6月 Jun-06	288.8	07年4月 Apr-07	09年12月 Dec-09	13.2	58.8	45.6
建築署 ArchSD	3074LC	羅湖懲教所重建工程 Redevelopment of Lo Wu Correctional Institution	1,376.3	06年7月 Jul-06	1,524.5	07年4月 Apr-07	10年4月 Apr-10	74.1	319.4	148.2
建築署 ArchSD	8051MM	威爾斯親王醫院 – 擴建大樓 Prince of Wales Hospital – extension block	1,882.1	06年7月 Jul-06	2,170.7	07年4月 Apr-07	10年6月 Jun-10	124.9	413.5	288.6

部門 Department	工務工程 編號 PWP No.	工程名稱 Project title	核准 工程預算 (百萬元) Approved Project Estimate (APE) (\$million)	財委會 批准日期 FC Approval Date	最新工程 項目預算 (百萬元) Latest Project Estimate (\$million)	工程 開展日期 Project Startt Date	預計 完工日期 Anticipated Project Completion Date	工務小組委員 會文件訂明 就價格調整 提供的撥款 (百萬元) Provision for Price Adjustment in PWSC paper (\$million)	合約價格調 整付款項目 的最新預算 (百萬元) Latest Estimate for CPF Payment (\$million)	建議增加的 核准 工程預算 (百萬元) Proposed Increase in APE (\$million)
建築署 ArchSD	3045JA	屯門第44區已婚初級警務人員宿舍 Junior police officers' married quarters in Area 44, Tuen Mun	352.1	06年7月 Jul-06	376.9	07年10月 Oct-07	10年3月 Mar-10	21.1	64.2	24.8
建築署 ArchSD	3395RO	馬鞍山海濱長廊 Ma On Shan waterfront promenade	205.3	07年1月 Jan-07	220.8	07年5月 May-07	10年5月 May-10	11.2	27.1	15.5
建築署 ArchSD	3406RO	黃大仙蒲崗村道的地區休憩用地 District open space at Po Kong Village Road, Wong Tai Sin	421.5	07年7月 Jul-07	475.6	08年1月 Jan-08	10年11月 Nov-10	10.5	73.7	54.1
建築署 ArchSD	3063GI	屯門第44區聯用綜合大樓及魚類批發市場 Joint-user complex and wholesale fish market in Area 44, Tuen Mun	244.0	07年7月 Jul-07	269.2	07年10月 Oct-07	11年2月 Feb-11	5.9	36.0	25.2
建築署 ArchSD	3047RG	小西灣市政大廈 Siu Sai Wan Complex	411.3	07年12月 Dec-07	463.7	08年3月 Mar-08	10年11月 Nov-10	13.8	74.9	52.4
土木工程項目(5項) Civil Engineering Projects (5 nos.)										
土木工程拓展 署 CEDD	7695CL	白石角發展計劃基礎設施餘下工程－第1階段 Remaining engineering infrastructure works for Pak Shek Kok development - stage 1	537.0	01年12月 Dec-01	575.0	02年4月 Apr-02	12年12月 Dec-12	5.0	49.5	38.0
土木工程拓展 署 CEDD	7704CL	白石角發展計劃基礎設施工程－第2A階段 Engineering infrastructure works for Pak Shek Kok development – stage 2A	191.8	03年7月 Jul-03	207.8	04年6月 Jun-04	08年8月 Aug-08	-14.2	9.0	16.0

部門 Department	工務工程 編號 PWP No.	工程名稱 Project title	核准 工程預算 (百萬元) Approved Project Estimate (APE) (\$million)	財委會 批准日期 FC Approval Date	最新工程 項目預算 (百萬元) Latest Project Estimate (\$million)	工程 開展日期 Project Startt Date	預計 完工日期 Anticipated Project Completion Date	工務小組委員 會文件訂明 就價格調整 提供的撥款 (百萬元) Provision for Price Adjustment in PWSC paper (\$million)	合約價格調 整付款項目 的最新預算 (百萬元) Latest Estimate for CPF Payment (\$million)	建議增加的 核准 工程預算 (百萬元) Proposed Increase in APE (\$million)
土木工程拓展 署 CEDD	7177CL	沙田新市鎮－餘下工程 Sha Tin New Town - remaining engineering works	491.6	05年6月 Jun-05	534.6	06年3月 Mar-06	09年2月 Feb-09	3.6	77.9	43.0
土木工程拓展 署 CEDD	B418RO	毗鄰秀茂坪公共房屋發展項目的地區休憩用地 District open spaces adjoining Sau Mau Ping public housing development	66.2	06年12月 Dec-06	83.6	07年3月 Mar-07	08年12月 Dec-08	2.0	19.4	17.4
土木工程拓展 署 CEDD	7824TH	屏廈路改善工程－餘下工程(介乎天華路與沙洲里的廈 村段) Ping Ha Road Improvement – remaining works (Ha Tsuen Section between Tin Wah Road and Sha Chau Lei)	179.4	07年7月 Jul-07	235.8	07年12月 Dec-07	10年11月 Nov-10	3.0	59.4	56.4
渠務及污水工程 (3項) Drainage and Sewerage Projects (3 nos.)										
渠務署 DSD	4143DS	中西區及灣仔西部污水收集系統第2階段第2B期工程 Central, Western and Wan Chai West Sewerage, stage 2 phase 2B works	234.4	04年2月 Feb-04	253.4	04年5月 May-04	08年6月 Jun-08	-6.8	12.2	19.0
渠務署 DSD	4215DS	元朗及錦田污水收集系統及污水排放設施－錦田污水 幹渠收集系統第1期及凹頭污水幹渠工程 Yuen Long and Kam Tin sewerage and sewage disposal – Kam Tin trunk sewerage phase 1 and Au Tau trunk sewers	389.4	05年12月 Dec-05	477.6	05年12月 Dec-05	09年12月 Dec-09	1.3	89.5	88.2
渠務署 DSD	4127CD	港島北部雨水排放系統改善計劃－上環雨水抽水站 Drainage improvement in Northern Hong Kong Island – Sheung Wan stormwater pumping station	177.6	06年6月 Jun-06	199.0	06年6月 Jun-06	09年9月 Sep-09	7.9	29.3	21.4

部門 Department	工務工程 編號 PWP No.	工程名稱 Project title	核准 工程預算 (百萬元) Approved Project Estimate (APE) (\$million)	財委會 批准日期 FC Approval Date	最新工程 項目預算 (百萬元) Latest Project Estimate (\$million)	工程 開展日期 Project Startt Date	預計 完工日期 Anticipated Project Completion Date	工務小組委員 會文件訂明 就價格調整 提供的撥款 (百萬元) Provision for Price Adjustment in PWSC paper (\$million)	合約價格調 整付款項目 的最新預算 (百萬元) Latest Estimate for CPF Payment (\$million)	建議增加的 核准 工程預算 (百萬元) Proposed Increase in APE (\$million)
堆填區修復計劃(2項) Landfill Restoration Projects (2 nos.)										
環境保護署 EPD	5166DR	將軍澳堆填區修復計劃－驗收後的環境監測工程 Restoration of Tseung Kwan O Landfills –post-completion environmental monitoring work	96.8	05年1月 Jan-05	134.9	06年2月 Feb-06	13年1月 Jan-13	1.8	39.9	38.1
環境保護署 EPD	5169DR	新界西北堆填區及醉酒灣堆填區修復計劃－修護工程 Restoration of Northwest New Territories landfills and Gin Drinkers Bay landfill – aftercare work	95.7	06年3月 Mar-06	144.3	07年6月 Jun-07	14年5月 May-14	2.9	51.5	48.6
道路工程(4項) Highway Projects (4 nos.)										
路政署 HyD	6711TH	八號幹線青衣至長沙灣段－餘下工程 Route 8 between Tsing Yi and Cheung Sha Wan – remaining works	7,468.2	02年6月 Jun-02	8,068.2	03年4月 Apr-03	09年8月 Aug-09	-123.1	1,230.1	600.0
路政署 HyD	6718TH	龍井頭至長沙一段東涌道的改善工程 Improvement to Tung Chung Road between Lung Tseng Tau and Cheung Sha	832.0	07年2月 Feb-07	865.1	04年6月 Jun-04	09年9月 Sep-09	89.8	122.9	33.1
路政署 HyD	6764TH	青衣及荃灣引道之青荃橋加建隔音屏障工程 Retrofitting of noise barriers on Tsing Tsuen Bridge at Tsing Yi and Tsuen Wan approaches	144.5	07年5月 May-07	172.6	08年1月 Jan-08	10年12月 Dec-10	1.8	29.9	28.1
路政署 HyD	6765TH	將軍澳道加建隔音屏障工程 Retrofitting of noise barriers on Tseung Kwan O Road	142.1	07年5月 May-07	167.7	07年9月 Sep-07	09年12月 Dec-09	1.6	27.2	25.6

總額(百萬元) Total Amount (\$million)

17,999.8

20,084.3

2,084.5

由固定價格轉為按付款當日價格計算的工程費用價格調整因素
Price Adjustment Factors for Converting Project Cost from Constant Prices to Money-of-the-day (MOD) Prices

工務小組委員會 資料文件 PWSCI Information Paper	生效日期 Effective Date	價格調整因素 Price Adjustment Factors												
		2000年	2001年	2002年	2003年	2004年	2005年	2006年	2007年	2008年	2009年	2010年	2011年	2012年
PWSCl(2000-01)1	2000年3月 March 2000	0.0	4.5	4.5	4.5									
PWSCl(2000-01)29	2000年10月 October 2000	1.2	3.0	3.0	3.0									
PWSCl(2001-02)2	2001年4月 April 2001		-2.5	0.8	0.8	0.8								
PWSCl(2001-02)30	2001年10月 October 2001		-3.3	0.7	0.7	0.7								
PWSCl(2001-02)54	2002年3月 March 2002			-1.0	0.0	0.0	0.0	0.0						
PWSCl(2002-03)25	2002年10月 October 2002			-3.0	0.0	0.0	0.0	0.0						
PWSCl(2002-03)53	2003年3月 March 2003				-5.5	0.0	0.0	0.0	0.0					
PWSCl(2003-04)25	2003年10月 October 2003				-5.6	-0.5	-0.5	-0.5	-0.5					
PWSCl(2003-04)42	2004年3月 March 2004					-2.5	0.6	0.6	0.6	0.6				
PWSCl(2004-05)14	2004年10月 October 2004					-1.0	0.1	0.1	0.1	0.1				
PWSCl(2004-05)25	2005年3月 March 2005						0.5	0.1	0.1	0.1	0.1			
PWSCl(2005-06)14	2005年10月 October 2005						0.5	0.0	0.0	0.0	0.0			
PWSCl(2005-06)30	2006年3月 March 2006							1.5	1.5	1.5	1.5	1.5		
PWSCl(2006-07)12	2006年10月 October 2006							0.5	1.5	1.5	1.5	1.5		
PWSCl(2006-07)19	2007年3月 March 2007								0.0	1.0	1.0	1.0	1.0	
PWSCl(2007-08)9	2007年9月 September 2007								0.0	1.0	1.0	1.0	1.0	
PWSCl(2008-09)1	2008年4月 April 2008									2.5	4.0	4.0	4.0	4.0

須增加核准工程預算以批出合約的工程項目

Projects Requiring Increase in Approved Project Estimate (APE) for Awarding of Works Contracts

部門 Dept	工務工程 編號 PWP No.	工程項目名稱 Project title	財委會 批准日期 FC Approval Date	工務小組委員會 開會日期 PWSC Date	核准工程預算 (百萬元) APE (\$M)	截標日期 Tender Return Date	因高投標價而 建議的核准 工程預算 (百萬元) Proposed APE due to high tender return (\$M)	所須增加的 核准工程預算 (百萬元) Increase in APE required (\$M)	核准工程預算 的增幅 (%) % increase in APE	投標價格指數 的增幅 (%) % increase in Tender Price Index
路政署 HyD	6162TB	荃灣行人天橋網絡擴充工程 — 沿大河道興 建的行人天橋A Extension of footbridge network in Tsuen Wan - Footbridge A along Tai Ho Road	08年1月11日 11-Jan-08	07年12月21日 21-Dec-07	109.6	08年5月9日 9-May-08	169.0	59.4	54%	註 Note
建築署 ArchSD	3260RS	大嶼山東涌第2區游泳池場館 Swimming pool complex in Area 2, Tung Chung, Lantau	07年7月6日 6-Jul-07	07年6月15日 15-Jun-07	410.2	08年5月23日 23-May-08	441.4	31.2	8%	69%
建築署 ArchSD	3261RS	粉嶺／上水第28A 區體育館 Sports Centre in Area 28A, Fanling/Sheung Shui	08年4月25日 25-Apr-08	08年3月26日 26-Mar-08	249.5	08年6月6日 6-Jun-08	360.0	110.5	44%	40%
建築署 ArchSD	3304EP	九龍衛理道1 所設有24 間課室的小學 A 24-classroom primary school at Wylie Road, Kowloon	08年2月22日 22-Feb-08	08年1月30日 30-Jan-08	150.0	08年7月25日 25-Jul-08	220.0	70.0	47%	63%
建築署 ArchSD	3347EP	深水埗石硤尾重建計劃第4期1所設有24間課 室的小學 A 24-classroom primary school at Phase 4, Shek Kip Mei Redevelopment, Sham Shui Po	08年5月23日 23-May-08	08年5月7日 7-May-08	148.1	08年9月5日 5-Sep-08	192.0	43.9	30%	55%

部門 Dept	工務工程 編號 PWP No.	工程項目名稱 Project title	財委會 批准日期 FC Approval Date	工務小組委員會 開會日期 PWSC Date	核准工程預算 (百萬元) APE (\$M)	截標日期 Tender Return Date	因高投標價而 建議的核准 工程預算 (百萬元) Proposed APE due to high tender return (\$M)	所須增加的 核准工程預算 (百萬元) Increase in APE required (\$M)	核准工程預算 的增幅 (%) % increase in APE	投標價格指數 的增幅 (%) % increase in Tender Price Index
建築署 ArchSD	3104ET	元朗第13區1所直接資助學校 (中學暨小學) A direct subsidy scheme school (secondary- cum -primary) in Area 13, Yuen Long	08年7月4日 4-Jul-08	08年6月13日 13-Jun-08	242.9	08年9月19日 19-Sep-08	276.7	33.8	14%	55%
教資會 UGC	8011EL	香港科技大學現有教學大樓擴建工程 Extension to the existing Academic Building, The Hong Kong University of Science and Technology	08年1月11日 11-Jan-08	07年12月21日 21-Dec-07	90.8	08年7月3日 3-Jul-08	116.1	25.3	28%	48%
教資會 UGC	8053EG	香港大學堅尼地城龍華街1 800個宿位的學生宿舍 1 800-place student residences at Lung Wah Street, Kennedy Town, The University of Hong Kong	08年2月1日 1-Feb-08	08年1月9日 9-Jan-08	459.7	08年8月29日 29-Aug-08	643.6	183.9	40%	63%

總額(百萬元) Total Amount (\$M)

1,860.8

2,418.8

558.0

註 Note

道路工程並未設有投標價格指數。此行人天橋 35% 的費用是鍍鋅軟鋼和鋼筋費用，這兩項物料價格在2007年9月至2008年5月期間已分別上漲 39% 及73% 。

Tender Price Index not available for Highway Works. 35% of the cost of this footbridge is galvanised mild steel and steel reinforcement for which the material prices have increased by 39% and 73 % respectively over the period September 2007 to May 2008.

因預計投標價有所增加而須增加核准工程預算的工程項目**Projects Requiring Increase in Approved Project Estimate (APE) Owing to Anticipated Increase in Tender Price**

部門 Dept	工務工程 編號 PWP No.	工程項目名稱 Project title	財委會 批准日期 FC Approval Date	工務小組委員 會開會日期 PWSC Date	核准工程預算 (百萬元) APE (\$M)	截標日期 Tender Return Date	因預期高投標 價而建議的 核准工程預算 (百萬元) Proposed APE due to anticipated increase in high tender price (\$M)	所須增加的 核准工程預算 (百萬元) Increase in APE required (\$M)	核准工程預算 的增幅 (%) % increase in APE	投標價格指數 的增幅 (%) % increase in Tender Price Index
教資會 UGC	8052EG	香港大學人類研究中心第一期 Human Research Institute - phase 1, The University of Hong Kong	08年2月1日 1-Feb-08	08年1月9日 9-Jan-08	133.2	08年12月 Dec 08	188.5	55.3	42%	69%
教資會 UGC	8053EF	中文大學1 500個學生宿位 1 500-place student hostel, The Chinese University of Hong Kong	08年4月25日 25-Apr-08	08年2月20日 20-Feb-08	338.2	08年12月 Dec 08	466.4	128.2	38%	60%

總額(百萬元) Total Amount (\$M)

471.4

654.9

183.5

註 Note

主要工程將於2008年11月招標，12月底截標。

Tender for the main works will be invited in November 2008 for return in end December 2008.