

**Speaking Points of the Secretary for Development
for the Special Finance Committee Meeting (Works)
on 7 April 2016 (Thursday)**

Chairman,

- I would like to thank Members for their interest in the Draft Estimate of the Development Bureau (DEVB). We have provided replies to 125 written questions raised by Members accounting for the use of resources in the works portfolio. We are here to answer any further questions that Members may wish to raise.
- In 2016-17, the DEVB's recurrent expenditure for the works portfolio will be \$11,015.86 million, representing an increase of \$354.85 million or 3.3% as compared with the revised estimate for 2015-16. This is mainly due to the increased expenditure of \$224.11 million for purchasing Dongjiang water.
- In 2016-17, there will be an increase of 175 civil service posts to provide support for various works-related initiatives. This includes the creation of eight posts to establish a Project Cost Management Office (PCMO); 43 posts to establish the Lantau Development Office (LDO); 36 posts to safeguard water safety, step up the control of pipes and fittings and the inspection of plumbing works; as well as 46 posts to replace the non-civil service contract staff.
- Now, I would like to brief Members on the priority tasks of the works portfolio in the new financial year.

The Overall Infrastructure Programme

Capital Works

- In the past few years, the Government has been maintaining its investment in capital works projects to improve people's quality of life, promote economic development, create job opportunities and enhance Hong Kong's long-term competitiveness. The projects cover various areas including land supply, transportation, medical care, education, water supply and drainage.
- In 2014-15, the actual capital works expenditure reached the level of \$70 billion, while in 2015-16, the revised estimate for capital works

expenditure is \$74 billion. With the major infrastructure projects and other projects reaching the peak of construction activity in the next few years, the estimated annual expenditure on capital works is expected to exceed \$70 billion, which will promote economic growth and provide employment opportunities for the construction industry on a continuous basis.

Cost Control of Public Works

- In light of escalating construction costs in recent years, both the Policy Address published earlier and the recently announced Budget Speech have stated that a multi-disciplinary office will be established in the DEVB to strengthen cost management of public works to ensure that public funds are used properly. The proposed PCMO will conduct a comprehensive review of the guidelines on public works, reduce unnecessary design and contractual requirements, and closely scrutinise the estimates of major new projects in the next three years with a view to controlling project costs. We will also improve our project management, and enhance the skills and knowledge of the works departments in the estimation of project costs.

Progress of Major Infrastructure Projects

- Various major infrastructure projects carried out by the Government have made considerable progress in the past year. The projects currently underway include the Kai Tak Development (KTD), the Hong Kong – Zhuhai – Macao Bridge (HZMB), the Liantang/Heung Yuen Wai Boundary Control Point, Hong Kong section of the Guangzhou – Shenzhen – Hong Kong Express Rail Link, the South Island Line (East), the Sha Tin to Central Link, the Tuen Mun – Chek Lap Kok Link and the Xiqu Centre of the West Kowloon Cultural District. In addition, the expansion of the United Christian Hospital at an estimated expenditure of about \$1.8 billion and the construction of the East Kowloon Cultural Centre at an estimated expenditure of about \$4.2 billion also commenced last year.
- In the current legislative session, the Government will seek funding approval from the Legislative Council (LegCo) for different types of works projects, including the construction of the Tseung Kwan O – Lam Tin Tunnel, the Tung Chung New Town Extension – detailed design and site investigation, and the KTD – infrastructure at the former north apron area.

- Apart from the major infrastructure projects, we continue to plan other public works projects of various scales to improve people's quality of life. The projects in progress or under planning cover various areas including medical services, education, fresh water supply, sewage treatment, greening and heritage conservation. In the 2015-16 legislative session, it is estimated that we will seek funding approval of about \$60 billion from the Finance Committee of LegCo for the new works projects.
- However, as LegCo has been very slow in their progress of approving funding proposals for works projects, so far there are only two new works projects that have obtained funding approval totalling about \$200 million. If most works projects cannot obtain funding approval as scheduled, Hong Kong's future economic growth and continued development will definitely be affected, and the construction industry and other related sectors will also suffer as a result.

Major Challenges in Delivering Capital Works Programme

- Given the acute demand for construction works, we anticipate that the volume of overall construction output in both the public and private sectors will maintain at a high level in the next few years. We, therefore, have to effectively control project costs and overcome the problem of tightening construction manpower situation. The Government has already taken a series of measures accordingly, but it still needs to work with various stakeholders to find solutions to the problems together.

Manpower Resources in Construction Industry

- The Government will continue to implement works projects that will improve people's livelihood, the quality of life and the living environment, with a view to meeting economic and social development needs, as well as enhancing Hong Kong's long-term competitiveness.
- To meet the keen demand for skilled workers in the construction industry, we have taken a host of measures since 2008-09, which include obtaining approval for funding totalling \$420 million from LegCo in 2010, 2012 and 2015 to support the Construction Industry

Council (CIC) in enhancing training for local construction workers and in organising promotion and publicity activities. From 2009 to 2015, the CIC has trained more than 18 000 semi-skilled workers. About 55% of them are aged below 35, which is lower than the average age of 46 of the existing registered workers, showing that more young people are interested in joining the industry.

- We are working with the CIC to actively encourage local workers to enhance their skills. Measures include rolling out a pilot scheme to upgrade the skills of semi-skilled workers to the level of skilled workers, and training ethnic minorities who are current general workers to become semi-skilled workers. To attract more young people to join the construction industry, we are currently working with the CIC and relevant training institutions to discuss ways to provide clear progression pathways for construction workers.
- In recent years, we have been nurturing a “caring culture” in the construction industry. Our multi-pronged approach includes initiatives to enhance site safety, and improve site cleanliness and tidiness as well as the welfare of workers. In addition, we are actively promoting workers’ health.
- We have introduced more measures in public works projects to improve the site working environment, such as the provision of drinking facilities, toilets, lockers, sheltered rest areas, etc.
- The DEVB and the CIC will organise the “Construction Safety Week” again in May this year to enhance site safety and workers’ health through a series of promotion and publicity activities. These measures will also help send a positive message of the construction industry to the public, which will uplift the image of the industry and attract more new entrants, especially young people, to join the industry.

Procurement System for Public Works Projects

- The escalating construction costs in recent years have caused great concern in the community. In addition to enhancing our manpower resources, an effective tendering system that caters for the current market conditions is also crucial. We have implemented various measures in a progressive manner to enhance the procurement procedures for public works projects, including the design, tender evaluation and construction stages, as well as the management and

performance monitoring of consultants and contractors. We strive to enhance design for buildability, improve contractors' site safety and environmental performance, increase productivity and encourage innovation and creativity in construction projects. We are in the process of reviewing the listing requirements of contractors in our Approved List. We are currently engaging the stakeholders of the construction industry in discussions. We aim to increase market opportunities for small- to medium-sized contractors so that they can be more actively involved in public works projects to enhance competitive tendering and allow us to tap into new expertise and technology.

- We strive to promote collaborative partnership in the implementation of public works contracts so as to enhance the management efficiency and cost effectiveness of works contracts. Since 2009, we have adopted the New Engineering Contract (NEC) form, which emphasises mutual trust and co-operation, in some public works contracts. The results are encouraging. The NEC form has put in place a collaborative risk management mechanism which can help reduce risks. The target cost contract option under the NEC form provides a pain/gain share mechanism, under which the employer and the contractor share the cost saving and overrun between the actual construction cost and the final target cost. The objective is to set a common goal for the contracting parties to complete the works in a more cost-effective manner. In the coming year, we will promote the wider use of the NEC form in public works contracts, and will try to adopt the target cost contract option in some larger scale works projects, which we believe will help improve the cost control of public works contracts.

Security of Payment for the Construction Industry

- In addition, we are continuing with the preparatory work for the security of payment legislation for the construction industry, which aims to ensure that contractors, sub-contractors, consultants and suppliers of the construction industry can receive the payment due on time for the work and services provided by them to improve their cash flow. We launched a 3-month public consultation on the proposed legislation in June 2015. We are currently conducting a detailed analysis of the public views to finalise the legal framework for the ordinance and will start drafting the bill this year.

Promotion of Professional Services

- The DEVB attaches great importance to the promotion of construction and related professional services. When negotiating trade agreements for Hong Kong with the Mainland and other countries, we have been pursuing the most preferential conditions for developing businesses for Hong Kong's professional services. Under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), a number of preferential measures have been secured for Hong Kong's construction industry, including the mutual recognition of qualifications between the two sides for six professional disciplines. At present, a total of 1 490 Hong Kong professionals have obtained Mainland qualifications through mutual recognition. Among them, over 270 have registered for practice in the Mainland. In addition, under the early pilot arrangements in Guangdong Province, Hong Kong professionals who have obtained Mainland's class 1 registered architect qualification or class 1 registered structural engineer qualification through mutual recognition are allowed to register for practice and set up business in Guangdong Province upon passing the legal tests.
- The Mainland and Hong Kong, after discussion, signed the Agreement on Trade in Services on 27 November 2015. The Agreement on Trade in Services adopts the form of positive and negative listings in further liberalisation. Regarding the negative list, the Mainland allows Hong Kong enterprises to participate on the basis of national treatment in 11 sub-sectors of construction and related engineering services including construction and design work, integrated engineering, urban planning and landscape architecture, and general construction, installation, assembly and finishing work for buildings and engineering projects, and this liberalisation measure has been extended from Guangdong to the whole Mainland. As for the positive list, the relevant measures have consolidated the commitments provided in CEPA and all of its previous Supplements, and have even extended most of the measures already implemented in Guangdong to Guangxi and Fujian. These liberalisation measures will bring considerable convenience and benefits to Hong Kong's construction-related professional services sector.
- As regards the co-operation with Qianhai, the DEVB signed a Co-operation Agreement with the Qianhai Authority (Qianhai) in

September 2013 to explore liberalisation measures to assist Hong Kong's construction industry in participating in Qianhai development. Qianhai has identified a pilot construction project and required the Hong Kong developers for this project to inject Hong Kong's management elements into every stage of the project from design to works completion wherever feasible, which includes directly employing Hong Kong professionals and enterprises in the construction and related engineering sectors to provide services. In addition, the DEVB and Qianhai have recently signed an agreement on further arrangements, under which Qianhai will establish a list of Hong Kong construction enterprises entering Qianhai's construction market, and a registration system for Hong Kong professionals in the construction industry, which allow enterprises on the list and registered professionals to provide services directly in construction projects wholly owned or with majority shares held by Hong Kong businesses without satisfying the Mainland's enterprise qualifications or registration requirements.

- In addition, to facilitate the engagement of Hong Kong engineering consultants to undertake supervision work for the Mainland's foreign aid construction projects in foreign countries, we signed a Memorandum of Co-operation with the Ministry of Commerce on 24 April 2014. In October 2014, the Ministry of Commerce selected two building projects in Nepal and Cambodia respectively and invited tenders from the engineering consultants in Hong Kong for their supervision work. Two engineering consultants from Hong Kong were separately awarded tenders for the two projects, and the works commenced successfully in April and July 2015 respectively. We have pursued negotiations and carried out follow-up actions with the Ministry of Commerce to open up more projects and expand the scope of service provision to bring new business opportunities to our construction industry and related professional services.
- Looking ahead, the Belt and Road Initiative proposed by the Mainland will open up enormous potential markets for the construction and related professional services sectors. With regard to the construction of Belt and Road infrastructure, we together with the industry are now exploring ways to work with the Mainland to develop overseas markets and participate in the infrastructure development of the Belt and Road regions.

Co-ordinating Infrastructure to Complement Land Supply

- Co-ordinating infrastructure projects to complement the increasing land supply is another important task of the Works Branch of the DEVB.
- We are carrying out preliminary technical studies for the proposed Sunny Bay, Siu Ho Wan, Lung Kwu Tan and Ma Liu Shui reclamations to assess the feasibility of the reclamation proposals. We will apply for funding from LegCo as soon as possible to commence a planning and engineering study for the reclamation proposals.
- Currently, there are several strategic infrastructure projects under construction or planning on Lantau. Its development potential cannot be overemphasised, and Lantau is undoubtedly crucial to Hong Kong's long-term sustainable development. The Lantau Development Advisory Committee has been established for just over two years. It has already completed a considerable amount of work, and submitted the First-term Work Report to the Chief Executive in January this year. The report mainly covers initial proposals for spatial planning and land use, conservation, strategic traffic and transport infrastructure, social development, recreation and tourism on Lantau. We can clearly see that Lantau development is not about massive construction everywhere, but about promoting conservation and development, striking a balance between them, as well as carrying out a number of short-term improvement works that respond to local needs. The public engagement activities for Lantau development have been carried out for more than two months, and will draw to a close at the end of April. We have received a lot of valuable opinions, which will help us better the development plan of Lantau and draw up a blueprint for Lantau development. To implement the above work, we consider that there is a genuine need to establish as soon as possible the LDO dedicated to co-ordinating and taking forward various cross-departmental and multi-disciplinary work including planning, studies and construction projects. We will strive to secure the support of LegCo.
- The study for the topside commercial development at the Hong Kong Boundary Crossing Facilities Island of the HZMB is underway. It is expected to provide a gross commercial floor area of 300 000 to 500 000 square metres. Subject to the progress of the studies, we plan to commence Stage 2 Community Engagement in mid-2016 to consult the public on the draft Recommended Outline Development Plan.

Kowloon East

- When it comes to land supply, the provision of sites for commercial uses is just as important as the supply of land for housing. In future, Kowloon East, which includes the KTD Area, will become an important source of commercial land.
- The Energizing Kowloon East Office (EKEO) adopts the strategies of enhancing Connectivity, Branding, Design and Diversity, and continues to take forward the five focuses of work, namely “Walkable” Kowloon East; Green Core Business District (CBD); Smart City; Kai Tak Fantasy; and The Spirit of Creation.
- We propose a comprehensive concept of “walkable” Kowloon East in the Kowloon Bay and Kwun Tong Business Areas. This year’s Policy Address also announces the introduction of a pilot scheme, under which the Kowloon Bay and Kwun Tong Business Areas will be used as pilot areas to facilitate early construction of the planned pedestrian links by the private sector by way of waiving the land premium payable for lease modification to help achieve a comprehensive pedestrian network for the overall benefits of the community. We will also examine: (1) improvements to the pedestrian subway, the public transport interchange and pedestrian facilities around the Ngau Tau Kok Mass Transit Railway (MTR) Station to provide a comfortable walking environment for pedestrians heading for the Kwun Tong Business Area and the waterfront; (2) face-lifting more back alleys in Kowloon East to become part of the pedestrian network; and (3) carrying out preliminary design for an additional footbridge next to the Kowloon Bay MTR Station to enhance connectivity with the future East Kowloon Cultural Centre and the residential areas nearby.
- We will implement the Greening Master Plan of Energizing Kowloon East and increase the leisure facilities in the locality so as to reduce carbon emissions. Kwun Tong Promenade Phase 2 was opened to the public in May last year. The findings of the Industrial Culture Study of Kowloon East were incorporated into the improvement works of the Tsun Yip Street Playground. We are also studying the conversion of King Yip Street Nullah into Tsui Ping River. In addition, we have just selected a non-profit-making organisation to be the future operator of the “Fly the Flyover 0123” project. We will continue to adopt the “place-making” approach to transform

spaces into uniquely designed and vibrant venues with facilities related to culture, art, leisure as well as a green and healthy city to tie in with the development along the Kwun Tong waterfront. We continue to update the Green Map on EKEO's website, showing green buildings which have obtained BEAM (i.e. Building Environmental Assessment Method) Plus Gold or Platinum rating in Kowloon East. There are already 20 buildings which have achieved such rating.

- To tie in with the future development direction of Hong Kong, we use Kowloon East as a pilot area to explore the practices of developing a smart city, and will promote the wider use of information and communications technology, and the principles of low-carbon green community and “walkability” in the transformation of Kowloon East into a sustainable green CBD.
- With reference to the designs and concepts of the winning scheme of the Kai Tak Fantasy International Ideas Competition on Urban Planning and Design with a Healthy City theme and other shortlisted entries, we have recently commenced two studies to take forward the Kai Tak Fantasy project. Meanwhile, to facilitate early development of the Tourism Node, we invited interested parties in the market to submit expressions of interest which ended in December 2015, and have received 11 submissions. The views and suggestions received may be used by the Government for reference in formulating requirements for land tenders.
- A total of 25 new private commercial/office development /conversion projects have been completed in Kowloon East since 2012, producing about 480 000 square metres of commercial/office floor area. The supply of new commercial/office floor area in Kowloon East in the coming five years is estimated to be around 800 000 square metres, including about 270 000 square metres from the five pieces of government land sold since 2012. The momentum of increasing commercial/office supply in Kowloon East will continue.
- To expedite the release of development potential, we are planning for more commercial floor area in the two action areas in Kwun Tong and Kowloon Bay, which will increase from the original of about 500 000 square metres to about 560 000 square metres. The future development of the Kowloon Bay Action Area will include commercial, office and other uses. The development will adopt the sustainable development concept and incorporate “smart city”

elements in respect of information dissemination, traffic management, building design and facility management, refuse collection and handling as well as greening.

- We will continue to adopt the visionary place-making approach and press ahead the Energizing Kowloon East initiative through various public engagement activities and consultations, so as to facilitate the transformation of Kowloon East and support the long-term economic development of Hong Kong.
- As far as the KTD Area is concerned, we are carrying out planning reviews and technical assessments to study the feasibility of further increasing the intensity and proportion of residential development in the KTD Area. Also, to support the development of the KTD Area into a world-class tourism, entertainment and leisure hub, we are pressing ahead with the infrastructure works at the southern end of the runway and the south apron area of the former Kai Tak Airport, so as to tie in with the gradual release to the market of sites within the “hotel belt” adjacent to the cruise terminal and facing the Victoria Harbour.

Safe and Quality Living Environment

- Public works projects have a wide coverage. Apart from the main projects mentioned above, we also pay due regard to others that improve the quality of life and the environment.

Water Supply

- The Government has been very concerned with the incidents of excessive lead content in drinking water, and has been launching a raft of measures in a progressive manner to further ensure the quality of drinking water in Hong Kong. The measures include stepping up control of pipe materials and fittings installed in inside service, enhancing the inspection and approval regime for inside service, and extending the monitoring requirements and scope for water sampling. We have also commenced a study on legislative amendments to the current Waterworks Ordinance and its Regulations, including examining overseas practices and experience in this regard.
- At this stage, we are making our best efforts to follow up on the recommendations of the Task Force on Investigation of Excessive Lead Content in Drinking Water set up by the Water Supplies

Department last year. We will also carry out studies, reviews and follow-up actions in a pragmatic manner based on the future findings and recommendations of the Commission of Inquiry into Excess Lead Found in Drinking Water.

- In addition, we introduced an enhanced version of the “Quality Water Supply Scheme for Buildings – Fresh Water” at the end of December 2015. In particular, the testing of four heavy metals is added in the testing standard for water quality and the scope of water sampling expanded under the scheme.
- As regards the Total Water Management (TWM) Strategy, we have put emphasis on containing the growth of water demand through conservation while strengthening water supply management. A number of water supply and demand management measures have been implemented under the TWM Strategy.
- On promoting water conservation in the domestic sector, we have launched the “Let’s Save 10L Water” campaign and distributed flow controllers to some 140 000 participating households. We have also completed a pilot scheme in 16 public housing estates, under which flow controllers have been installed for over 24 000 domestic households.
- For the non-domestic sector, we have installed over 33 400 flow controllers in about 1 850 government venues and schools, and we will continue our installation work. In addition, we have also developed best water-using guidelines for selected government facilities such as public swimming pools, parks and markets, as well as trades of high water consumption including catering and hotels.
- We have expanded the coverage of the voluntary Water Efficiency Labelling Scheme from showers for bathing, water taps, washing machines and urinals to flow controllers. We plan to further promote the use of water saving devices registered under the scheme through mandating their use in new development projects and major renovation projects of buildings.
- As regards education, in order to enhance the younger generation’s knowledge of water resources and water conservation, we have developed the “Cherish Water Campus” Education Programme on Water Conservation for primary school students. The programme combines theory and practice, which aims to enhance students’

knowledge of the protection of water resources and the global problem of water resources, encourage them to adopt water conservation practices at school and at home, and spread the water-saving message to their peers, family and the community. The programme commenced in the 2015/16 school year, and more than 160 primary schools have joined the programme so far. We have also commenced the design work of a permanent Water Resources Education Centre in Tin Shui Wai, which is scheduled to replace the existing temporary centre in Mong Kok at the end of 2018.

- We have substantially completed the Replacement and Rehabilitation Programme of Water Mains at the end of 2015. The number of water main burst cases per year has been reduced from the peak of about 2 500 to 145 in 2015, and the water main leakage rate has also been reduced from the peak of 25% to 15% in 2015.
- In future, we will progressively establish the “Water Intelligent Networks”. Through installing sensors in the water supply networks and analysing the data collected from the sensors, the condition of the water supply networks will be monitored continuously. Consequently, effective measures, such as pressure management and proactive leakage detection for early identification and handling of water mains in poor condition, can be devised and implemented to reduce water leakages and pipe bursts. We will also examine other techniques such as data mining to predict water main bursts, so as to achieve greater efficiency in the repair of water mains together with the “Water Intelligent Networks”.
- We have been using seawater for toilet flushing in the urban areas and most of the new towns, covering a population of about 80%. With the extension of the seawater flushing supply system to Pokfulam, Yuen Long, Tin Shui Wai and Tuen Mun, the population covered by the seawater supply networks will increase to 85%.
- On the other hand, given the challenges to our water resources due to climate change and continuous population and economic growth, we are developing new water sources including seawater desalination and water reclamation, which are not susceptible to climate change.
- We engaged a consultant in November 2015 to embark on the design work of the first stage of the seawater desalination plant in Tseung Kwan O. In addition, detailed design of water mains for the

delivery of fresh water produced at the desalination plant to the water supply system is also underway. The desalination plant has a water production capacity of 135 000 cubic metres per day with provision for expansion to 270 000 cubic metres per day (100 million cubic metres per year) to meet about 5 to 10 percent of Hong Kong's water demand.

- We are continuing our work to take forward the use of reclaimed water in the northeastern part of the New Territories (including Sheung Shui and Fanling) for toilet flushing and other non-potable uses. We have commenced the design of infrastructure and a consultancy study on the financial and legal framework for the supply of reclaimed water. In addition, we are working on a plan to promote the wider use of the grey water recycling and rainwater harvesting systems in suitable new government works projects. In the long term, Hong Kong will be supported by six different sources of water supply, namely local water, imported water from Dongjiang, seawater for flushing, seawater desalination, reclaimed water and grey water recycling/rainwater harvesting.
- We are carrying out a consultancy study to review the TWM Strategy, so as to, among other things, assess the effectiveness of the current TWM measures, forecast the long-term water demand and supply up to 2040, and identify new TWM measures to strengthen our resilience and preparedness against uncertainties and challenges.

Flood Prevention

- As for flood prevention, we have progressively completed a number of major flood prevention projects in recent years, including the drainage tunnels in Hong Kong West, Lai Chi Kok, Tsuen Wan and Kai Tak, as well as the underground stormwater storage schemes in Tai Hang Tung and Sheung Wan. Phase 1 construction works of the Happy Valley Underground Stormwater Storage Scheme were completed in early 2015. We are now carrying out Phase 2 construction works, which are expected to be completed before the wet season in 2018, with a view to further alleviating the flood risks around Happy Valley and Wan Chai.
- We will continue to review the Drainage Master Plans (DMPs) for various districts across the territory, so as to assess the flood risks and propose improvement measures to cope with the latest development in various districts and the potential impact of climate change.

Currently, we are conducting the reviews of the DMPs for Northern Hong Kong Island, Tai Po, Sha Tin, Sai Kung, Lantau and outlying islands.

- When carrying out large-scale drainage improvement works and drainage planning for new development areas (NDAs), we will apply the concept of revitalising water bodies to nullahs and river channels so as not only to enhance their drainage capabilities but also promote greening, biodiversity, beautification, water friendliness, etc. In fact, we have conducted pilot schemes to incorporate the concept of revitalising water bodies into a number of nullah and river improvement projects in recent years, so as to beautify the environment and enhance the biodiversity in nullahs and river channels. To take forward the concept of revitalising water bodies, we commissioned a two-year study on the revitalisation of water bodies in end 2015, aiming to develop specific and viable options for Hong Kong's nullahs and river channels according to their unique characteristics and practical consideration. The findings of the study will serve as a reference for future large-scale drainage improvement works and drainage planning for the NDAs.

Slope Safety

- The Civil Engineering and Development Department launched the Landslip Prevention and Mitigation Programme (LPMitP) in 2010, which is implemented on a risk management basis to deal with man-made slopes and natural hillsides to reduce their landslide risks. We use a risk-based priority ranking system to determine the rankings of man-made slopes and natural hillsides, and will carry out landslide prevention works according to the priorities on the ranking list.
- In 2016, we plan to upgrade at least 150 government man-made slopes, carry out safety-screening studies on at least 100 private man-made slopes, and conduct studies and carry out risk mitigation works for at least 30 natural hillsides.
- Under the LPMitP, we will carry out landscaping works alongside upgrading works for man-made slopes and risk mitigation works for natural hillsides. Vegetation cover will be used as far as possible to make their appearance more natural and blend with the surrounding environment.

- We will continue our efforts in public education on slope safety, including enhancing the public's awareness of emergency response and preparedness.

Lift Safety

- The Electrical and Mechanical Services Department (EMSD) will continue to strictly enforce the Lifts and Escalators Ordinance (LEO), provide assistance for the Responsible Persons to manage their lifts and escalators, conduct inspections, promote the modernisation of aged lifts and carry out public education work. The EMSD, in particular, will enhance public knowledge of lift and escalator safety and familiarise the Responsible Persons with their obligations under the LEO, so as to raise the safety standards of lifts and escalators.
- The EMSD has produced promotional videos to educate the public on the safe use of lifts and escalators, and launched the "Quality Lift Services Recognition Scheme" to promote the modernisation of aged lifts and encourage the Responsible Persons to enhance the operation management of lifts and escalators and their maintenance levels. In addition, the EMSD has revised the "Registered Lift and Escalator Contractors'/Engineers' Performance Rating System", which reflects more accurately the performance of registered contractors and engineers, so as to enhance the service quality of the industry. In this connection, the EMSD publishes information on the lift maintenance prices for private residential and commercial buildings for public reference from time to time.

Tree Safety

- The DEVB has been actively promoting professional greening and tree management work with due emphasis on the protection of public safety as a priority consideration. As regards greening, we promote a holistic approach to enrich biodiversity and enhance place ecology for our landscapes. We also enforce the principle of "Right Tree, Right Place" through developing the concepts of lifecycle planning and life expectancy for all trees, and implement a street tree selection guide, so as to deliver higher quality landscape planning and design in the upstream and implement more vigorous vegetation management and maintenance in the downstream.
- On tree management, the Tree Management Office (TMO), drawing on previous experience in tree risk assessment, has continuously

refined the Guidelines for Tree Risk Assessment and Management Arrangement. In the revised guidelines promulgated in November 2015, we have included a TRIAGE System in the tree risk assessment and management arrangement with the aim of identifying valuable and high risk trees for priority treatment. Just like the medical triage system, trees will receive treatment according to their structural health condition. This risk basis approach to tree inspection enables the tree management departments to prioritise the treatment of trees with higher risks more effectively according to priority. A new round of tree risk assessments by tree management departments has started. The TMO will continue to step up audit checks on trees managed by the departments, so as to ensure that tree management work is conducted in a professional and prudent manner in preparation for the onset of the wet season to better protect public safety.

- Private property owners are responsible for the proper maintenance and management of the assets, equipment and facilities, including trees, on their property. Owners are legally liable for any casualties or damage to property caused by the trees. Every year before the onset of the wet season, we will widely disseminate to the public information on proper tree care through different media, public seminars and video clips. We will also write to property owners and management companies to remind them to engage professional contractors to inspect trees on their property and carry out appropriate mitigation measures to protect public safety.
- To further assist private property owners in proper tree care, the TMO is preparing a Handbook for Tree Management to provide the owners with guidelines and set standards of good practices for tree management. The handbook will help the owners understand the importance of regular tree inspection and tree maintenance.
- We should exercise caution when considering the enactment of an ordinance to regulate trees on private property, as this will affect hundreds of thousands of private property owners. As such, we will enhance public education to provide more relevant information for property owners. At the same time, we will encourage community surveillance on the conditions of trees and continue the training for professionals. In the medium to long term, the Administration will keep a prudent and open attitude towards enacting the proposed ordinance and is actively engaging in discussions with the relevant stakeholders.

- The TMO has also enhanced the notification mechanism for tree removal. Under non-emergency circumstances, tree management departments are required to inform the TMO if Old and Valuable Trees (OVTs), stonewall trees and trees of public interest have to be removed. If the TMO agrees with the proposed removal, it will consult the Expert Panel on Tree Management (EPTM). As for emergency cases, the tree management departments will notify the TMO and the EPTM as far as practicable without compromising public safety. The departments are also required to submit reports to the EPTM afterwards.
- Furthermore, we will continue to implement the control programme for the Brown Root Rot Disease, and strive to raise the standards of tree management. We have also sought the views of experts and professional organisations on ways to enhance the protection of the OVTs. In addition, we will continue our efforts through different channels to foster a positive attitude towards tree care in our community and encourage community surveillance on the conditions of trees.

Heritage Conservation

Policy Review on the Conservation of Built Heritage

- We welcome and accept the recommendations of the Antiquities Advisory Board (AAB) pursuant to the policy review on conservation of built heritage conducted earlier. The DEVB has set up task forces and earmarked additional resources to implement the recommendations, including setting up a dedicated fund for built heritage conservation. The fund will provide subsidies for public education, community involvement activities, publicity activities and academic research. It will also cover certain existing government initiatives and activities on built heritage conservation, such as the Revitalising Historic Buildings Through Partnership Scheme (Revitalisation Scheme) and the Financial Assistance for Maintenance Scheme for privately-owned graded historic buildings. The AAB has clearly recommended against using the fund to acquire privately-owned historic buildings.
- We will first earmark \$500 million for the fund, of which a commitment of \$100 million will be reserved for non-works initiatives in conservation and revitalisation of historic buildings.

The remaining \$400 million will be reserved under the Capital Works Reserve Fund to cover the capital costs of the revitalisation projects under the Revitalisation Scheme, subject to funding allocation and approval. In addition, we will set up, within this year, a committee comprising primarily non-official members to advise the Government on the operation of the fund.

Privately-owned Graded Historic Buildings

- The Government has been striving to strike a proper balance between respect for private property rights and protection of heritage. On the premise of respecting private property rights, appropriate economic incentives should be offered to private owners in exchange for their consent to hand over or conserve the historic buildings in their ownership. We are exploring the provision of more attractive economic incentives beyond compensation, and will devise a more formalised, systematic and well-publicised mechanism for offering assistance to private owners according to the heritage value, scale and conditions of the historic buildings. In addition, to encourage private owners to make better use of the economic incentives available, the DEVB will set up a new page on the heritage website to share details of successful preservation-cum-development projects involving various kinds of economic incentives.

Revitalising Historic Buildings Through Partnership Scheme

- We launched Batch IV of the Revitalisation Scheme in December 2013 and announced the selection results in June 2015. No. 12 School Street will be revitalised into the Tai Hang Fire Dragon Heritage Centre; the Old Dairy Farm Senior Staff Quarters will be revitalised into the Pokfulam Farm; and the Lady Ho Tung Welfare Centre will be revitalised into the Lady Ho Tung Welfare Centre Eco-Learn Institute. Preparatory work is underway for renovation works to commence in 2017.
- We are carrying out preparatory work to launch Batch V of the Revitalisation Scheme within 2016, and will announce the details in due course.

Central Police Station Compound

- The Government works with the Hong Kong Jockey Club to revitalise the Central Police Station Compound into a centre for

heritage, art and leisure. Revitalisation works have already commenced in late 2011 and the revitalised site is scheduled to open to the public by phases within 2016.

Conclusion

- Chairman, the above is a brief account of the works portfolio. My colleagues and I will be happy to answer any questions that Members may wish to raise. Thank you.
