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來函檔號 Your Ref. :

28 February 2020

Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Chairman
Public Works Subcommittee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Chairman,

Public Works Subcommittee Meeting Agenda

We write to withdraw LC Paper No. PWSC(2019-20)23 “Provision for Capital Works Reserve Fund (CWRF) block allocations in 2020–21” from the agenda of the Public Works Subcommittee (PWSC).

The paper has been on the PWSC agenda since 11 December 2019. PWSC started discussing the item on 15 January 2020 and continued on 22 January and 26 February 2020. With your kind agreement, additional meetings were scheduled on 12 and 19 February 2020. However, as a result of the novel coronavirus outbreak, PWSC meetings on 5, 12, and 19 February 2020 were cancelled, resulting in the loss of a total of eight hours of meeting time.

As we have explained before, it is of grave importance for the CWRF block allocations item for 2020 – 21 to be approved by Finance Committee (FC) before 1 April 2020. Otherwise, the Government will not be able to settle contractual payments for some 10 000 on-going works items. The relevant works projects will have to be suspended, and the Government may need to pay interest and additional costs due as a result. We may also face the risk of litigations. Failure to make timely payments under the contracts will also have adverse impacts on the cash flow of contractors, which may in turn seriously affect the livelihood of some 17 000 labourers, professional and technical staff. Furthermore, a number of essential public safety-related works, such as landslip preventive measures, urgent repairing works relating to burst water pipes, road subsidence, traffic accidents, flooding, severe weather (i.e. heavy rainstorm

and super-typhoon) etc. are very important for public safety and need to be delivered on time. Some 1 500 new minor works items will not be able to commence.

As PWSC could not conclude discussion of the item on 26 February 2020, the Government decides to withdraw it from the agenda of PWSC and submit the item directly to FC. While we fully respect the role of PWSC and have every intention to complete the discussion before going to FC, the reduction in meeting hours as a result of the novel coronavirus outbreak has been a factor beyond control. We plan to bring the item to FC at its meeting of 6 March 2020 so as to allow time for FC to discuss it with a view to approving the funding application by the end of March 2020.

We are grateful for PWSC Members' interest in the item and your agreement to arrange additional meetings to enable its timely discussion.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Howard Lee', with a stylized flourish at the end.

(Howard Lee)
for Secretary for Financial Services
and the Treasury