

**Special Finance Committee Meeting (Works)
on 25 March 2003**

**Opening Remarks by
the Secretary for the Environment, Transport and Works**

Mr Chairman,

I would like to start with a brief introduction to the work of our Works Branch and Works Departments before answering questions from Honourable Members.

Capital Works Programme

2. In 2002-03, we achieved good progress in the delivery of public works projects. As a result of the Administration's efforts in expediting public works and better internal coordination as well as less adverse weather conditions, some of the major projects have progressed faster than our original forecast. We estimate that we will spend about \$29.2 Billion on the Capital Works Programme (CWP) in this financial year, which is 2.4% higher than the original estimate of \$28.5 Billion.

3. The Government remains committed to keep up the momentum of its investment in public infrastructure. Over the five

years from 2003-04 to 2007-08, we will set aside provision of \$29 Billion per annum for public works projects. In 2003-04, the estimated expenditure will be slightly higher at about \$31 Billion because some major infrastructure projects will commence in the coming year. Meanwhile, we will launch a pilot scheme to promote private sector participation in public work projects. We will prepare a list of leisure and cultural projects and invite proposals for private sector participation. The Home Affairs Bureau is now working on the details and will make an announcement shortly.

4. We will continue to streamline existing procedures so as to further cut short the pre-construction lead-time of public works projects. I introduced the Foreshore, Seabed and Roads (Amendment) Bill into the Legislative Council last month with a view to shortening the statutory period for raising and resolving public objections to road, reclamation, sewerage projects, etc. It is expected that the proposed amendments could accelerate our projects by six to nine months. I hope Honourable Members will support this proposal.

Excavation Permit Fees Charging Scheme

5. We have also introduced into the Legislative Council the Land (Miscellaneous Provisions) (Amendment) Bill 2002, which aims mainly at recovery of administrative cost in connection with the

excavation permit system and imposition of economic cost on permittees who delay their excavation work without good reasons. We believe it is a fair scheme and regulation of street excavations can be greatly improved after the Bill is implemented. We hope Honourable Members will support the Bill.

Greening Hong Kong

6. For the coming year, we plan to plant about 15 million plants (including trees, shrubs and annuals), about 10 million of which will be planted in urban areas. A high-level Steering Committee on Greening, chaired by the Permanent Secretary of the Works Branch, has been set up to provide a steer on the overall strategy and to oversee the implementation of greening programmes. To enhance the effectiveness of our greening programmes, we will review the existing standards and guidelines. We will also enlist community support for greening activities and work with private organizations in promoting greening programmes in urban areas.

Construction Industry Review

7. We will continue to work in collaboration with the Provisional Construction Industry Co-ordination Board to pursue reform initiatives spanning across a broad range of areas such as employees' compensation insurance, management of subcontracting, skill

development of workers, construction cost and performance indicators. So far, notable progress has been achieved on 95 recommendations made by the Construction Industry Review Committee. A progress report has been submitted to the Legislative Council. Furthermore, we will soon be ready to commence drafting a bill for introduction to the Legislative Council in the next session to pave way for the formation of the proposed Construction Industry Council.

Works Departments

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

9. The *Architectural Services Department* will, in the next financial year, complete 13 new primary schools, 12 new secondary schools and 1 new special school. There are 37 schools under design and construction. The Department also plans to complete improvement works for 99 schools, and continue with the design and construction works for the remaining 215 schools under the School Improvement Programme. Currently, 17 leisure and cultural projects are under construction and the works for another 6 projects are scheduled for commencement in the next financial year. The Department will invite tenders for the Central Government Complex, Legislative Council Complex, Exhibition Gallery and Civic Place at Tamar, and construction

will commence in early 2004.

10. In addition, the Department will pursue its re-engineering programme in a flexible and step-by-step manner. In order to strengthen the Department's professional role as Government's corporate adviser on public building development and maintenance matters, it will increase outsourcing of projects to the private sector and devolving most or even all of its maintenance activities to government departments and subvented organisations where applicable. The Department will maintain extensive consultation with staff on the details of the programme.

11. The *Civil Engineering Department* will continue to upgrade 250 government slopes and conduct safety screening on 300 private slopes per year under the 10-Year Extended Landslip Preventive Measures (LPM) Programme. The Department will also endeavour to landscape every slope upgraded under the LPM Programme. The Department has published a layman's guide on landscape treatment of slopes to assist private owners to improve the appearance of their slopes. The Department will also continue to implement the essential infrastructure for the development of Hong Kong Disneyland, which is scheduled for opening in 2005.

12. The *Drainage Services Department* will continue to

implement extensive flood control and mitigation projects throughout the territory. Significant improvements have already been achieved in alleviating the flooding problem in the New Territories following the progressive completion of a number of major river training works in the past few years. The flooding problem in the New Territories will be further alleviated upon the substantial completion of the remaining river training works at Indus River, Kam Tin River and Ngau Tam Mei River in 2003. The only remaining regional flooding blackspot in Ta Kwu Ling will also be removed by 2006, upon the completion of the Shenzhen River Regulation Project Stage III and the training of the Ganges River. The drainage upgrading works in West Kowloon are in full swing with the critical works scheduled for completion in 2004. New drainage improvement projects costing about \$500 million will start construction in 2003-04 to further improve our stormwater drainage infrastructure.

13. In 2002-03, the *Electrical and Mechanical Services Trading Fund (EMSTF)* has continued to achieve remarkable results. Despite the fact that all government departments and autonomous bodies could select their own E&M service providers in the market since August 2002, the performance of EMSTF has remained sound in terms of business and finance. The EMSTF will keep up its efforts to provide quality and competitive service by reducing its operating expenses and enhancing its efficiency.

14. The *Highways Department* is bringing forward a number of major highway projects. The construction of the section of Route 9 from Tsing Yi to Sha Tin commenced in phases in early 2002. The tendering of the Shenzhen Western Corridor, Deep Bay Link and widening of Yuen Long Highway are underway with works scheduled to commence in mid-2003. The Department is also implementing the essential public infrastructure works for new railways in the urban area as well as in the New Territories, including the Sheung Shui to Lok Ma Chau Spur Line, the West Rail, the Tsim Sha Tsui Extension and the Ma On Shan Rail of the East Rail.

15. The *Territory Development Department* will continue its efforts on land formation and infrastructure works for a number of major development areas. Construction works on Central Reclamation Phase III has just commenced early this month. Good progress has been achieved in the detailed design of the South East Kowloon Development and Wan Chai Development Phase II.

16. Fresh water is an indispensable element to our life. The *Water Supplies Department* will continue to extend the water supply system to meet future demands from new developments, and to replace and rehabilitate old water mains to maintain a reliable water supply. In view of decreasing local water resource per capita due to the increase in

population, we have to devise a sustainable plan to ensure an adequate water supply which can meet our long-term demand. In the near future, we will implement trial schemes on desalination and reuse of treated effluent for non-potable purposes at the Cable Car project at Ngong Ping in Lantau.

17. WSD has achieved a 10% savings in recurrent expenditure with its efficiency and productivity improvement programme over the past three years. The Department will strive to achieve a further 1.8% savings in 2003-04.

18. Mr Chairman, I, as well as the Permanent Secretary and the Works Directors, will be pleased to answer any questions Honourable Members may have.

Environment, Transport, and Works Bureau
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