

Chapter X : Works

10.1 At the Chairman's invitation, Dr Sarah LIAO, the Secretary for the Environment, Transport and Works (SETW), briefed members on the main initiatives of the programmes under the Policy Area: Works (Appendix V-9).

Supply of Dongjiang water

10.2 Noting that the estimated expenditure on the purchase of Dongjiang water would be increased by over \$1,000,000 to \$2,528,934,000 in 2004-05 (Subhead 223 of Head 194), Mr Fred LI enquired whether flexible supply arrangements had been incorporated into the Water Supply Agreement (the Agreement) with the Guangdong Authority to avoid paying for the oversupply of Dongjiang water to Hong Kong.

10.3 In response, SETW highlighted that the Agreement was on the basis that there was a minimum level of water supply. The current price of Dongjiang water was \$3.085 per cubic metre and the price would be increased by 10% for supply in addition to the agreed minimum quantities. In the past few years, the Administration had tried in vain to reduce the supply quantities because the quality of Dongjiang water, particularly in respect of the Shima River, started to deteriorate and cleaner water had to be pumped from the upper reach to dilute the water supplied to Hong Kong in order to meet the quality standard. With the completion of the closed aqueduct in June 2003 to transfer water directly from the upper reach to Hong Kong, the need for pumping more water to Hong Kong had been reduced. The Director of Water Supplies (DWS) also supplemented that according to the Agreement signed in 1989, the quantities of water supplied to Hong Kong in 1995 were 690 million cubic metres (mcm) and thereafter would be increased by 30 mcm per annum to 1 100 mcm in 2008. Charges were still payable for the unused balance of quantity during a year on the basis of the agreed water price. In making the projection on water supply at that time, the Administration had already adopted low growth in water consumption, but as a result of industries moving northwards since the 90's, the actual growth in water consumption was still lower than its earlier projection. Hence, in negotiating the loan agreement for the construction of a closed aqueduct for the Dongshen Water Supply System in 1998, the Administration had strongly requested the reduction in supply quantities, and finally succeeded in reducing the annual increase in supply quantity from 30 mcm to 10 mcm until 2004. Under this revised agreement, a total of 820 mcm of Dongjiang water would be supplied in 2004 and the supply quantities beyond 2004 would be subject to further negotiations. In response to Mr LI's concern on whether there was an oversupply of Dongjiang water to Hong Kong, SETW undertook to provide information on the total water consumption in

Chapter X : Works

Hong Kong over the past five years and the expenditure on unused Dongjiang water, if any, in each year.

Monitoring of excavation works

10.4 Ms Emily LAU noted that the Land (Miscellaneous Provisions) (Amendment) Ordinance (the Amendment Ordinance) would be implemented on 1 April 2004, and the estimated number of excavation/road work permits to be authorized would be increased significantly by 82.5% from 27 973 in 2003 to 51 045 in 2004. She expressed grave concern about the huge increase and enquired whether the Administration had adequate resources to deal with matters such as traffic diversion arising from additional excavation works. In this connection, Mr WONG Sing-chi also enquired whether additional resources were required to handle the anticipated increase of excavation permit applications.

10.5 In response, the Acting Permanent Secretary for the Environment, Transport and Works (Works) (PSW(Atg)) explained that Government departments, including Highways Department (HyD) and Water Supplies Department, which were formerly not bound by the Land (Miscellaneous Provisions) Ordinance (Cap. 28), would be required to obtain a separate excavation permit for any excavation works and subject to the same standards of excavation works requirements as other utility undertakings under the Amendment Ordinance. In the light of this change, the Administration had estimated that the number of excavation permits to be issued would increase significantly from 27 973 in 2003 to 51 045 in 2004. There was no sign of increase in the number of excavation works, and the majority of the estimated additional 23 000 excavation permits were related to minor maintenance works undertaken by various Government departments. PSW(Atg) also pointed out that HyD had sought approval of the Finance Committee (FC) in February 2004 to undertake a cost-neutral re-organization exercise to make available the manpower required to handle the large increase in the number of excavation permits. No additional manpower resources were required for the implementation of the Amendment Ordinance.

10.6 The Acting Director of Highways supplemented that dedicated teams had been established through new resources and internal staff redeployment to strengthen the enforcement of the various requirements under the Amendment Ordinance. In this respect, HyD had also streamlined procedures to enable utility undertakings and relevant authorities to obtain and exchange information expeditiously by electronic means. Calculation of required permit periods had

Chapter X : Works

also been standardized so as to facilitate the utility undertakings in obtaining the necessary approval in a timely manner.

10.7 Ms Emily LAU and Mr WONG Sing-chi noted that about 1 406 out of 11 299 applications for extension of excavation permits were rejected by HyD in 2003. PSW(Atg) explained that the majority of these applications were rejected because they were not supported by any reasons, or the reasons for extension were not valid. He pointed out that the excavation permit fee scheme under the Amendment Ordinance was aimed at recovering administrative costs based on the “user-pays” principle and encouraging utility undertakings and their contractors to complete excavation works within the permit period. A charge would be imposed on excavation works which were delayed without good reasons. The Administration would closely monitor the situation and regularly review the effectiveness of the excavation permit fee scheme to encourage timely completion of works within the permit period.

Recurrent consequences of capital works proposals

10.8 Ir Dr Raymond HO understood that the Secretary for Financial Services and the Treasury (SFST) had issued an internal circular in August 2002 to bureaux and departments advising that in putting up a capital works proposal, the bureau and department concerned should be prepared to absorb any recurrent consequences arising from the project without additional resource provision. With the undertaking of the Chief Executive in the 2004 Policy Address to secure recurrent funding for the operation of capital works, Ir Dr HO asked if SFST’s earlier circular was still in effect. SETW noted Ir Dr HO’s concern and advised that the Administration would set up an inter-bureaux/departmental working group in April 2004 to decide the priorities of capital works proposals and allocate resources, including recurrent consequences arising from these proposals, accordingly. The Deputy Secretary for the Environment, Transport and Works (Works)¹ supplemented that the Environment, Transport and Works Bureau (ETWB) had been following up the matter with the Financial Services and the Treasury Bureau (FSTB). In the light of the pressing deficit situation, the Administration had the responsibility to exercise vigilance in controlling expenditure, but they were fully aware of the importance in securing recurrent funding for the implementation of public works projects. In 2003-04, the Administration had shouldered around \$800 million for the recurrent expenditures arising from public works projects. The Deputy Secretary for Financial Services and the Treasury (Treasury)¹ also pointed out that during the annual resource allocation exercise, FSTB would evaluate and review individual project proposals

Chapter X : Works

and resources would be allocated to bureaux and departments concerned having full regard to the merits of each case. Sufficient recurrent resources would be set aside for all approved capital works.

Cost-effectiveness of slope improvement measures

10.9 Mr TAM Yiu-chung appreciated the Administration's efforts made in the past decade to improve slope safety in Hong Kong, but he was concerned about the cost-effectiveness of slope stabilization works as he observed that there was an increase in the number of slopes which needed to be improved. Frequent rehabilitation of slopes at some locations, such as Fortress Hill and Lantau Island, were also required and the duration of these works was quite long. In response, the Director of Civil Engineering advised that since 1977, many slope-upgrading works had been carried out and the number of dangerous slopes had decreased. Regular maintenance works would be undertaken to ensure that all upgraded slopes would be maintained in line with the prevailing standards. As many slopes were adjacent to roads and building structures, upgrading works would normally be carried out in phases to minimize inconveniences caused to road traffic and residents, which resulted in a longer duration of works.

Fresh Water Plumbing Quality Maintenance Recognition Scheme

10.10 Miss CHOY So-yuk enquired about the budget for the promotion of the Fresh Water Plumbing Quality Maintenance Recognition Scheme (the Scheme). DWS advised that treated fresh water provided by the Water Supplies Department (WSD) fully complied with the Drinking-Water standard according to the guidelines of the World Health Organization. In order to ensure that customers could enjoy good quality of water at taps, WSD launched the Scheme in July 2002 to encourage building owners to maintain plumbing systems properly at their own costs. Successful applicants would be awarded a certificate to recognize proper maintenance of the plumbing systems inside a building. Certificates had been awarded to around 1 000 buildings which benefited more than 200 000 customers/households. Additional resources had been earmarked for the promotion of the Scheme in 2004-05.

Water leakage

10.11 Miss CHOY So-yuk was concerned about the progress of replacement works on leaking watermain. DWS said that WSD had commenced the replacement and rehabilitation (R&R) programme which covered

Chapter X : Works

3 000 kilometres (km) of watermains proposed to be replaced and rehabilitated. With the implementation of R&R works for some 300 km of watermains commenced in June 2003, a slight improvement in leakage rate was expected in the years to come and a measurable improvement would surface by 2008 when the present Stage I Phase I R&R works were completed. The current loss of water at a 25% leakage rate would be brought down to 15% with the completion of the entire R&R programme.

Technical Advisers for Environment, Transport and Works Bureau

10.12 As regards the appointment of two Technical Advisers on non-civil service terms for ETWB, Dr TANG Siu-tong questioned whether the duties of these two Technical Advisers would duplicate with those undertaken by other consultants/technical advisors appointed for individual works projects. He also enquired whether the Administration had plans to appoint these two Technical Advisers on civil service terms. In response, SETW advised that the two Technical Advisers were required to assist her for planning, co-ordination and conduct of researches on matters relating to policy areas under the portfolio of ETWB with a view to enhancing scientific demonstration in policy making. Major duties included research and analysis on international experience regarding policies and practices, as well as compilation of research reports. These two Technical Advisers would not provide consultancy services to individual works projects.

Improvement to Tung Chung Road

10.13 In response to Mr Albert CHAN's enquiry about the delay of the improvement works to Tung Chung Road between Lung Tseng Tau and Cheung Sha, PSW(Atg) said that tender for the project was closed and the improvement works were originally scheduled for commencement in April 2004. Owing to the complexity of the improvement works, the lowest tender price received was higher than the estimated project cost approved by FC. The Administration planned to submit an application for supplementary provision to the Public Works Subcommittee for endorsement in April 2004. Subject to FC's approval, the improvement works might start in May 2004.