

**Speaking Points of the Secretary for Development
for the Special Finance Committee Meeting (Works)
on 31 March 2017 (Friday)**

Chairman,

- I would like to thank Members for their interest in the Draft Estimate of the Development Bureau (DEVB). We have provided replies to 103 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 2017-18, the DEVB's recurrent expenditure for the works portfolio will be \$11,693.87 million, representing an increase of \$420.01 million or 3.7% as compared with the revised estimate for 2016-17. This is mainly due to the estimated increase in expenditure for purchasing Dongjiang water.
- In 2017-18, there will be a net increase of 77 civil service posts in the Works Branch (WB) and departments under its purview (the Architectural Services Department, Electrical and Mechanical Services Department (EMSD), Highways Department, Leisure and Cultural Services Department and Water Supplies Department (WSD)), including four directorate civil service posts, and 47 civil service posts to replace the non-civil service contract staff and other contract staff positions.
- 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

- The Government has all along been adopting long-term planning for Hong Kong and implementing capital works projects in a timely and continuous manner to improve people's quality of life, enhance Hong Kong's long-term competitiveness and promote our economic development, so as to lay a solid foundation for the sustainable development of Hong Kong. The projects cover various areas

including land supply, transportation, medical care, education, water supply and drainage.

- In 2015-16, the actual capital works expenditure reached the level of \$75 billion, while in 2016-17, the revised estimate for capital works expenditure is \$86.2 billion. In the next few years, the Government will launch a number of works projects for major infrastructure and public facilities to support our social development. The estimated annual expenditure on capital works is expected to exceed the level of \$80 billion, which will promote economic growth and provide employment opportunities for the construction industry on a continuous basis.

Cost Control for Public Works

- In light of escalating construction costs in recent years, the DEVB established the Project Cost Management Office (PCMO) last year to lead cost control initiatives for public works, so as to ensure the proper use of public funds. We are pleased to see that the PCMO has achieved significant early results since its establishment, including saving some \$13 billion in costs out of the 60-plus projects examined totalling some \$170 billion. Besides, through collaboration with stakeholders and under the prevailing economic situation, the Building Works Tender Price Index has reversed its upward trends over the past few years and become steady gradually.
- The PCMO has also commenced extensive consultation and collaborated closely with industry stakeholders, so as to achieve better results in cost control and enhance the cost-effectiveness of the local construction industry.
- In the coming year, the PCMO will step up its efforts in cost control, including improving the procurement and tendering systems for works projects, enhancing project management by the professionals within the Government, launching other measures that will enhance productivity and lower manpower demand to reduce costs, such as adopting the concept of buildability, and using the Building Information Modelling (BIM) technology in major government works projects, so as to take forward the Public Works Programme more effectively.

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 Sha Tin to Central Link and the Tuen Mun-Chek Lap Kok Link. In addition, the expansion of the Haven of Hope Hospital at an estimated expenditure of about \$2 billion and the construction of the Tseung Kwan O-Lam Tin Tunnel at an estimated expenditure of about \$15 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 Kai Tak Sports Park, the Central Kowloon Route, the redevelopment of the Junior Police Officers Married Quarters at Fan Garden, Fanling, and the Tung Chung New Town Extension.
- 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 2016-17 legislative session, it is estimated that we need to seek funding approval of more than \$90 billion from the Finance Committee (FC) 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 is only one new works project that has obtained funding approval totalling about \$1.1 billion. 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 the 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 relatively high level of over \$240 billion per year in the next few years. We, therefore, have to effectively control project costs and overcome the problem of tightening construction manpower situation. The Government will continue to take a series of measures and expects to work with various stakeholders to find solutions to the problems together.

Manpower Resources for the Construction Industry

- To cope with the keen demand for skilled workers in the construction industry, we have deployed a series of measures since 2008-09, including obtaining approval for a total of \$420 million from LegCo in 2010, 2012 and 2015 to support the Construction Industry Council (CIC) in strengthening its role in the training of local construction personnel and in organising promotional and publicity activities. From 2009 to 2016, the CIC has trained more than 24 000 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, indicating 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 a pilot scheme to upgrade the skills of semi-skilled workers to the level of skilled workers, and training of in-service general workers (including ethnic minorities) to become semi-skilled workers. Also, the CIC will set up an innovation and technology application centre in the second half of 2017 to introduce innovative technologies into the industry to enhance productivity.
- We will continue to nurture a “caring culture” in the construction industry by adopting a multi-pronged approach to further enhance site safety and improve site cleanliness and tidiness as well as the welfare of workers, so as to safeguard the health and safety of workers.
- The DEVB and the CIC will continue to organise the “Construction Safety Week” in September this year to enhance site safety and workers’ health through a series of publicity and promotion activities. A new “Carnival” event will be added to the “Construction Safety Week” this year, which enables the workers to spend an enjoyable

weekend with their family and to further understand the importance of occupational safety and health. 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.

The Procurement System for Public Works Projects

- In addition to enhancing our manpower resources, an effective tendering system that caters for the current market conditions is also crucial. To achieve economical delivery of quality infrastructure, we are always mindful of the need to build up the overall capability of the construction industry, facilitate its healthy growth and encourage innovation and creativity. We have enhanced the contractors' listing management system to increase market opportunities for small- to medium-sized contractors, enhance competitive tendering, and attract contractors who are not on the list at present to participate in public works projects, thereby allowing us to tap into new technologies and expertise. We will continue to improve the management practices and procedures of public works projects to enhance design for buildability, increase productivity, encourage innovation and creativity and strengthen cost control.
- 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. In the coming year, we will continue to 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 projects, which we believe will help improve the cost control of public works contracts.
- To enhance productivity and safety in Hong Kong's construction industry, we are striving to promote the BIM technology. We will require consultants and contractors undertaking design and construction to adopt BIM in major capital works projects which commence design in 2018 and thereafter. We hope that through the

BIM technology, the industry can better manage the relevant information at the various stages of construction projects so as to control project costs, optimise design, improve co-ordination and reduce construction waste. Also, the CIC will continue to pursue the work of mapping out the BIM Standards.

Security of Payment for the Construction Industry

- To ensure that main contractors, sub-contractors, consultants and suppliers of the construction industry can receive the payments due on time for the work or services provided by them, we have completed the public consultation on the proposed security of payment legislation for the construction industry. In light of the views collected, the public is in general supportive of the proposed legislation. We have already commenced drafting the bill with the aim of introducing the bill to LegCo in early 2018.

Promotion of Professional Services

- Since the signing of the “Mainland and Hong Kong Closer Economic Partnership Arrangement” (CEPA) in 2003 and the subsequent related agreements, relevant professionals and enterprises of Hong Kong’s construction industry have benefited from the gradual market liberalisation measures in the Mainland and been allowed to practise and develop their businesses in the Mainland.
- The Mainland and Hong Kong 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, 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 most of the measures already implemented in Guangdong have even been extended to Guangxi and Fujian.
- As regards the co-operation with Qianhai, the DEVB has achieved results in three areas:
 - (a) Identified a project developed by a Hong Kong company as a pilot

project to adopt the Hong Kong project management system and directly engage Hong Kong professionals and enterprises in the construction and related engineering sectors.

- (b) In June 2016, Qianhai promulgated the “Register of Hong Kong Professional Firms”.
- (c) Qianhai has put in place a registration system for Hong Kong professionals in the construction industry.

At present, enterprises on the list and registered professionals are allowed to provide services directly in construction projects wholly owned or with majority shares held by Hong Kong businesses without having to satisfy 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 in April 2014. Two medium-sized building projects in Nepal and Cambodia respectively have been identified as pilot projects, and two companies from Hong Kong have been awarded the relevant contracts through open tendering. The project in Cambodia was successfully completed in January 2017, while the one in Nepal is expected to be completed in May this year. The DEVB will continue to hold discussions with the Ministry of Commerce about increasing the number of foreign aid construction projects undertaken by Hong Kong enterprises, expanding their service scope and increasing the types of projects in which they can participate.
- Looking ahead, the Belt and Road Initiative proposed by the Mainland will open up enormous opportunities for the construction and related professional services sectors. With regard to the construction of Belt and Road infrastructure, we together with the industries are now exploring ways to work with the Mainland to develop overseas markets and facilitate their participation in the infrastructure development of the Belt and Road regions, so as to promote the development of professional services.

Co-ordinating Infrastructure for Land Supply

- Co-ordination of infrastructure projects to support the increasing land

supply is another important task of the WB of the DEVB.

- Apart from seeking funding approval for commencing a planning and engineering study on Sunny Bay reclamation, we are planning to commence the planning and engineering studies on the reclamations at Ma Liu Shui and Lung Kwu Tan as soon as possible, so as to provide land for advanced technology and knowledge-based industries, and for industrial and residential uses.
- Currently, there are several strategic infrastructure projects under construction or planning in Lantau and there is no doubt of its development potential. Lantau is very crucial to Hong Kong's long-term sustainable development.
- We completed a public engagement exercise for the proposed Lantau development strategies in April 2016. The results show that the public is in general supportive of the direction of "development for the north, conservation for the south". Major economic, housing, recreational and tourism development will be focused in the north, while most of the remaining areas in Lantau will be used for conservation, leisure, cultural and eco-tourism purposes. We will publish the "Sustainable Lantau Blueprint" in the second quarter of this year.
- We will continue to study how to optimise the utilisation of land at the Hong Kong Boundary Crossing Facilities Island of the HZMB. We will conduct the Stage 2 Community Engagement this year to collect public views on the draft Recommended Outline Development Plan for this site, which will provide a total gross floor area of up to 500 000 square metres for commercial developments and other economic activities.
- To take forward the various development and conservation projects in Lantau, we need to set up a dedicated multi-disciplinary "Sustainable Lantau Office" as soon as possible to enhance our manpower and management steer so that we can start the work immediately to seize the development and conservation opportunities of Lantau. We are actively soliciting Members' support so as to set up the office at an early date.
- We plan to complete the investigation and design for the relocation of

the Sha Tin Sewage Treatment Works to caverns in phases starting this year, and commence cavern construction and the relocation works for the sewage treatment works as soon as possible, so as to release its existing site of about 28 hectares for development. We have also substantially completed the feasibility studies on the relocation of the Sai Kung Sewage Treatment Works, the Sham Tseng Sewage Treatment Works and the Diamond Hill Fresh Water and Salt Water Service Reservoirs to caverns, and have already started the public consultations on the land use options of the released sites of about 6 hectares in total to prepare for the next phase of work. In addition, we will implement the recommendations of the study on the long-term strategy for cavern development, including promulgating the Cavern Master Plan and formulating guidelines to promote future cavern development, setting priorities for the relocation of suitable government facilities to caverns, and commencing a technical study on underground quarrying for cavern development.

- The Stage 1 Public Engagement launched last November regarding the pilot study on underground space development in four selected strategic urban areas, namely Causeway Bay, Happy Valley, Admiralty/Wan Chai and Tsim Sha Tsui West, was completed in February this year. We are developing conceptual schemes for underground space development with due consideration to the views received. Preliminary technical assessments of these conceptual schemes will be carried out in due course. We anticipate that the work will be substantially completed by early 2018. After that, we will launch the Stage 2 Public Engagement for the relevant conceptual schemes.

Kowloon East

- Regarding land supply, the provision of sites for commercial uses is just as important as the supply of land for housing. In future, Kowloon East including the KTD Area will become an important source of commercial sites. The momentum of increasing commercial/office supply in Kowloon East will continue.
- The Energizing Kowloon East Office focuses its efforts on enhancing connectivity, improving the environment, unleashing development potential and exploring the feasibility of smart city development.

- We actively promote the concept of a "Walkable Kowloon East". Apart from implementing a number of quick-wins, we also study improvements to the pedestrian subway, the public transport interchange and pedestrian facilities next to the Mass Transit Railway (MTR) Ngau Tau Kok Station, and face-lift more back alleys to become part of the pedestrian network in the Kwun Tong Business Area. Moreover, design for an additional footbridge next to the MTR Kowloon Bay Station connecting to the East Kowloon Cultural Centre has also commenced.
- We continue to implement the Greening Master Plan of Energizing Kowloon East and increase the amenities in the area. The Phase 2 improvement works of Tsun Yip Street Playground is underway, while the construction of the Tsui Ping River Garden also commenced at the end of last year. The public consultation exercise for the conversion of King Yip Street Nullah into Tsui Ping River is in progress. In addition, we are constructing facilities at the "Fly the Flyover 02 and 03" sites beneath Kwun Tong Bypass to provide more facilities related to arts, culture and leisure. We will seek funding approval from LegCo this year for reprovisioning the Tsun Yip Street Playground facilities to Hong Ning Road Park and Ngau Tau Kok Fresh Water Service Reservoir, as well as improving Hoi Bun Road Park together with its adjacent areas. On green buildings, there are already 24 buildings which have obtained Building Environmental Assessment Method Plus (BEAM Plus) Gold or Platinum rating in Kowloon East.
- We strive to unleash the development potential of Kowloon East. Since 2012, over 600 000 square metres of new commercial/office floor area has been provided in Kowloon East. The supply of new commercial/office floor area in Kowloon East in the coming five years is estimated to be around 900 000 square metres, including the developments on six pieces of commercial land sold by the Government in the past five years.
- We are working on rationalising or relocating the existing government facilities in the Kowloon Bay Action Area (KBAA) and the Kwun Tong Action Area (KTAA), which will provide around 560 000 square metres of commercial/office floor area. We are seeking funding approval from LegCo for reprovisioning the vehicle examination centres in KBAA and To Kwa Wan, and will reprovision

the temporary driving school in KTAA under a short-term tenancy agreement.

- KTAA, the former airport runway tip and Kwun Tong Typhoon Shelter are included in the Kai Tak Fantasy project, which will be developed into a world-class tourism, leisure and entertainment hub. We will consult the public regarding the two related studies this year.
- Kowloon East is a pilot area for smart city development. We are formulating a framework strategy, key strategic aspects and related smart city proposals for Kowloon East and carrying out on-site proof of concept trials, to facilitate the transformation of Kowloon East into a more vibrant, smart and sustainable place.
- As far as the KTD Area is concerned, we completed the phase two review to further increase the development intensity and enhance the site planning of the KTD Area last September. Together with the phase one review completed earlier, a total of some 16 000 additional residential flats and about 400 000 square metres of commercial floor area will be provided in the area.
- We will continue to press ahead with the Energizing Kowloon East initiatives to facilitate the transformation of Kowloon East into the second core business district and support the long-term economic development of Hong Kong.

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.

Total Water Management

- The Government launched the Total Water Management (TWM) Strategy in 2008, which puts emphasis on containing the growth of water demand through conservation while strengthening water supply management. We will continue to implement various water supply and demand management measures under the TWM Strategy.
- On promoting water conservation in the domestic sector, we have

distributed flow controllers to some 140 000 households since the launch of the “Let’s Save 10L Water” campaign in 2014. We have also completed the installation of flow controllers on water taps and showers for about 87 000 public housing households.

- For the non-domestic sector, we have installed over 45 600 flow controllers in about 2 800 government venues and schools, and we will continue the installation work on other premises. Also, we have drawn up water-using guidelines for specified government facilities such as public swimming pools, parks and markets, and compiled the Best Practice Guidelines for Water Usage for the catering and hotel industries.
- The WSD held a five-day Water Conservation Week 2016 in November 2016, with over 20 000 participants from over 150 green groups, government departments, businesses, schools and educational institutions etc.
- As regards education, we have developed the “Cherish Water Campus” Education Programme on Water Conservation for primary school students. The programme combines theory and practice, aiming to enhance students’ knowledge of water resources protection and the global issues concerning water resources, encourage them to practise water conservation at school and at home, and promote water-saving to their peers, family and the community. Since the launch in the 2015-16 school year, more than 210 primary schools have joined the programme. In addition, we will extend water conservation education to kindergartens. Under a pilot scheme tentatively scheduled for the 2017-18 school year, teaching kits containing water-saving storybooks will be produced to facilitate educational activities related to water conservation in kindergartens. We have also commenced the design work of the Water Resources Education Centre in Tin Shui Wai, which will replace the existing temporary centre in Mong Kok in 2018-19.
- We continue to expand the voluntary Water Efficiency Labelling Scheme (WELS), which at present covers showers for bathing, water taps, washing machines, urinal flushing valves and flow controllers. Also, the initiative of the mandatory use of WELS products took effect on 1 February this year. For all proposed plumbing works applications submitted using Form WWO 46 for kitchens of domestic premises as well as bathrooms and toilets of all premises, the showers

for bathing, water taps and urinal flushing valves proposed to be used should comply with the prescribed water efficiency gradings under the WELS. There is a one-year grace period for the above mandatory requirement.

- 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 decreased from the peak of about 2 500 to 116 in 2016, and the water main leakage rate from the peak of over 25% to around 15% in 2016.
- We are progressively taking forward the establishment of a comprehensive Water Intelligent Network to continuously monitor the health condition of water mains network. The work includes continuing the installation of sensors in the water distribution network for establishing District Metering Areas (DMAs); undertaking design for the remaining DMAs; and preparing a tendering exercise for an intelligent network management computer system for analysing the data collected from the sensors. We have also commissioned a consultant to use data mining technique to predict the possibility of water main bursts for early identification of defective water mains and follow-up actions.
- We have been using seawater for toilet flushing in the urban areas and most of the new towns, covering about 85% of the population. With the completion of the infrastructure for extending the seawater supply network to Pokfulam and Northwest New Territories, we are arranging for these areas to switch to seawater flushing.
- On the other hand, given the challenges to water resources due to climate change and the continuous population and economic growth, we are developing new water sources not susceptible to climate change, including seawater desalination and water reclamation.
- We have commissioned a consultancy to embark on the design work of the first stage of the seawater desalination plant in Tseung Kwan O. The first stage of 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 to meet about 5 to 10 percent of Hong Kong's water demand. Also, to connect the desalination plant with the water mains of the existing water supply network, we have

substantially completed the detailed design using in-house resources, and plan to secure the support of the Public Works Subcommittee in seeking funding approval from the FC.

- We are continuing our work to take forward the use of reclaimed water in Northeast New Territories (including Sheung Shui and Fanling) for toilet flushing and other non-potable uses. Currently, we are inviting tenders for the core infrastructure works including a service reservoir and trunk water mains expected to commence in the second quarter of 2017. Meanwhile, we are undertaking the design work for the remaining works including a chlorination plant, a pumping system and local distribution mains. Also, we are formulating a financial and legal framework for the reclaimed water programme appropriate for Hong Kong, which is expected to be completed by the end of 2017.
- We strive to promote the use of grey water and rainwater harvesting facilities in new government works projects for non-potable uses as appropriate, including the plan to build a centralised grey water reuse system in the Anderson Road Quarry Development project. 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 reuse and rainwater harvesting.
- We plan to complete the review of the TWM Strategy in 2017 in order to ensure the sustainable use of precious water resources and timely introduction of new initiatives to strengthen our resilience and preparedness against challenges brought about by climate change.

Drinking Water Safety

- To follow up on the recommendations put forward by the Commission of Inquiry into Excess Lead Found in Drinking Water, the DEVB established the International Expert Panel on Drinking Water Safety (IEP) on 1 June 2016 to provide advice on issues related to drinking water safety. So far, the IEP has convened four meetings for in-depth discussion of various issues related to drinking water safety. Meanwhile, the WSD has engaged a specialist consultant from the United Kingdom (UK) to review the drinking water quality standards and sampling protocols of overseas organisations and countries and

provide advice based on the situation in Hong Kong. The WSD has also engaged a specialist consultant from Australia to provide advice on the enhancement of Water Safety Plan (WSP) for WSD and develop WSP templates for buildings. The DEVB, the WSD, the IEP and the UK/Australia specialist consultants have conducted in-depth discussions about various issues of drinking water safety. We have almost completed the work related to water quality standards, sampling protocols and the WSP. A concrete plan will be announced shortly.

- In addition, the inter-bureau and inter-departmental Working Group on Water Safety Issues, which was established by the DEVB in March 2016, is examining to formulate a holistic plan to safeguard drinking water safety and will put forward proposals to introduce legislation on drinking water safety, including developing drinking water standards, establishing a water quality regulatory framework, as well as putting in place a programme for monitoring the quality of drinking water from the source to the consumers' taps to fully ensure drinking water safety.
- We are conducting a comprehensive review of the Waterworks Ordinance and its Regulations, including a review of the roles and responsibilities of persons engaged in the design and construction of the inside service, the systems for their registration, technical requirements and plumbing material standards. We plan to submit the amendments related to defining the duties of licensed plumbers and plumbing workers and updating the plumbing material standards to LegCo for deliberation in the 2016-17 legislative session.

Flood Prevention

- As for flood prevention, the Happy Valley underground stormwater storage scheme came into full operation in March 2017, with a view to further alleviating the flood risks around Happy Valley and Wan Chai. We are also conducting the Kai Tak River Improvement Works, which will revitalise the river into a green river corridor and is expected to be completed in phases by 2018. All these works, together with a number of major flood prevention projects completed 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, have

significantly reduced the flood risks in the urban areas.

- 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 tie in with the latest development in various districts and cope with 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, 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 are now conducting a consultancy study on the revitalisation of water bodies, which aims to develop specific options for revitalising water bodies for Hong Kong's nullahs and river channels according to their unique characteristics, with a view to constructing sustainable drainage facilities and building a better environment for the public.
- Our underground drains are suffering from ageing and wear and tear, and the number of pipes that have to be rehabilitated in future is expected to increase over time. We propose systematic investigations and rehabilitation works for the underground drains across the territory to increase the efficiency of rehabilitation.

Slope Safety

- The Civil Engineering and Development Department will continue to implement the Landslip Prevention and Mitigation Programme, using a risk-based priority ranking system to determine the landslide risk levels of man-made slopes and natural hillsides, and carrying out landslide prevention works and landscaping works according to the priorities on the ranking list. In 2017, we expect to complete the stabilisation of 150 government man-made slopes, carry out safety-screening studies on 100 private man-made slopes, and conduct

studies and carry out risk mitigation works for 30 natural hillsides.

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

Lift and Escalator Safety

- The EMSD undertook various work in 2016, including updating the Performance Assessment Scheme for the Contractors' Performance Rating System to reflect the performance of registered contractors more fully and accurately; and releasing the lift maintenance prices for private residential and commercial buildings to help the Responsible Persons choose registered contractors. Furthermore, the EMSD also strengthened the promotion of modernisation of aged escalators to enhance safety.
- During the year, the EMSD will continue to strictly enforce the Lifts and Escalators Ordinance (LEO), including conducting inspections, and stepping up publicity and educational efforts for the Responsible Persons for the lifts and escalators under the LEO as well as the general public.

The Pier Improvement Programme

- In this year's Policy Address, the Chief Executive proposes the launch of the Pier Improvement Programme (PIP). We will launch the PIP under a new initiative to enhance the structural and facility standards of the existing piers in remote areas by taking into account various considerations, such as public convenience, facility standards and structural condition of the piers, as well as the needs to enhance marine connections and improve the accessibility to rural scenic spots and natural heritage. About ten piers will be covered in the initial phase of the PIP.
- We are preparing to brief Members of LegCo's Panel on Development on the proposed PIP and the designated block vote arrangement in mid-2017 for effective implementation of the PIP. We hope that various sectors will support and jointly launch this initiative for the benefit of the public.

Landscape and Tree Management

- The Greening, Landscape and Tree Management (GLTM) Section will continue to promote vegetation diversity and enhance place ecology for the sustainable development of our urban landscape.
- On tree management, we will continue to improve the tree risk management strategy and handle trees with higher risks according to priority. We will also complete tree risk assessments and mitigation measures before the onset of the wet season every year to reduce the risk of tree failure and to protect public safety.
- To assist private property owners in proper tree care, the GLTM Section promulgated the Handbook on Tree Management in April 2016 to provide the owners with guidelines and standards of good practice on tree management. It will help the owners understand the importance of regular tree inspection and tree maintenance.
- As for the prevention and control of Brown Root Rot (BRR) disease, we will work closely with the Urban Forestry Advisory Panel, the arboricultural industry and the tree management departments, and adopt the two-pronged strategy of prevention and control. We will also enhance frontline supervision and carry out proper preventive measures to prevent the spread of the BRR disease. We will also launch a series of educational and promotional programmes in 2017 to enhance the public's understanding of the BRR disease and urban forestry.

Heritage Conservation

The Built Heritage Conservation Fund

- We set up the Built Heritage Conservation Fund (BHCF) in 2016 to provide subsidies for public education, community involvement and publicity activities, as well as academic research. The BHCF also subsidises certain existing government measures and initiatives for built heritage conservation, including the Revitalising Historic Buildings Through Partnership Scheme (Revitalisation Scheme) and the Financial Assistance for Maintenance Scheme.
- Under the newly established BHCF, we enhanced the Financial

Assistance for Maintenance Scheme, including raising the grant ceiling from \$1 million to \$2 million for each works project starting from November 2016, and expanding its scope to cover not only privately-owned graded historic buildings but also government-owned declared monuments and graded historic buildings leased to non-profit-making organisations. The BHCF also launched two new funding schemes in January 2017 for public engagement projects and thematic research.

The Revitalising Historic Buildings Through Partnership Scheme

- We launched Batch V of the Revitalisation Scheme in November 2016 to invite non-profit-making organisations to submit revitalisation proposals for historic buildings. Together with Batches I to IV of the Revitalisation Scheme, a total of 19 revitalisation projects have been launched. Eight of them have commenced operation, and four have even won the United Nations Educational, Scientific and Cultural Organization Asia-Pacific Awards for Cultural Heritage Conservation¹. We anticipate that another revitalisation project (Viva Blue House) will commence operation in 2017.

Privately-owned Graded Historic Buildings

- The Government has been striving to strike a 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.

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.

¹ The four award-winning projects are the revitalisation projects of the Former North Kowloon Magistracy, Old Tai O Police Station, Mei Ho House and Old Tai Po Police Station.