

**LEGISLATIVE COUNCIL
PANEL ON DEVELOPMENT**

**Strengthening Cost Management and
Uplifting Performance of Public Works Projects**

Follow-up Actions to Meeting on 27 November 2018

Supplementary information as required by the Panel on 27 November 2018 is provided below:

- (d) *the list of the 25 roadworks projects selected for the retrieval of relevant data to establish a reference class on cost and completion time forecasting under the feasibility study on applying the Reference Class Forecasting method in major roadworks projects in Hong Kong commissioned by the Development Bureau in 2012.*

The Government has been implementing public works projects in an appropriate and orderly manner with a view to improving people's quality of living, enhancing the long-term competitiveness and promoting the economic development of Hong Kong.

Notwithstanding that there have been instances of cost overruns and delays in the delivering of certain mega projects in recent years due to unforeseeable circumstances that arose in the course of project implementation, we have maintained consistently good performance in cost estimation for projects under the Capital Works Programme as a whole. In retrospect, the Finance Committee (FC) approved a total of about 580 Category A works projects with a total provision of \$890 billion in the past 10 years. Among them, about 70 projects required application to the FC for additional funding, which totalled around \$64.5 billion. In other words, additional funding was required in approximately 10 per cent of the projects and the amount represented some seven per cent of the total provision.

To enhance the performance in cost estimation for public works projects, the Development Bureau commissioned a world renowned scholar, Professor Bent Flyvbjerg of the University of Oxford in 2012, to study the feasibility of applying Reference Class Forecasting (RCF), which has been adopted in the United Kingdom, the United States, Denmark, etc., in major roadworks projects in Hong Kong and to establish reference classes for them. The study also made benchmark comparisons between the performance in cost estimation for major roadworks projects completed over the past 20 years or so in Hong Kong and those of around 1 000 similar projects in over 30 countries. The findings

indicated that the cost overruns in other countries averaged about 20 per cent of the initial project estimates as compared with about 11 per cent for Hong Kong. The total actual expenditure for the projects in Hong Kong were also 1 per cent less than the total approved project estimates. In consideration of the research findings, the project cost estimation method has performed well for the major roadworks projects in Hong Kong overall.

In response to Member's enquiry, the 25 roadworks projects to establish the reference class of major road works projects are listed at Annex 1.

- (e) *in the funding proposals in relation to the proposed artificial islands in the Central Waters, whether the Administration would consider adopting the "Norwegian Proposal" approach to provide three options, namely the main option, a back-up alternative and a "no-go" option, to enable Members and the public to compare the merits and demerits of the various options in terms of cost and effectiveness.*

In the funding proposals in relation to the proposed artificial islands in the Central Waters, we would follow the established procedure and arrangement to provide, inter alia, detailed information on the concerned project scope, justification, financial implications, public consultation and environmental implications in our submission to the Legislative Council (LegCo), for LegCo and the public's reference and discussion.

**Development Bureau
January 2019**

Roadworks Projects for Establishing the Reference Class Forecasting of Major Road Works Projects

設立參考組別預測方法的要道路工程項目

	Project Title	項目名稱
1	Tsing Yi North Coastal Road	青衣北岸公路
2	Castle Peak Road improvement between area 2 and Sham Tseng, Tsuen Wan	荃灣第2區與深井之間的青山公路改善工程
3	Castle Peak Road improvement between Sham Tseng and Ka Loon Tsuen, Tsuen Wan	荃灣深井與嘉龍村之間的青山公路改善工程
4	Route 8 between Tsing Yi and Cheung Sha Wan - Ngong Shuen Chau viaduct and the associated works	八號幹線青衣至長沙灣段 - 昂船洲高架路及相關工程
5	Deep Bay Link	后海灣幹線
6	Widening of Tolo Highway between Island House interchange and Ma Liu Shui interchange	舊政務司官邸附近道路交匯處與料水道路交匯處之間一段吐露港公路的擴闊工程
7	Hung Hom Bypass and Princess Margaret Road Link	紅磡繞道及公主道連接路
8	Improvements to Island Eastern Corridor - section between North Point Interchange and Sai Wan Ho	東區走廊改善工程 - 北角交匯處至西灣河段

	Project Title	項目名稱
9	Shenzhen Western Corridor	深港西部通道
10	Improvement to Tung Chung Road between Lung Tseng Tau and Cheung Sha	龍井頭至長沙一段東涌道的改善工程
11	New boundary bridge between Lok Ma Chau and Huanggang	落馬洲至皇崗的新跨界橋
12	Improvement to Castle Peak Road between Ka Loon Tsuen and Siu Lam	嘉龍村與小欖之間的青山公路改善工程
13	Interchange at junction of Pok Fu Lam Road and Sassoon Road	薄扶林道/沙宣道路口交匯處
14	Improvement to Castle Peak Road from Siu Lam to So Kwun Tan	小欖與掃管灘之間青山公路改善工程
15	Highway between Shap Pat Heung Interchange and Pok Oi Interchange-remaining works	十八鄉交匯處至博愛交匯處之間的公路 - 餘下工程
16	Lung Cheung Road and Ching Cheung Road improvements	龍翔道和呈祥道改善工程
17	Improvements to Tuen Mun Road	屯門公路改善工程

	Project Title	項目名稱
18	West Kowloon Expressway and associated distributor roads	西九龍快速公路及有關幹路工程
19	Widening of Yuen Long Highway between Lam Tei and Shap Pat Heung Interchange	藍地與十八鄉交匯處之間一段元朗公路的擴闊工程
20	Route 8 between Cheung Sha Wan and Sha Tin	八號幹線長沙灣至沙田段
21	Reconstruction of Causeway Bay Flyover and associated widening of Victoria Park Road	銅鑼灣行車天橋重建工程和相關的維園道擴闊工程
22	Smithfield Extension and associated road works	士美非路延長部分及相關道路工程
23	Kam Tin Bypass	錦田繞道
24	Fo Tan Road widening and related improvement measures in Fo Tan	火炭路擴闊工程及於火炭進行的相關改善工程
25	Sai Sha Road widening	西沙路擴闊工程