

Speaking Points of the Secretary for Development for the Special Finance Committee Meeting (Works) on 13 April 2023

Chairman and Members,

While the epidemic situation has subsided, Hong Kong is now at the crucial stage of advancing from stability to prosperity with the need to vigorously pursue economic growth and improve people's livelihood. We need to take forward various infrastructure projects to improve people's livelihood and spur economic development, thereby enhancing Hong Kong's long-term competitiveness. To dovetail with the above directions, the Development Bureau (DEVB) has several priority tasks for works in 2023-24.

Infrastructure development

2. The Government has been actively implementing capital works projects. With appropriate planning, the projects will all be implemented in a timely and orderly manner. The Government's annual expenditure on capital works will gradually increase from about \$80 billion at present to exceed an estimated amount of \$100 billion in the next few years. Taking together the projects to be implemented in both public and private sectors, the annual total construction volume will reach the level of \$300 billion. As land and housing supply has always been the top priority of the work of the current-term Government, the Northern Metropolis and the Kau Yi Chau Artificial Islands will be the foothold for Hong Kong's strategic development as well as the new engine for Hong Kong to scale new heights. Hong Kong's construction industry is entering a golden age full of opportunities.

3. However, the huge construction volume will put the industry's capacity to the test. It will also face the challenges of an ageing workforce, reduced productivity, high construction costs and site safety issues. To address these challenges, we will lead the construction industry to reform through innovation, professionalisation and revitalisation; and strengthen public works project governance and cost management to uplift project performance. We will also actively enhance the training of construction personnel and use innovative technology to enhance project governance, works quality and site safety performance, so as to take forward projects with "better quantity, speed, efficiency and quality".

Manpower resources of the construction industry

4. Regarding manpower resources of the construction industry, we will address the future manpower needs of the construction industry by intensifying our efforts to implement various measures such as strengthening training and promoting technology application. In the Budget Speech of this year, we propose allocating a total of \$107 million for launching two pilot schemes, in collaboration with the Vocational Training Council, Construction Industry Council (CIC) and other institutions, to provide on-the-job training allowance for new entrants to the construction industry. One of the schemes will subsidise in-service workers to enrol in part-time construction-related degree programmes, and the other one will subsidise workers in construction safety-related work to take safety officer courses. The two schemes are expected to benefit about 1 000 and 300 trainees respectively. These schemes not only enhance the education and career ladder, helping our new entrants to grasp the opportunities brought about by future development of the construction industry for upward mobility, but also help expand the source of manpower supply for training up construction industry talents.

5. In addition, we are making reference to the “Construction Manpower Forecast” released by the CIC in February this year to assess how to address manpower needs of the construction sector through a multi-pronged strategy. Our target is to complete the assessment and present a holistic strategy for addressing manpower needs of the sector by mid-2023. Relevant work is in progress according to the target timeframe and an announcement will be made in due course.

Application of innovative technologies

6. Meanwhile, we will continue our efforts to promote the application of innovative technologies in the construction industry to enhance productivity and improve site safety. To this end, we have proposed in the Budget to create projects for the following three initiatives:

- (1) earmarking \$30 million to conduct a study on establishing the Building Testing and Research Institute and to carry out related planning and preliminary design. Apart from research and development (R&D) activities for innovative materials, construction methods and technologies, the centre will also devise standards, conduct testing and provide accreditation to spearhead innovation in the construction industry and attract R&D talent to Hong Kong. The centre will also capitalise on Hong Kong’s unique advantages to provide a platform for our

country's construction standards and related products to align with those in the international market;

- (2) earmarking \$30 million for conducting a study on the construction of the first advanced construction industry building at a site of about three hectares in Tsing Yi, carrying out planning and preliminary design work as well as advising on its mode of operation. The conceptual idea is to provide space for operators to set up steel reinforcement bar prefabrication yards, processing sites for Multi-trade Integrated Mechanical, Electrical and Plumbing (MiMEP), and other advanced manufacturing yards in the multi-storey building; and
- (3) earmarking \$15 million for studying the supply chain of the Modular Integrated Construction (MiC) and putting in place measures to strengthen the supply chain of MiC modules, such as the manufacturing, transportation, storage and accreditation of modules. We will also explore the provision of manufacturing and storage sites in the Northern Metropolis, and ways to enhance collaboration with the Greater Bay Area and optimise the MiC supply chain.

7. As site safety has all along been a very important area, we require the adoption of Smart Site Safety System (SSSS) in capital works contracts with contract sum exceeding \$30 million. As for private works sites, the Government will subsidise contractors to use SSSS through the Construction Innovation and Technology Fund, accelerating the drive of smart safe site and uplifting construction safety through the use of innovative technologies.

Other work and conclusion

8. Apart from the above, the scope of work of DEVB's Works Branch is very extensive, including tree management, heritage conservation, etc. In the coming year, various works departments have their own priority tasks, which will be outlined in the respective Controlling Officer's Reports.

9. Chairman, this concludes my opening remarks. DEVB's colleagues and I, and heads of departments in attendance shall be happy to respond to further questions from Members.