

## **Translation**

### **Opening remarks by the Secretary for Development on policy areas under works portfolio at Legislative Council Finance Committee special meeting (5:10 p.m. to 6:30 p.m. on 17 April 2024)**

Chairman,

In this session of the special meetings of Finance Committee, I, together with the responsible officers of the Works Branch of the Development Bureau (DEVB) and departments under its purview, will brief Members on policy areas under works portfolio and respond to questions from Members.

#### **Delivery of public works projects and construction innovation**

2. With the commencement of more land creation and infrastructure projects to support the broad direction of “a vibrant economy for a caring community”, construction cost is an issue of common concern. Construction cost is affected by various factors including the cost of living, manpower supply and demand, wage level and site constraints in construction projects. We strive to compress construction cost and are conducting a strategic study to identify the stress points of construction cost, with a view to formulating strategic initiatives to reduce construction cost by making reference to the ways to success, both locally and overseas. The relevant work will be completed within this year.

3. One of the stress points is the challenges facing the construction industry in Hong Kong, including manpower shortage and declining productivity. We will continue to adopt a multi-pronged approach, including promoting the application of innovative construction methods and technologies in the industry, and enhancing training quality and quantity to recruit new blood proactively. The Labour Importation Scheme for the Construction Sector, which has been implemented since July last year as a supplementary measure, also helps alleviate manpower shortage.

4. On promoting the application of innovative construction methods and technologies, we lead the industry to adopt high productivity construction technologies such as Modular Integrated Construction (MiC) and Multi-trade integrated Mechanical, Electrical and Plumbing to enhance

the industry's productivity and cost effectiveness. We will also shortly brief the Panel on Development on a series of measures to strengthen the supply chain of MiC modules. In addition, we will establish the Government-led Building Testing and Research Institute this year. Apart from research and development (R&D) activities for innovative materials, construction methods and technologies, it will also devise standards, conduct testing and provide accreditation, in order to attract R&D talent to Hong Kong and further promote industrialisation of the construction industry.

5. Furthermore, we will continue to encourage wider adoption of technologies in the industry, promote productivity and improve site safety through the Construction Innovation and Technology Fund. Specifically, on enhancing site safety performance, we raised the funding ceiling last year and have worked out various packages of Smart Site Safety System (SSSS) products for different types of works projects. We, in collaboration with the Construction Industry Council, are planning a scheme to issue specific labels to worksites that adopt SSSS for identification and ease of monitoring, with a view to encouraging more private worksites to adopt SSSS.

### **Combating climate change**

6. In recent years, Hong Kong has been faced with some extreme weather conditions. The phenomenal rainstorm last September has set off the alarm bells. On combating climate change, the DEVB will supervise its departments to do best the emergency preparatory and follow-up efforts for extreme rainfalls and super typhoons, so as to lower the risks of flooding and landslides, as well as that of hazards caused by falling trees and building components under extreme weather. Our emergency response co-ordination efforts will also be strengthened. We will announce specific plans and arrangements as soon as possible.

7. To further enhance the flood prevention and resilience of the city, we have been working expeditiously and plan to apply for funding from the Legislative Council (LegCo) in mid-2024 to take forward seven stormwater drainage improvement projects, including projects in districts such as Wong Tai Sin and Hong Kong Island East that were hit by severe floods in the past. The Drainage Services Department will in parallel invite tenders for the improvement projects to enable early commencement of the projects.

8. In order to formulate long-term flood prevention and coastal development strategies for the territory to respond to the impacts of climate change, we are conducting the “Strategic Planning Study on Flood Management against Sea Level Rise and Extreme Rainfall” and the “Study on Shoreline Management Plan”, both expected to be completed in the fourth quarter this year.

### **Land development projects**

9. The DEVB is responsible for land supply and development. A significant amount of work is being carried out in this regard. Regarding the Northern Metropolis, we will commence site formation and infrastructure works of various new development areas this year. Among them, the LegCo is scrutinising funding applications for the second-phase of Hung Shui Kiu/Ha Tsuen and the remaining-phase of Kwu Tung North/Fanling North projects. We will seek funding approval within this year for the site formation works at San Tin Technopole for commencement at the end of this year. We hope that Members will support the projects to enable early commencement of the projects.

10. As regards the Kau Yi Chau Artificial Islands (KYCAI) project, the Government indicated earlier that in view of the current economic and financial situations, the project will be deferred a little bit, but our determination to take forward the project would not change. We are committed to conducting the environmental impact assessment (EIA) for the reclamation works, and aim to commence the statutory EIA process for the reclamation works and a detailed engineering design progressively this year. We expect that the detailed design of the reclamation works will be completed by phases from 2026, and strive to commence the reclamation works within the term of the current Government. Members of the public will be concerned about the financial capability of the Government, the Committee on the Financing of Major Development Projects led by the Financial Secretary will continue to explore specific financial arrangements for major land and transport infrastructure projects, including the Northern Metropolis and KYCAI project, and make an effective plan for project investment and the deployment of manpower and resources.

### **Conclusion**

11. Furthermore, the DEVB’s Works Branch and various works

departments have other priority tasks, including livelihood issues about which Members are concerned, such as water supply and tree management. Details of the relevant areas of work have been provided in the respective Controlling Officer's Reports. I will not elaborate further. Chairman, my team and I shall be happy to respond to further questions from Members.