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Director of Bureau: Secretary for Environment, Transport and Works

Session No: 17

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**Replies to supplementary questions raised by Finance Committee Members in examining the
Estimates of Expenditure 2006-07**

**Director of Bureau: Secretary for Environment, Transport and Works
Session No: 17**

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
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Reply Serial No.

S-ETWB(W)01

Examination of Estimates of Expenditure 2006-07

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Question Serial No.

S40

Head : 25 – Architectural Services Department Subhead : Operating Account

Programme :

Controlling Officer : Director of Architectural Services

Director of Bureau : Secretary for the Environment, Transport and Works

Question : At the Special Meeting of the Finance Committee on 13 March, the Director admitted in reply to my question that there were arrears of wages in respect of public works. Notwithstanding the trial schemes, no efforts have been made by the Department to finalize the timetable for trial results to materialize the protection of labour rights as mentioned in paragraph 29 of the Budget. In this connection, would the Director of Architectural Services reply in writing on or before 21 March as to how payment of wages for workers can be ensured during the public works tender procedures involving \$29 billion each year ?

Asked by : Hon. WONG Kwok-hing

Reply : The Government is very concerned about the labour rights in the outsourcing services. For public works contracts, the Environment, Transport and Works Bureau (ETWB) has formed a Working Group in February 2005 to identify measures in monitoring payment of workers wages and control of multi-layer sub-contracting. The Working Group comprises representatives from the ETWB, Labour Department, Architectural Services Department (ArchSD), Civil Engineering and Development Department, Mandatory Provident Fund (MPF) Scheme Authority and members of various labour unions and construction industry associations. The proposed measures include:

- a. installing a computerised Smart Card System on site to establish records of workers' attendance;
- b. requiring workers on site to have a written employment contract with their respective employers;
- c. appointing a Labour Relation Officer to handle workers records and to assist the Labour Department in handling complaints on wage arrears;

- d. all workers to receive wages and arrange MPF contributions through bank auto-pay arrangements;
- e. requiring the Main Contractor to submit to Government copies of transaction records (including sub-contractors' submitted records) on wage payment and MPF contribution;
- f. restructuring sub-contracting to a maximum of two tiers for specified types of works and processes;
- g. prohibiting sub-contracting on specified works elements;
- h. Main Contractor's core management team must be their direct employees and these employees are prohibited from sub-contracting any works in the same contract; and
- i. reviewing the administrative sanctions on poor records of non-payment of workers' wages.

These measures are being implemented on a trial basis in an ArchSD building contract and a civil engineering contract, and will be extended to another ArchSD building contract of which works will commence in the latter half of 2006. Together with the industry, ETWB will closely monitor and review the results, with a view to implementing these measures in public works contracts by the end of 2006. A monitoring group has been established in January 2006 for this purpose.

Signature _____

Name in block letters C. H. YUE

Post Title Director of Architectural Services

Date 20 March 2006

Reply Serial No.

S-ETWB(W)02

Examination of Estimates of Expenditure 2006-07

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Question Serial No.

S89

Head : 159 Government Secretariat: Subhead : 000 Operational expenses
Environment, Transport and
Works Bureau (Works Branch)

Programme :

Controlling Officer : Permanent Secretary for the Environment, Transport and Works (Works)

Director of Bureau : Secretary for the Environment, Transport and Works

Question :

In the Reply Serial No. ETWB(W)006, the Administration stated that the increase in general departmental expenses is attributable to additional requirement for hiring of consultants and specialist support for computer systems. May the Administration advise us of the projects for which consultants are required, the systems which require specialist support and the expenses incurred?

Asked by : Hon. TAM Heung-man

Reply :

The two major items leading to a higher estimate for general departmental expenses in 2006-07 include \$1.1 million for hiring of consultants to draft a legal framework of project management procedures under the New Engineering Contract and \$0.9 million for specialist support for enhancements to the Public Works Programme Information System as well as installation of the on-line training administration system.

Signature _____

Name in block letters _____ Y C LO

Post Title Permanent Secretary for the Environment,
Transport and Works (Works)

Date _____ 18 March 2006

Examination of Estimates of Expenditure 2006-07

Reply Serial No.

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-ETWB(W)05

Question Serial No.

S93

Head : 194 Water Supplies Department Subhead :

Programme : (1) Water Supply : Planning and Distribution

Controlling Officer : Director of Water Supplies

Director of Bureau : Secretary for the Environment, Transport and Works

Question :

According to the replies in ETWB(W)045, the authorities will implement the Total Water Management Scheme, including the seawater desalination study. In this connection, would the authorities please advise the expenditure of this project? Apart from planning and developing new water resources, are there any measures or methods that the authorities in managing existing reservoirs to prevent the fresh water from being discharged into the sea owing to overflowing of reservoirs ?

Asked by : Hon. CHAN Yuen-han

Reply :

Water Supplies Department is carrying out a consultancy study for completion in August 2007 to map out the long term strategies and to formulate implementation plans for the Total Water Management programme. The estimated expenditure for the feasibility study is \$5.2 million. The Department is also operating a pilot plant for completion in a year's time to study the desalination of seawater using Reverse Osmosis technology. The estimated expenditure for the pilot plant study is \$13.9 million.

During wet seasons, draw-off from reservoirs to water treatment works is arranged so as to maximise utilisation of local yields and to draw down reservoir storage levels, hence reducing the overflow risk. At the same time, Dongjiang water supply is suitably reduced accordingly. All these measures help to minimise overflow from reservoirs.

However, the storage capacities of our reservoirs are limited. In particular for small reservoirs, the geographic constraint dictates their storage capacities. Overflow from such reservoirs will likely occur even under a single heavy rainstorm. Furthermore, in case of intensive, heavy and consecutive rainstorms, overflow from some other reservoirs may be unavoidable.

Signature: _____

Name in block letters: CHAN Chi Chiu

Post Title: Director of Water Supplies

Date: 17 March 2006

Examination of Estimates of Expenditure 2006-07
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-ETWB(W)06

Question Serial No.

S94

Head : 60 - Highways Department Subhead :

Programme : (4) Technical Services

Controlling Officer : Director of Highways

Director of Bureau : Secretary for the Environment, Transport and Works

Question : According to the reply in Reply Serial No. ETWB(W)043, the term contracts on vegetation maintenance of the Highways Department do not specify the number of workers for the works nor the minimum wages of labourers. How could the Government ensure the workers' wages and benefits in these outsourced contracts would not be exploited by the contractor companies? Would the Administration consider incorporating the relevant provisions in those non-technical works contracts involving greening, cleanliness and hygiene? If no, what are the reasons?

Asked by : Hon. CHAN Yuen-han

Reply : Maintenance of vegetation on roadside slopes and along high speed roads forms part of our road maintenance works. Like all works contracts, we have adopted an open system for competitive tendering on the basis of a set of performance-based specifications. Any unreasonably low bids indicative of a reduced labour or material input will not be accepted. The current arrangement has generally been satisfactory.

Signature _____

Name in block letters MAK CHAI KWONG

Post Title Director of Highways

Date 17 March 2006