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Director of Bureau: Secretary for Environment, Transport and Works

Session No: 18

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**Replies to supplementary questions raised by Finance Committee Members in examining the
Estimates of Expenditure 2007-08**

**Director of Bureau: Secretary for Environment, Transport and Works
Session No: 18**

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S-ETWB(W)01	SV002	WONG Kwok-hing	159	Intra-Governmental Services
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Examination of Estimates of Expenditure 2007-08
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-ETWB(W)01

Question Serial
No.

SV002

Head : 159 – Government Secretariat: Environment, Subhead
Transport and Works Bureau (Works Branch)

Programme : (3) – Intra-Governmental Services

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

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

Question : In relation to the underspending of the \$29 billion earmarked annually on public works projects, the Administration is requested to provide further information, during the relevant sessions, on:

- (a) the reasons for underspending;
- (b) the progress of the major public works projects; and
- (c) the measures to be taken to expedite the implementation of various public works projects (and if practicable, those projects of the former Municipal Councils) in order to create more employment opportunities for the local construction industry.

Asked by : Hon WONG Kwok-hing

Reply : (a) Government has pledged to set aside on average about \$29 billion a year for expenditure on public works. However, expenditure on capital works projects tends to fluctuate from year to year in accordance with the actual demand, development pace and the actual amount of works executed.

Certain mega projects such as land formation and infrastructure projects for the Hong Kong Disneyland, Deep Bay Link, and Shenzhen Western Corridor have been substantially completed and hence will incur less expenditure in 2007-08.

Various mega projects are under planning. Some examples are Central–Wan Chai Bypass (\$20.6 billion), Central Kowloon Route (\$12.5 billion), Kai Tak Development (\$9.8 billion) and Wan Chai Development Phase II (\$4.6 billion). If concerted effort can be made by all parties concerned in reaching a quick consensus on the projects so that they can commence construction, the level of capital works expenditure would pick up significantly.

- (b) We are pressing ahead with the construction of several major capital works projects in 2007-08 such as the Tamar development project, Replacement and rehabilitation of water mains, stage 2, Prince of Wales Hospital – extension block, Redevelopment of Lo Wu Correctional Institution, and Customs headquarters building, and 14 sports venue projects relating to 2009 East

Asian Games.

- (c) We are also making every effort to expedite individual works projects. Timeframe of implementation has been compressed as far as possible provided it will not adversely affect the quality of the project. Up to February 2007, Public Works Sub-Committee (PWSC) has approved 49 projects with a total cost estimates of about \$13.2 billion (inclusive of \$6.1 billion for the works-related block allocations in 2007-08). More funding requests on capital works items will be submitted to PWSC for approval in the remaining months of the 2006-07 LegCo session.

Government has also accorded priority to the leisure and cultural services projects including the remaining ex-Municipal Council projects. Amongst the 46 ex-Municipal Council or leisure and cultural services projects (being the 25 projects announced in 2005 Policy Address and the 21 projects recently selected for priority treatment), 28 projects are under construction or have funding earmarked. Another 18 projects are under planning. A steering committee co-chaired by the Permanent Secretary for Home Affairs and the Permanent Secretary for the Environment, Transport and Works (Works) has been convened to oversee the implementation of these projects and to resolve problems impeding progress.

Taken together, these projects will create a considerable number of jobs for the construction industry.

Signature:	_____
Name in block letters:	C K MAK
Post Title:	Permanent Secretary for the Environment, Transport and Works (Works)
Date:	23 March 2007

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Examination of Estimates of Expenditure 2007-08
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-ETWB(W)02

Question Serial
No.

S109

Head :159 - Government Secretariat: Subhead :
Environment, Transport and Works Bureau
(Works Branch)

Programme : (3) - Intra-Governmental Services

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

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

Question : In relation to Capital Works Programme mentioned by the Secretary for the Environment, Transport and Works in the first part of her speech at the meeting on 22 March 2007, please list out the project name and estimated expenditure, etc. of the particular works projects for which \$29 billion has been earmarked by the Government annually in the coming five years

Year	District	PWP No.	Project Name	Cost	Commencement Date	Completion Date
2007-08						
2008-09						
2009-10						
2010-11						
2011-12						

so that the Legislative Council and the public can have a clear understanding of the actual Government expenditure on public works in the next five years.

Asked by : Hon. WONG Kwok-hing

Reply : The Government has pledged to set aside on average \$29 billion a year for expenditure on public works. However, expenditure on capital works projects tends to fluctuate from year to year in accordance with the actual demand, development pace and the actual amount of works executed.

There are about 900 Category A projects, in which construction has commenced. The details of these projects are contained in the section

on Capital Works Reserve Fund in the “Estimates for the year ending 31 March 2008, Volume II – Fund Accounts”. Details of new projects (Category A projects with funding already approved or Category B projects with funding to be sought from Finance Committee) to commence in 2007-08 are also included in the Estimates. Other new projects in the pipeline are subject to regular programme changes affected by site availability, statutory and administrative requirements, public objections as well as other considerations. They will only be set out in the Estimates as and when the related works are scheduled to commence and incur expenditure.

It remains Government’s firm commitment to take forward new projects necessary for the future development of Hong Kong. We are closely monitoring the Public Works Programme and will do our best to compress the timeframe for authorisation within practical constraints. For instance, funding has already been earmarked for around 300 Category B projects, including:

- Wan Chai Development Phase II and Central–Wan Chai Bypass;
- Central Kowloon Route;
- Kai Tak Development;
- Sha Tin New Town, stage 2 – trunk road T4;
- Reconstruction and Improvement of Tuen Mun Road;
- Drainage tunnel schemes in Hong Kong West, Tsuen Wan and Lai Chi Kok;
- Harbour Area Treatment Scheme stage 2A; and
- Replacement and Rehabilitation of Watermains, Stage 3, etc.

We will consult the relevant panels as necessary at various stages of the projects.

We estimate that around \$145 billion will be spent in the next five years for the Categories A and B projects.

Signature:

Name in block letters:

C K MAK

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

Date: 23 March 2007