

LCQ3: Taking forward infrastructure projects

Following is a question by Dr the Hon Lo Wai-kwok and a reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (January 26):

Question:

The Chief Executive's latest Policy Address has put forth a series of new ideas. Apart from developing a Northern Metropolis in the New Territories, they also include increasing the supply of land and housing, promoting innovation and technology, improving rail and transport networks, promoting cross-boundary infrastructural connectivity, and redeveloping public rental housing estates. In this connection, will the Government inform this Council:

(1) whether it will make a clear pledge that it will endeavour to remove red tape, break undesirable bureaucratic habits, reasonably streamline procedures, compress work flow and make use of innovative technologies to enhance productivity, thereby expediting the resolution of the serious social conflicts arising from the inadequate supply of land and housing; if so, of the details; if not, the reasons for that;

(2) whether it has given holistic consideration and made detailed planning as early as possible in respect of the manpower resources required for taking forward the aforesaid projects; if so, of the details; if not, the reasons for that; and

(3) in the course of taking forward the aforesaid works, how it will avoid the situation of the engineering and construction industries "dying of starvation at one time and dying of overwork at another time", and whether measures are in place to solve the problem of labour shortage in the construction industry; if so, of the details; if not, the reasons for that?

Reply:

President,

The Chief Executive has announced a series of long-term development plans in her 2021 Policy Address. In view of the tight supply of land and housing, the increasing pressure on the transport network and the ageing population, the Government will roll out relevant capital works projects in a timely and orderly manners to meet the needs of social development and respond to people's demands.

As the construction volume continues to grow, the construction industry's capacity will be put to the test. We will encounter many

challenges, such as the ageing workforce, high construction cost and site safety issues. In response to these challenges, the Development Bureau (DEVB) has implemented "Construction 2.0" since 2018, and in concerted effort with the construction industry, to lead the industry to reform by advocating "innovation", "professionalisation" and "revitalisation", so as to uplift the productivity, capacity and sustainability of the industry and prepare for the expected increase in workload.

My reply to the three parts of the question raised by Dr the Hon Lo Wai-
kwok is as follows:

(1) The Chief Executive announced in the Policy Address promulgated in October 2017 that a steering group would be set up under the DEVB to examine how best to align and rationalise the standards and definitions involved in the development approval processes involving departments under the DEVB's portfolio (i.e. Buildings Department, Lands Department and Planning Department). The Steering Group commenced work at the beginning of 2018. So far, we have rolled out various streamlining measures relating to 11 control parameters.

The 2020 Policy Address further set out the directive to expand the remit of the Steering Group by including vetting departments apart from those under the Planning and Lands Branch (PLB), with a view to reviewing more comprehensively the development-related approval processes. Other than expediting administrative procedures, we are also studying how the various statutory processes in seeking planning applications, road gazetting, land resumption, etc, can be streamlined or expedited. The major review directions include streamlining and shortening these procedures, avoiding repetitive handling of procedures of a similar nature, processing different procedures in parallel, and rationalising outdated or ambiguous arrangements. We plan to consult the Legislative Council (LegCo) on our specific recommendations in the first quarter of this year, and seek to introduce legislative amendments within this year.

On the application of innovative technologies, the Government has been actively promoting digitalisation of public works, applied research and development and the adoption of new materials and innovative construction technologies in recent years. For example, we have been actively promoting the adoption of Modular Integrated Construction (MiC) since 2017. There are more than 70 MiC projects in the pipeline, and a number of them have been completed. With more projects adopting this method in the future, we expect the productivity of the industry can be uplifted and the progress of housing supply can be accelerated.

(2) The Chief Executive recently convened a cross-bureau meeting to specifically examine Hong Kong's manpower resources, and found that there appeared to be challenges in terms of both talents and labour. Various policy bureaux are exploring relevant policies and specific measures for discussion by the LegCo and stakeholders in the community. The Chief Executive also put forward a proposal earlier this month to re-organise the government structure, including consolidating the policy portfolios on manpower

development and transferring them to the Labour and Welfare Bureau. The proposed consolidation will enable the Government to take a holistic view on Hong Kong's manpower or labour resources, and formulate policies for implementation by the relevant departments. The Government will be more proactive on the policy front after the consolidation, with a view to broadening and enriching the talent and manpower pool for Hong Kong to meet economic development and other needs.

In respect of construction manpower, the DEVB collaborates with the Construction Industry Council (CIC) to implement a host of multi-pronged measures, including conducting regular manpower forecasts for professionals, technicians and workers, enhancing training and introducing advanced technologies to uplift productivity.

For training, the Hong Kong Institute of Construction under the CIC provides training to an average of about 4 000 full-time trainees and 58 000 part-time trainees every year for meeting the market demand and enhancing the skill level of the construction industry. In the past 10 years, the Government has allocated a total of \$620 million funding to the CIC, subsidising the training of some 30 000 skilled workers.

Moreover, we launched the \$1 billion Construction Innovation and Technology Fund (CITF) to promote wider adoption of innovative technologies in the industry and enhance productivity. As at the end of 2021, the CITF has approved more than \$570 million, benefitted more than 830 enterprises for adoption of advanced construction technologies, and subsidised about 11 000 training places.

We will continue to work with the CIC to train new entrants specifically for trades in keen demand, and at the same time, provide training for upskilling the semi-skilled workers to skilled workers for career advancement so that the industry can attract and retain talents and further enhance productivity.

Regarding professionals and skilled talents, the DEVB will continue to convey the views of the construction industry on manpower needs to the Education Bureau so as to ensure that the tertiary institutions can train sufficient talents to meet the needs of the industry.

(3) The Government has been continuously implementing capital works to improve people's quality of life, promote economic development and enhance Hong Kong's long-term competitiveness. With appropriate planning, the relevant projects will be implemented in a timely and orderly manner. The annual capital works expenditure has been maintained at a level of \$70 billion to \$80 billion in the past few years, and is expected to grow continuously to exceed \$100 billion in coming years. Together with the private sector, the total construction output is expected to increase to the level of \$300 billion.

In order to facilitate the industry to get prepared and allocate resources in advance to cope with future large-scale development, the

Government and the CIC will continue to disseminate relevant information to the industry and the public regularly, and maintain close contact with the industry and stakeholders, so as to monitor the supply and demand of manpower in the construction industry. At the same time, we will actively adopt advanced technology and innovative construction techniques to uplift the productivity and capacity of the construction industry.

Thank you, President.