

Opening remarks by SDEV on works policy areas at LegCo Finance Committee special meeting

Following is the opening remarks (English translation) by the Secretary for Development, Ms Bernadette Linn, on works policy areas at the special meeting of the Legislative Council Finance Committee today (April 13):

Chairman,

While the epidemic situation has subsided, Hong Kong is now at the crucial stage of advancing from stability to prosperity. Over the period, the Chief Executive has repeatedly stressed the need to vigorously pursue economic growth and improve people's livelihood. As such, 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. The above are also a major direction of works policy areas under the Development Bureau (DEVB).

Infrastructure development

We are 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 other projects to be implemented in both public and private sectors, the annual total construction volume of Hong Kong will reach the level of \$300 billion. As land and housing supply has always been the top priority of the work of the 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. Overall speaking, we believe the whole construction industry is entering a golden age full of opportunities.

However, the huge construction volume will put the industry's capacity to its great test. We are also facing the challenges of an ageing workforce, declining productivity, high construction costs and site safety issues. Therefore, to address these challenges, we will lead the construction industry to reform through innovation, professionalisation and revitalisation. Strengthening public works project governance and cost management is also the goal of our work. We will also actively enhance the training of construction personnel and adopt innovative technology to enhance project governance, improve works quality and site safety performance.

Manpower resources of the construction industry

Regarding manpower resources of the construction industry, we will address the future manpower demand by intensifying our efforts to implement

various measures such as strengthening training and promoting technology application in the future. In the Budget Speech of this year, as you would notice, we proposed allocating a total of \$107 million for launching two pilot schemes. We are collaborating with the Vocational Training Council, Construction Industry Council (CIC) and other institutions for implementing these two schemes, with a view to providing on-the-job training allowance for new entrants to the construction industry. One of the schemes will subsidise in-service personnel to enrol in part-time construction-related degree programmes so as to enhance their academic qualifications; and the other one will subsidise personnel in construction safety-related work to take safety officer courses. The two schemes are expected to benefit about 1 000 and 300 trainees respectively.

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. We have publicly stated that 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. We will communicate with the industry and make an announcement in due course.

Application of innovative technologies

Regarding the application of innovative technologies, we hope to apply this method as much as possible to enhance productivity, reduce manpower demand and improve safety. Specifically, we have mentioned in the Budget the following three initiatives:

(1) earmarking \$30 million to conduct a study on establishing the Building Testing and Research Institute. This initiative is crucial because 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. It is also hoped to set a high standard in the world and to align our country's construction standards with international standards;

(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. The funding will be used to carry out planning and preliminary design work as well as advising on its mode of operation. We hope it can serve as a model for future construction industry production to be housed and operated in these advanced construction industry buildings. We hope the conceptual idea for the facility in Tsing Yi will allow 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; 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.

Speaking of innovation and technology, I must also mention site safety. We have required the adoption of Smart Site Safety System (SSSS) in capital works contracts with contract sum exceeding \$30 million. For private works, we have recently announced an increase in the subsidy under the Construction Innovation and Technology Fund to promote the installation of SSSS in private works sites.

Other work and conclusion

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

Chairman, I will not elaborate further. My team and I shall be happy to respond to further questions from Members.