

## Press Release

### The HKIE Welcomes the 2022 Policy Address

(Hong Kong, 23 October 2022) The Hong Kong Institution of Engineers (hereafter “the HKIE”) welcomes the Administration’s issuance of the 2022 Policy Address. The Address actively responds to issues such as the shortage of land and housing supply and increasing Hong Kong’s competitiveness, in addition to setting forth over a hundred indicators to monitor the progress and effectiveness for specific tasks, responding to the need engendered by Hong Kong’s development and laying a strong foundation for future development.

#### **Land and housing supply**

The HKIE sees that the Administration will make use of government and private land with no development plan in the near future to build Light Public Housing (LPH) units and targets to reduce the Composite Waiting Time for Subsidised Rental Housing from 6 years to about 4.5 years. Although LPH resembles Transitional Housing conceptually, Non-Governmental Organisations are responsible for the latter, while the implementation of the former is led by the Government instead. This indicates the Administration’s readiness to think outside the box and its determination to better citizens’ lives and works.

The HKIE is glad to see that the Administration has adopted its recommendations to employ Modular Integrated Construction (MiC), Design for Manufacture and Assembly (DfMA), and Design & Build method in streamlining the construction of public housing units. It will also provide available land in the Northern Metropolis for the manufacturing and storage of modules in the MiC supply chain, strengthening the leading regional position of Hong Kong’s construction industry in the adoption of MiC. The HKIE is of the view that, whereas in the past MiC had been employed only in individual units, it is becoming more popular with the industry’s efforts. It is glad that the Administration is taking measures at this stage to popularise MiC, transforming it into local productivity forces and employment and consolidating Hong Kong’s leading position in the relevant fields. In addition, in the case of suitable public housing projects, the HKIE suggests the Administration to focus the implementation of site formation/infrastructure works, design, and building works on one single department or entity in order to shorten the time needed for construction.

The HKIE is glad to see at the newly introduced Pilot Scheme on Private Developer Participation in Subsidised Housing Development. From the next financial year, three sites will be put up in batches and developers are encouraged to apply for rezoning of the private lands that they possess to build subsidised sale flats. At the same time,

land for Starter Homes for Hong Kong Residents (Starter Homes) projects will be put forward again. Although the HKIE opines that the relevant recommendations make good use of market forces, the Administration should consider in more detail the location and positioning of the subsidised flats in question, how they can supplement and aid the existing Home Ownership Scheme and Starter Homes for Hong Kong Residents, and announce the details expeditiously, so that the “sandwich class” who cannot afford private housing can purchase a home.

The HKIE is glad that the Administration continues its multi-pronged approach to tackle the problem of land shortage and proposes a definite timeline to accelerate the development of the two great future sources of supply: the Northern Metropolis and the Kau Yi Chau Artificial Islands. The Administration has set the target of commencing land resumption procedures for all development projects in the Northern Metropolis within five years, and of forming 40% of the new development land complete 40% of the new flats within 10 years. Regarding the Kau Yi Chau Artificial Islands, it is estimated that proposals on the scope of reclamation, land use, transport infrastructure network and financing options will be put forth within this year while the reclamation works will be kick-started in 2025. The HKIE is also pleased with the Administration’s adoption of its recommendations to build up a land reserve in the long run and assume a leading role in land supply instead of catching up with the demand.

The HKIE applauds the precision of the relevant timetable but is concerned that, since the two large-scale development projects will be kick-started in close time proximity and numerous key transportation infrastructures have been newly introduced, the manpower of the engineering and construction industries will be further tightened. To avoid the problems that plagued “Ten Major Infrastructure Projects” years ago, the HKIE suggests drawing up an infrastructure blueprint or timetable in which procedures such as planning, design, site formation, and building are dispersed over the overall timespan, thereby avoiding manpower issues that would lead to postponement and budget overrun. The HKIE also suggests that the Administration, in making plans for the Northern Metropolis and the Kau Yi Chau Artificial Islands, should take into consideration the community and transportation facilities needed to avoid jobs-housing mismatch.

The HKIE appreciates the Administration’s acceptance of its recommendation to streamline statutory and administrative procedures (including the felling and compensatory planting of trees, self-certification, and independent checking arrangement) and to put forward concrete proposals progressively starting from mid-2023. The Buildings Department will establish Dedicated Processing Units, adopting a “facilitator” mindset to expedite the approval process of general building plans submitted for high-yield private residential projects. In addition, a roadmap will be devised on the industry’s use of Building Information Modelling (BIM) in preparing building plans for submission to departments for approval, automating compliance checks of plans by the industry.

The HKIE believes that the recommendation would shorten the time required for

downstream procedures and is delighted that the Administration has introduced a “facilitator” mindset instead of insisting on the role of a supervisor or gatekeeper. It maintains that, if the target of approving about 80% of the plans upon the first or second submission is to be met, it is imperative that departments while in the approval process give applicants advice for their reference with a fair, just, and open attitude. Therefore, the HKIE suggests adopting a ‘pre-application consultation step’, such that the project proponent may request consultatory workshops with the authorities for exchange of views, reducing the time spent on the project’s back-and-forth approvals.

The HKIE is also glad that the Administration is striving to redevelop brownfield sites and Green areas. It will make available plan in Yuen Long and Hung Shui Kiu for development of multi-storey industrial buildings from next year (with a certain portion of floor area to be leased to the affected brownfield operators below market rent) and commence the rezoning of the first batch of “Green Belt” sites with potential for housing development by 2024. The HKIE wishes to point out that development is not incompatible with environmental conservation, that the “Green Belt” areas designated for development have been reviewed to ensure that they are not eco-sensitive. The HKIE wishes that the Administration will work as strenuously on protecting Green areas with ecological value as it does on development. At the same time, the land rezoning and urban redevelopment must be taken forward with the needs of different districts and locations kept in view.

### **Enhancing competitiveness**

I&T provides key impetus for Hong Kong’s future economic development. The HKIE welcomes the promulgation of the Hong Kong I&T Development Blueprint within this year. One of the four broad development directions is to enhance the I&T ecosystem and achieve re-industrialisation in Hong Kong. \$10 billion will be earmarked to launch the “Research, Academic and Industry Sectors One-plus Scheme” (RAISE+ Scheme), facilitating the commercialisation of R&D outcomes; attempts will be made to attract enterprises in industries such as life and health technology, artificial intelligence, data science, and advanced manufacturing and new energy technology to the Hong Kong-Shenzhen Innovation and Technology Park (HSITP) in the Lok Ma Chau Loop; the post of Commissioner for Industry will be created to assist the manufacturing sector in upgrading and transformation by making use of I&T; and the construction of infrastructure and facilities will be accelerated.

The Administration has set itself the goal of transforming and realising R&D outcomes within three years and commercialising them within the subsequent two years. The HKIE wishes to point out that R&D of Biomedical science and innovative materials are not accomplished in a day, and that although it understands the Administration’s wish to accelerate the realisation of R&D outcomes, certain flexibility must be maintained so that university research teams would not be rejected due to their inability to break through technical bottleneck. The development of the Lok Ma Chau Loop would be

instrumental in generating “1+1>2” synergies for Hong Kong and the Mainland. As Hong Kong and the HKIE’s Biomedical Division abound with great local talents as well as those from abroad, the HKIE expects further loosening-up of statutory regulations from the Administration in order that biospecimen and data may “cross the river” and Mainland’s greater population may be taken advantage of to obtain different diseases’ genetic samples, which will assist in researching the diagnosis and treatment of cancer and rare diseases. In this way, scientific researchers may make full use of their research’s advantages to benefit the development of Hong Kong and Mainland to the greatest degree.

Another broad development direction is the development of Hong Kong into a smart city and the improvement of its people’s quality of life. Apart from the Administration’s proposal to turn all government services online, the HKIE contends that regulations associated with the Smart City Blueprint 2.0, such as noise control and smart technology applications, should be reviewed to help Hong Kong strive towards being a smart and sustainable city. For the same reason, it should also spell out details of public-private partnership and of how enterprises with different expertise can work together on this front.

To add to our reserve of I&T talents, the Administration has improved the existing talent admission schemes, enhanced the approval procedures, waived some of the limits or quota, made provisions for visa extensions, and provided all-round support for overseas talents (which includes providing more accommodations for I&T talents in Hong Kong Science Park and the Hong Kong-Shenzhen Innovation and Technology Park). All these attract talents to Hong Kong, expanding the talent reserve. The HKIE believes that these measures will assist tech companies and other high-end industries in attracting I&T talents and capitals. More importantly, this series of auxiliary measures as well as their extended visa will make professionals feel more comfortable to settle in Hong Kong and develop their career there in the long run, thus stabling the supply of manpower.

Regarding local human resources, the Development Bureau (DEVB) and the Transport and Logistics Bureau will review the labour shortage situation in the construction and transport sectors respectively. As indicated in a report by the HKIE in April this year, a shortage of talents is afflicting the engineering industry; within the construction and transport industries, solutions are being sought to deal with the failure of succession planning. The HKIE is glad that the Administration has not evaded the issue and has been helping the industries to solve their problems. It is hoped that the Administration will seize the opportunity to review procurement policy by referencing the research done earlier by the HKIE on the Government’s procurement policy. As the industry is experiencing a vicious cycle involving low tender bids, the Administration is urged to consider revising the ratio established in the marking scheme for bidding documents, discouraging unreasonably low bids. With the procurement policy perfected thus, the public will have a more favourable impressions of the engineering industry and young people will be more disposed to become engineers. The HKIE looks forward to the greater effort exerted by the Administration to foster mutual recognition of professional

qualifications. Such recognition includes but is not limited to the engineering profession. Professional sectors of Hong Kong and Mainland can thus strengthen exchange, and professionals may enjoy greater room for development.

### **Transport infrastructure**

The HKIE appreciates the six major transport infrastructure projects proposed by the Administration. They include Central Rail Link, a new railway line connecting Kam Tin in Yuen Long, Kwai Chung, and Kowloon Tang; TKO Line Southern Extension, which extends to TKO Area 137; Hong Kong-Shenzhen Western Rail Link, which connects Hung Shui Kiu with Qianhai; Shatin Bypass, TKO-Yau Tong Tunnel, and the three main strategic routes of Northern Metropolis Highway. The Administration is also actively following up on the work relating to the Northern Link Spur Line's connection with the new Huanggang Port in Shenzhen via the HSITP in Lok Ma Chau Loop. In addition, it is expediting the implementation of a number of road infrastructure projects under planning, including Route 11, Tsing Yi-Lantau Link and Tuen Mun Bypass, as well as improvements to Lion Rock Tunnel.

Admittedly, railway construction is demonstrably different from its earlier form. As urban development in Hong Kong carries on steadily, most of the projects being developed by the Government or progressing are extensions of existing railways or additional stations, whose purpose is traffic diversion but not the creation of development capacity. The new Central Rail Link is believed to be able to function as a means of traffic diversion and alleviate the load on Tuen Ma Line. The HKIE's suggestion for the Administration is to sufficiently consider, while researching, the two great principles—"building capacity by infrastructure", and the citizens' current travel patterns and habits (i.e. the Travel Characteristics Survey currently conducted by the Transport Department)—and to sketch a layout for the development of Hong Kong as a whole. When considering a new railway project, the Administration should give sufficient thought to the railway lines en route, stations, shuttle stations, and the technical difficulties involved. This will not only create development capacity but also take care of current residents' transportation needs. The Institution would like to see the strategic development of Hong Kong and neighbouring cities, Northern Metropolis and artificial islands of Kau Yi Chau be taken into consideration when planning the transportation infrastructure surrounding the Northern Metropolis, and the Administration's holistic review of the transportation network of the city. With a number of large-scale transportation infrastructure and two key development projects – Northern Metropolis and Kau Yi Chau Artificial Islands – in the pipeline, the importance of a careful review of manpower, financial arrangements, development timeframe, etc. is hereby emphasised. In order to ensure that the projects can be completed on time, ecological impact should be minimised, and intervention in important ecologically sensitive areas must be avoided.

On the front of maritime and aviation development, the HKIE welcomes the

Administration’s adoption of our proposal to strengthen intermodal code-sharing services and promote high value-added logistics development, etc., and establishment of a new data sharing platform to facilitate data sharing among maritime and port and enhance operational efficiency. The strengthening of the “Pilot Subsidy Scheme for Third-party Logistics Service Providers” will hopefully promote Hong Kong’s industry towards the development of high value-added modern logistics. The HKIE has plenty of talents to contribute to the construction of “smart ports” and “smart logistics” with innovative technologies such as the Internet of Things and electronic ways to streamline operational processes. By improving the efficiency of port operations, Hong Kong’s status as an international air transportation and logistics hub should be further consolidated.

### **Education and Talent Development**

The future is in the hands of our next generation. The Institution is delighted that the Administration is putting great emphasis on promoting STEAM education in primary and secondary schools, laying a solid foundation for students through a popularised, interesting and diversified way, such as strengthening the curriculum, incorporating I&T elements, requiring all publicly-funded schools to organise or participate in school-wide, inter-school, territory-wide or international STEAM activities of quality and scale every year, and increasing the participation rate of the “IT Innovation Lab in Secondary Schools” and “Knowing More About IT” Programmes. In terms of tertiary education, the Administration will encourage the University Grants Committee (UGC) to subsidise the provision of university courses that are more relevant to the future economic development, and it is expected that 35% of the students in UGC-funded universities will be studying STEAM subjects within the next five years.

The HKIE is pleased that the Administration has set clear goals to increase resources for STEAM education. The Institution gives its full support in co-organising the “Engineers on Campus” programme with the Education Bureau and matches engineers for participating primary and secondary schools, hoping to achieve “One School One Engineer” and tell good stories about engineers, enhancing the professional image of engineers, cultivating youngsters’ interest in the engineering field, and eventually train up “successors” of the industry. Moreover, the HKIE suggests that relevant authorities should review school curriculum and university admission requirements early to avoid rejecting candidates who excel in science but failed language or other core subjects.

### **Sustainable Development**

In order to combat climate change and achieve the goal of carbon neutrality, the Administration plans to amend bills to include more household appliances in the

“Mandatory Energy Efficiency Labelling Scheme”, install charging facilities in parking spaces of government buildings, pilot hydrogen fuel cell electric double-deckers and heavy vehicles, regulate disposable plastic tableware and other plastic products, develop modern waste-to-energy (WtE) incinerators, explore legislation requiring certain housing buildings to implement recycling programmes, etc. The Institution hopes the Administration promotes the importance of recycling while promoting WtE conversion, and actively adopts carbon capture, utilisation and sequestration technology to increase the application of renewable energy and to achieve sustainable development.

The HKIE is excited by the Administration’s proactive approach in driving development in a range of fields. The engineering industry stands ready as always to contribute our expertise at this critical period for Hong Kong to break new ground and leap forward. The HKIE will continue to provide professional advice to the Administration and join force in building the future of Hong Kong.

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