

By Hand

31 December 2013

The Honourable LEUNG Chung Ying GBM GBS JP
The Chief Executive
Office of the Chief Executive
Tamar
Hong Kong

Dear Mr Leung

On behalf of the Institution, I am pleased to present to you our views and suggestions as set out in the enclosure for your consideration in the preparation of the 2014 Policy Address.

With our expertise and experience, the Institution welcomes the opportunity to work with the Government on areas of concern for the benefits of the profession and the general public as a whole.

Yours sincerely


Ir Raymond CHAN Kin Sek
President
The Hong Kong Institution of Engineers

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RC/WC

Enclosure

**Views from the Hong Kong Institution of Engineers
to the Chief Executive for Formulating 2014 Policy Address**

General

The Hong Kong Institution of Engineers (HKIE) supports the Administration in setting out policies to address the needs of the public and lead Hong Kong to progress. As a professional institution representing the voices of the engineers, the HKIE hopes that our suggestions and views as elaborated below would facilitate the Administration in devising effective measures reflected in the forthcoming 2014 Policy Address.

Enhancing Hong Kong's Competitiveness

2. The HKIE believes that the Administration should pilot Hong Kong to augment our strength in attracting investment and explore more potential and new opportunities to create value and wealth. To leverage the advantage as an international financial hub over the decades, Hong Kong should continue our endeavour made in recent years to branch out and become the spearhead in certain promising fields, especially in testing and certification, innovation and creativity.

3. We feel encouraging that Hong Kong's tertiary education has already secured leading status internationally. Our tertiary institutions, apart from fostering future local professionals and attracting overseas talents, could be a robust foundation for Hong Kong to pursue excellence and development in innovation, creativity and research & development (R&D). The Administration should set out concrete steps with steady resources to encourage conducting more applied researches and commercialisation of research outcomes. The Administration is suggested to encourage closer collaboration among the public and private sectors with academia in driving research and technology development as well as facilitating technology transfer.

4. Furthermore, Hong Kong should intensify our investment and support in developing as a regional leader in providing top-notch services in testing and certification, which we believe that Hong Kong has high potential to pursue.

5. The HKIE is of the view that the Administration should demonstrate greater determination to cultivate an atmosphere for people to pursue creativity and innovation. The Administration should devise a feasible and solid plan to drive Hong Kong to further consolidate local participation for developing technology and innovation industries. While this would require long-term commitment, the Administration should now increase the financial support to local students pursuing graduate and research degrees and those engaging in research in the institutions. Similarly, to allow infant innovation industries to flourish, the Administration should set aside more resources in providing funding support for capable people to pursue entrepreneurship on creativity and innovation. After all, innovation and creativity in

Hong Kong can only thrive on a conducive environment with the continuous support from the Administration.

Sustaining Development in Infrastructures

6. The HKIE urges the Administration to sustain strategic planning for the long-term infrastructural development in Hong Kong. However, over recent years, it is noted that there have been delays in putting forward some major infrastructural projects which are essential to enhance our competitiveness and citizens' livelihood. We are of much concern on the negative impacts of such delays, which have led to higher project costs due to inflation. Furthermore, delay in kicking-off essential infrastructural projects would tighten the project lead-time that may need extra resources in ensuring safety and quality of works, which subsequently affects the optimal allocation of public resources towards other sectors.

7. It is noted that the delay in launching the projects is in part due to the difficulty in securing community consensus. Hence, we would request the Administration to further develop an open platform for widening public participation and engagement in the consultation exercises and to secure closer and proactive collaboration with stakeholders in a bid to secure public support.

Land/Housing Supply and Urban Development Planning

8. Of all the upcoming public construction plans, land and housing supply would be the most significant one that Hong Kong should duly address. The HKIE strongly supports the Administration in taking firm steps to enhance the land bank for public and private residential housing developments.

9. Given the pressing need for more land for housing and other developments, the HKIE suggests the Administration to expedite the study and launching of some of the least controversial initiatives proposed in the consultation document on "Enhancing Land Supply Strategy", such as reclamations outside Victoria Harbour and artificial islands in Central Waters, that can provide large chunk of land for the years to come. In addition, we strongly support the Administration to explore other means for land creation, such as developing caverns, exploring underground space, and expediting urban renewal/redevelopment works, where appropriate. We further suggest the Administration to be more proactive in securing support from the community regarding the proposed New Development Areas planning in New Territories.

10. A long-term planning of land use is imperative. Much of the urban development in Hong Kong is situated on very low-lying land and may subject to regular flooding. It is concerned that the extent of protection against flooding may still not be optimal even with the most extensive physical flood defenses. Therefore, it is suggested to consider conducting study on assessing the cost of those defenses against the value of the land (in terms of economic and human factors) under the protection of the flood defenses for any new developments in floodplains and vulnerable areas in Hong Kong.

Manpower in Engineering and Construction

11. The HKIE opines that to enable long-term development, Hong Kong should also have a clear strategy in ensuring sufficient talents, professionals and workforce to support the construction plans. However, shortage of manpower is still our major concern, especially in engineering and construction industries.

12. Hence, we support in principle that in order to fulfill the manpower requirements for major construction projects in future, the Administration should continuously review means to attract overseas talents/professionals to work in Hong Kong. Where appropriate and if there is genuine inadequacy, import of skilled construction labour in acute shortage could be considered as a last resort and arrangements enabling such import in a well scrutinised manner should be set out to minimise any undesirable impact to the healthy development of local labour market and the burden to the community resources such as additional housing requirements. It is suggested that the Administration could make reference to the model of labour import during the construction of the Hong Kong International Airport projects in 1990s to devise suitable feasibility/preparation plans if genuine needs arise in future.

Environmental Protection

13. While pursuing the development of Hong Kong, the HKIE considers that care on our environment is equally important. The Administration should be determined to protect and further enhance our environment so as to sustain a desirable living place for future generations and to maintain Hong Kong's competitive edge for attracting investment.

Waste Management

14. Waste management could lead to crisis in Hong Kong if it is not properly addressed. We support the development of the integrated waste management facilities (IWMF), implementation of municipal solid waste (MSW) charging scheme and where necessary identifying suitable landfill sites to tackle the waste issue. The Administration is suggested to set a detailed timetable for the above plans, to closely monitor the progress of the implementation and their reduction targets, and to identify inadequacy for making improvement accordingly to achieve the targets.

15. We would suggest the waste levy to be collected from the MSW charging scheme, if implemented, be allocated to subsidise the recycling industries and to educate the public of the 4R culture (i.e. reduce, reuse, recycle and recover) to promote waste reduction and waste prevention in long term. Furthermore, we suggest the Administration to adopt state-of-the-art technology in effectively handling waste management, such as speeding up the construction of high-tech incinerators.

Energy Policy

16. The solutions to the energy trilemma (i.e. reliability/security, environmental impact and economics) should be accepted by the majority of society and in line with the sustainable development of Hong Kong as a world class city. It is suggested that consultation on the fuel mix should be launched as soon as possible to ensure sufficient lead-time for relevant stakeholders to identify the ways forward.

17. Moreover, we strongly support the Administration pushing ahead with the advanced metering infrastructure with the use of smart utility meter. It is hoped that this can provide both utilities companies and households/users with real-time data about power consumption and allow more informed decision-making on efficient use of energy, and facilitate more measures in rational energy consumption.

Air Quality

18. As ambient air pollutant is now regarded as a carcinogen according to the World Health Organization, the Administration should endeavour to achieve the emissions reduction targets as set out for the new air quality objectives. Particularly, vehicle emission at road side is the main culprit worsening the air quality. Hence, we welcome the endorsement of funding for the retirement scheme for diesel trucks. We also urged the Administration to expedite phasing out pre-Euro IV vehicles.

19. It is encouraging that greater emphasis has been put into Green Transport in recent years to ultimately reduce roadside air pollution in Hong Kong. To take the step further, the Administration is suggested to enhance its role in promoting electrical vehicles and soliciting support from enterprises and the public for bus route rationalisation to alleviate the air quality problem.

Green Building

20. We suggest the Administration to promote the adoption of green building standards in Hong Kong through providing incentives for property developers to adopt higher green building standards. The Administration is suggested to take the lead in improving energy efficiency for buildings in order to showcase how energy saving retrofits could be conducted in Hong Kong.

Other Environment Issues

21. With regard to the threats posed by sea-level rise due to global warming associated with climate change, it will be necessary to plan close monitoring of tides, vertical crustal movements, surface subsidence, coastal erosion, river bed and bay deposits, ground softening and subsidence. Also, we should strive to ensure the sustainability of clean and safe water supply to Hong Kong. Hong Kong should develop better risk assessment of the water supply system and devise long-term strategy in response to the water supply and collection capacity and sufficiency.

Tourism Development

22. The HKIE suggests the Administration to put forward plans on enhancing the capacity of Hong Kong to receive tourists. We believe that there is still much room for expanding and enriching the hardware and software for tourism development. In particular to the hardware, we suggest to ease the situation of overconcentration of tourists on a few particular areas by enriching the tourism infrastructures and facilities in other districts as well as rendering more convenient transportation access to such areas. With respect to the software, the Administration should join hands with the community and other relevant organisations to develop new tourist attractions and invigorate local attractions so as to enrich the tourists' experience in Hong Kong.