

# **CAPITAL WORKS RESERVE FUND**

## CAPITAL WORKS RESERVE FUND

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### Memorandum Note

The Capital Works Reserve Fund was established with effect from 1 April 1982 by Resolution of the Legislative Council on 20 January 1982 for the purpose of financing the Public Works Programme and the acquisition of land. The first Resolution was subsequently replaced by a second Resolution on 27 July 1983. For the purpose of giving effect to arrangements for implementing paragraph 6 of Annex III to the Joint Declaration of the Government of the United Kingdom and the Government of the People's Republic of China signed in Beijing on 19 December 1984, the 1983 Resolution was replaced by a third Resolution passed by the Legislative Council on 15 May 1985. On 13 January 1988, the Legislative Council passed an amendment to section (j) of the Resolution which effected the transfer of the financing of capital subventions and major systems and equipment from the General Revenue Account to the Fund with effect from 1 April 1988. On 6 November 1991, the Legislative Council passed an amendment to the Resolution to include provisions for government borrowings to be credited to the Fund and for repayments, and payment of interest and expenses relating to such borrowings, to be made from the Fund. As consequential amendments to the New Territories Land Exchange Entitlements (Redemption) Ordinance enacted on 12 December 1996, the Resolution was amended to include provisions for the payment of redemption money payable in respect of land exchange entitlements and of interest payable thereon under the New Territories Land Exchange Entitlements (Redemption) Ordinance. These amendments took effect when the Ordinance came into operation on 27 June 1997. Following resumption by China of the exercise of sovereignty over Hong Kong on 1 July 1997, the Resolution was amended by the Provisional Legislative Council on 17 December 1997 to remove provisions concerning the sharing of land premium under paragraph 6 of Annex III to the Joint Declaration as these provisions had become obsolete after the handover. The amended Resolution came into effect on 1 January 1998.

2 The Resolution provides that—

- (a) the Fund be administered by the Financial Secretary, who may delegate his power of administration to other public officers;
- (b) there be credited to the Fund—
  - (i) premium income received from land transactions;
  - (ii) all moneys received arising from works or commitments entered into for the purposes of the Fund;
  - (iii) unclaimed deposits in respect of moneys referred to in sub-paragraph (ii) which have been unpaid for five years;
  - (iv) such appropriations from general revenue as may be approved by the Provisional Legislative Council or Legislative Council;
  - (v) sums borrowed under section 3 of the Loans Ordinance (Cap. 61) where the resolution of the Provisional Legislative Council or Legislative Council approving the borrowing so stipulates;
  - (vi) all moneys received by way of interest or dividends earned in respect of moneys held in the Fund; and
  - (vii) such donations and other moneys as may be received for the purposes of the Fund;
- (c) the Financial Secretary may expend moneys from the Fund for—
  - (i) the purposes of the Government's Public Works Programme;
  - (ii) the purchase and installation of equipment consequential on implementing the Public Works Programme;
  - (iii) the development, purchase and installation of major systems and equipment used by the Government;
  - (iv) capital subventions;
  - (v) the acquisition of land; and
  - (vi) the payment of redemption money payable in respect of land exchange entitlements and of interest payable thereon under the New Territories Land Exchange Entitlements (Redemption) Ordinance (Cap. 495);

in accordance with such conditions, exceptions and limitations as may be specified by the Finance Committee;

- (d) the Financial Secretary may—
  - (i) transfer from the Fund to the general revenue any balance in the Fund which is not required for the purposes of the Fund;
  - (ii) repay the principal, interest thereon and expenses incurred in relation to sums borrowed under section 3 of the Loans Ordinance (Cap. 61) where such sums have been credited to the Fund; and
  - (iii) in his discretion, authorise the investment in such manner as he may determine of any moneys held in the Fund at any time;

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- (e) the Director of Accounting Services shall, under the authority of a funds warrant issued by the Financial Secretary, pay from the Fund such sums as may be required to meet expenditure from the Fund;
- (f) this resolution shall come into operation on a date to be appointed by the Financial Secretary by notice in the Gazette;
- (g) on the coming into operation of paragraphs (a) to (f), the suspense account, works account and reserve account of the Fund shall be cancelled and any moneys remaining in those accounts shall be carried forward in their entirety in the Fund; and
- (h) paragraphs (a) to (n) of the resolution made and passed by the Legislative Council on 15 May 1985, and published in the Gazette as Legal Notice No. 131 of 1985, and any subsequent amendments made to those paragraphs shall cease to apply.

3 In accordance with the terms of the resolution, all revenue from land transactions has been paid into the Fund from 1 January 1998.

4 Expenditure from the Fund is limited in respect of each subhead by the allocation shown under the column headed 'Estimate 2004–05' in the Fund estimates, and this may not be exceeded in 2004–05 without the prior approval of the Financial Secretary. For all Category A projects, the approved project estimate of each project was that approved by the Finance Committee of the Legislative Council or amended under delegated power. Approvals up to 19 December 2003 are included. The total commitment incurred may not exceed the approved project estimate, which in turn may not be altered without the prior approval of the Finance Committee or the Financial Secretary acting under delegated power. For block allocations under the various expenditure heads, over-commitment of any amount in excess of the approved allocation requires the approval of the Financial Secretary.

5 The balance available in the Fund at 1 April 2004 is estimated to be \$7,687 million. It is estimated that during 2004–05, \$11,984 million will be paid into the Fund from premium income received from land transactions. In addition, \$1,021 million is expected to accrue to the Fund from investment income on its balances during 2004–05; \$36 million from donations and from contributions towards joint venture projects; \$6,000 million from securitisation of revenue from Government-owned toll tunnels and bridges; and \$20,000 million from Government bonds. The Fund will thus have receipts of \$39,041 million in 2004–05 which, taken together with the opening balance and the transfer of \$25,000 million from the general revenue, will have available \$71,728 million to meet estimated payments of \$38,572 million, including \$500 million of estimated interest expenditure on Government bonds, during 2004–05. The Fund will have an estimated balance of \$33,156 million at 31 March 2005.

6 There are 11 heads of expenditure under the Capital Works Reserve Fund, covering the following—

- (a) Land Acquisition (Head 701);
- (b) Public Works Programme (Heads 702 to 707, 709 and 711);
- (c) Capital Subventions and Major Systems and Equipment (Head 708); and
- (d) Computerisation (Head 710).

### Head 701—Land Acquisition

7 The Financial Secretary has delegated to the Director of Lands the power to authorise expenditure from Head 701 of the Fund.

8 The estimate of the allocation required in 2004–05 for expenditure on compensation and *ex-gratia* allowances for the acquisition and associated clearance of all land and property reverting to the Government, *ex-gratia* allowances for clearance of government land for capital works projects and redemption money payable in respect of land exchange entitlements and interest payable thereon under the New Territories Land Exchange Entitlements (Redemption) Ordinance is \$2,095,610,000. *Ex-gratia* allowances for clearance of government land required for projects outside the capital works programme are charged to Head 91—Lands Department.

9 The allocation of \$76,000,000 for *Subhead 1004CA—Compensation for surrenders and resumptions: miscellaneous* is for payment of compensation (including *ex-gratia* allowances) for the acquisition, surrender and clearance of all land and property reverting to the Government, including the costs of resuming and clearing sites in connection with the implementation of statutory outline zoning plans; for projects to be undertaken by non-government or quasi-government bodies, including the Hong Kong Housing Society and the Hong Kong Housing Authority; and for projects undertaken under the Foreshore and Sea-bed (Reclamations) Ordinance and not covered by any other funding arrangements.

10 The allocation of \$2,000,000,000 for *Subhead 1100CA—Compensation and ex-gratia allowances in respect of projects in the Public Works Programme* is to meet all land acquisition costs, other than direct works costs, and all *ex-gratia* allowances in respect of projects in the Public Works Programme.

### Heads 702 to 707, 709 and 711—Public Works Programme

11 As at 1 April 2003, there was an outstanding commitment of \$105,724 million in respect of Category A projects in the Public Works Programme. During 2003–04, an additional commitment of \$11,141 million is expected to be entered into for new Category A projects and increases in approved project estimates, giving an estimated total outstanding commitment of \$116,865 million. Of this, \$20,937 million is expected to be spent during 2003–04. Thus,

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the outstanding commitment as at 31 March 2004 will be about \$95,928 million.

12 During 2004–05 works will start on new projects currently in Category B in the Public Works Programme with an estimated total value of about \$21,793 million. After allowing for an estimated expenditure of \$22,290 million in 2004–05, the outstanding commitment as at 31 March 2005 is estimated to be about \$95,431 million.

### Head 702—Port and Airport Development

13 The Financial Secretary has delegated to the following officers the power to authorise expenditure from Head 702 of the Fund—

<i>Officers</i>	<i>In respect of</i>
Director of Architectural Services	Building works
Director of Highways	Transport works
Director of Territory Development	Territorial development works

14 The estimate of the amount required in 2004–05 for expenditure on Port and Airport Development Study (PADS) related projects is \$994,712,000.

### Head 703—Buildings

15 The Financial Secretary has delegated to the following officers the power to authorise expenditure from Head 703 of the Fund—

<i>Officers</i>	<i>In respect of</i>
Director of Architectural Services	Building works, and minor works under block allocations 3004GX (up to \$15 million each), 3100GX (up to \$10 million each) and 3101GX (up to \$10 million each for non-fitting out works)
Government Property Administrator	Minor works under block allocation 3101GX (up to \$10 million each for fitting out works)

16 The estimate of the amount required in 2004–05 for expenditure on government building projects is \$6,783,612,000. This does not include provision for building items related to public housing and new towns.

17 Significant building projects scheduled to start in 2004–05 include 242RS—Tseung Kwan O Sports Ground; 385RO—Tsim Sha Tsui Promenade Beautification Project; and 74TI—Transport link in Tsim Sha Tsui East.

18 The allocation of \$1,132,000,000 for *Subhead 3004GX—Refurbishment of government buildings for items in Category D of the Public Works Programme* is for works estimated to cost \$15 million or less each for the refurbishment of government buildings.

19 The allocation of \$68,000,000 for *Subhead 3100GX—Project feasibility studies, minor investigations and consultants' fees for items in Category D of the Public Works Programme* is for minor investigations, including site investigations, subject to a maximum ceiling of expenditure of not more than \$15 million per Category D item. Items may also be included in Category D to cover the costs of preliminary feasibility studies and investigations to enable new building projects to be included in Category C of the Public Works Programme, and consultants' fees and charges for feasibility investigations and design (including preparation of tender documents) of building works items in Category B or (subject to the Secretary for Financial Services and the Treasury's approval) Category C of the Public Works Programme. Urgent payments for minor outstanding works not exceeding \$100,000 incurred on building projects that have been substantially completed and that have no subhead in the Fund estimates may also be charged to this subhead. Approval will be sought from the Financial Secretary to reinstate such projects in the Fund estimates during the year and, once this approval has been obtained, expenditure will be transferred to the original project.

20 The allocation of \$600,000,000 for *Subhead 3101GX—Minor building works for items in Category D of the Public Works Programme* is for minor building works, fitting out works and minor alterations, additions and improvement works including furniture and equipment replacement incidental to such works, and slope inspections and minor slope improvement works, subject to a maximum ceiling of expenditure of not more than \$15 million per item.

### Head 704—Drainage

21 The Financial Secretary has delegated to the following officers the power to authorise expenditure from Head 704 of the Fund—

<i>Officers</i>	<i>In respect of</i>
Director of Drainage Services	Drainage, sewerage and sewage treatment works, and minor works under block allocation 4100DX (up to \$10 million each)
Permanent Secretary for the Environment, Transport and Works (Environment and Transport)	Minor works under block allocation 4100DX

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22 The estimate of the amount required in 2004–05 for expenditure on drainage projects is \$1,850,699,000.

23 Significant drainage projects scheduled to start in 2004–05 include 112CD—Drainage improvement in Northern New Territories—package A; 126CD—Drainage improvement in East Kowloon; and 143DS—Central, Western and Wan Chai West sewerage, stage 2 phase 2B works.

24 The allocation of \$78,000,000 for *Subhead 4100DX—Drainage works, studies and investigations for items in Category D of the Public Works Programme* is for minor works including slope inspections and minor slope improvement works, feasibility studies and site investigations in respect of drainage projects, subject to a maximum ceiling of expenditure of not more than \$15 million per Category D item. Items may also be included in Category D to cover the costs of preliminary feasibility studies and investigations to enable drainage projects to be included in Category C of the Public Works Programme, and consultants' fees and charges for feasibility investigations and design (including preparation of tender documents) of drainage projects in Category B or (subject to the Secretary for Financial Services and the Treasury's approval) Category C of the Public Works Programme. Urgent payments for minor outstanding works not exceeding \$100,000 incurred on drainage projects that have been substantially completed and that have no subhead in the Fund estimates may also be charged to this subhead. Approval will be sought from the Financial Secretary to reinstate such projects in the Fund estimates during the year and, once this approval has been obtained, expenditure will be transferred to the original project.

### Head 705—Civil Engineering

25 The Financial Secretary has delegated to the following officers the power to authorise expenditure from Head 705 of the Fund—

<i>Officers</i>	<i>In respect of</i>
Director of Environmental Protection	Environmental protection works, and minor works under block allocation 5101DX (up to \$10 million each)
Director of Civil Engineering	Civil engineering works, and minor works under block allocations 5001BX (aggregate expenditure up to approved allocation) and 5101CX (up to \$10 million each)
Permanent Secretary for the Environment, Transport and Works (Works)	Minor works under block allocation 5101CX
Permanent Secretary for the Environment, Transport and Works (Environment and Transport)	Minor works under block allocation 5101DX

26 The estimate of the amount required in 2004–05 for expenditure on civil engineering and environmental projects is \$3,201,797,000.

27 Significant civil engineering projects scheduled to start in 2004–05 include 33CG—Setting up temporary construction and demolition materials sorting facilities at Tseung Kwan O Area 137 and Tuen Mun Area 38; and 47TF—Reconstruction of Sha Tau Kok, Wong Shek, Ko Lau Wan, Sham Chung and Lai Chi Chong public piers.

28 The allocation of \$870,000,000 for *Subhead 5001BX—Landslip preventive measures* is for landslip preventive works and related studies (other than those directly related to specific development projects in the Public Works Programme).

29 The allocation of \$120,000,000 for *Subhead 5101CX—Civil engineering works, studies and investigations for items in Category D of the Public Works Programme* is for minor works, feasibility studies and site investigations in respect of civil engineering works, including slope inspections and minor slope improvement works, subject to a maximum ceiling of expenditure of not more than \$15 million per Category D item. Items may also be included in Category D to cover the costs of preliminary feasibility studies and investigations to enable civil engineering projects to be included in Category C of the Public Works Programme, and consultants' fees and charges for feasibility investigations and design (including preparation of tender documents) of civil engineering projects in Category B or (subject to the Secretary for Financial Services and the Treasury's approval) Category C of the Public Works Programme. Urgent payments for minor outstanding works not exceeding \$100,000 incurred on civil engineering projects that have been substantially completed and that have no subhead in the Fund estimates may also be charged to this subhead. Approval will be sought from the Financial Secretary to reinstate such projects in the Fund estimates during the year and, once this approval has been obtained, expenditure will be transferred to the original project.

30 The allocation of \$30,000,000 for *Subhead 5101DX—Environmental works, studies and investigations for items in Category D of the Public Works Programme* is for minor works, feasibility studies and site investigation in respect of waste management and environmental works, subject to a maximum ceiling of expenditure of not more than \$15 million per Category D item. Items may also be included in Category D to cover the costs of preliminary feasibility studies and investigations to enable waste management and environmental projects to be included in Category C of the Public Works Programme, and consultants' fees and charges for feasibility investigations and design (including preparation of tender documents) of waste management and environmental projects in Category B or (subject to the Secretary for Financial Services and the Treasury's approval) Category C of the Public Works Programme. Urgent payments for minor outstanding works not exceeding \$100,000 incurred on waste management and environmental projects that have been substantially completed and that have no subhead in the Fund estimates may also be charged to

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this subhead. Approval will be sought from the Financial Secretary to reinstate such projects in the Fund estimates during the year and, once this approval has been obtained, expenditure will be transferred to the original project.

### **Head 706—Highways**

**31** The Financial Secretary has delegated to the following officers the power to authorise expenditure from Head 706 of the Fund—

<i>Officers</i>	<i>In respect of</i>
Director of Highways	Transport works, and minor works under block allocation 6100TX (up to \$10 million each)
Permanent Secretary for the Environment, Transport and Works (Environment and Transport)	Minor works under block allocation 6100TX

**32** The estimate of the amount required in 2004–05 for expenditure on highways projects is \$8,574,117,000.

**33** Significant highways projects scheduled to start in 2004–05 include 746TH—Reconstruction and improvement of Tuen Mun Road; and 777TH—Improvement to San Tin Interchange.

**34** The allocation of \$635,000,000 for *Subhead 6100TX—Highway works, studies and investigations for items in Category D of the Public Works Programme* is for minor works covering highways, railways and railway development, bridges, subways and other structures, footways, vehicle parking, street lighting, roadside slopes, road resurfacing (including joint replacement), road reconstruction and rehabilitation, traffic engineering, etc. as well as feasibility studies and site investigations in respect of highway projects, subject to a maximum ceiling of expenditure of not more than \$15 million per Category D item. Items may also be included in Category D to cover the costs of preliminary feasibility studies and investigations to enable highway projects to be included in Category C of the Public Works Programme, and consultants' fees and charges for feasibility investigations and design (including preparation of tender documents) of highway projects in Category B or (subject to the Secretary for Financial Services and the Treasury's approval) Category C of the Public Works Programme. Urgent payments for minor outstanding works not exceeding \$100,000 incurred on highway projects that have been substantially completed and that have no subhead in the Fund estimates may also be charged to this subhead. Approval will be sought from the Financial Secretary to reinstate such projects in the Fund estimates during the year and, once this approval has been obtained, expenditure will be transferred to the original project.

### **Head 707—New Towns and Urban Area Development**

**35** The Financial Secretary has delegated to the following officers the power to authorise expenditure from Head 707 of the Fund—

<i>Officers</i>	<i>In respect of</i>
Director of Home Affairs	Works under the territory-wide category, and minor works under block allocations 7014CX and 7015CX (up to \$10 million each for both subheads)
Director of Territory Development	Territorial development works, and minor works under block allocation 7100CX (up to \$10 million each)
Permanent Secretary for Home Affairs	Minor works under block allocations 7014CX and 7015CX
Permanent Secretary for Housing, Planning and Lands (Planning and Lands)	Minor works under block allocation 7100CX

**36** The estimate of the amount required in 2004–05 for expenditure on new towns and urban area development is \$2,757,550,000. Of this amount, \$30,457,000 is for territory-wide works such as improvement to rural and urban fringe areas, \$694,358,000 for Hong Kong Island and Islands development, \$65,690,000 for Kowloon development, \$885,000,000 for New Territories North development, \$658,495,000 for New Territories East development, \$203,550,000 for New Territories West development and \$220,000,000 for block allocations. Setting aside block allocations, the estimate of \$2,537,550,000 includes \$2,020,653,000 for civil engineering, \$452,100,000 for transport, \$7,600,000 for waterworks, \$4,377,000 for environmental protection and \$52,820,000 for housing, community and other projects.

**37** Significant territorial development projects scheduled to start in 2004–05 include 469CL—South East Kowloon development—infrastructure at north apron area of Kai Tak Airport; and 389RO—Enhancement of public facilities at Ngong Ping, Lantau.

**38** The allocation of \$130,000,000 for *Subhead 7014CX—Rural Public Works Programme* is for small scale works projects costing up to \$15 million each to upgrade the infrastructure and improve the living environment of rural areas in the New Territories.

**39** The allocation of \$40,000,000 for *Subhead 7015CX—Urban Minor Works Programme* is for district-based works projects costing up to \$15 million each to improve local facilities, living environment and hygienic conditions of the

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urban areas, including improvement to local roads, walkways and trails, backlanes and hygiene blackspots, and provision of recreational and leisure facilities, amenity planting, and construction of rainshelters.

40 The allocation of \$50,000,000 for *Subhead 7100CX—New towns and urban area works, studies and investigations for items in Category D of the Public Works Programme* is for minor works, minor landscaping, feasibility studies and site investigations in respect of new towns and urban area development projects, subject to a maximum ceiling of expenditure of not more than \$15 million per Category D item. Items may also be included in Category D to cover the costs of preliminary feasibility studies and investigations to enable new towns and urban area development projects to be included in Category C of the Public Works Programme, and consultants' fees and charges for feasibility investigations and design (including preparation of tender documents) of works projects in Category B or (subject to the Secretary for Financial Services and the Treasury's approval) Category C of the Public Works Programme. Urgent payments for minor outstanding works not exceeding \$100,000 incurred on new town and urban area development projects that have been substantially completed and that have no subhead in the Fund estimates may also be charged to this subhead. Approval will be sought from the Financial Secretary to reinstate such projects in the Fund estimates during the year and, once this approval has been obtained, expenditure will be transferred to the original project.

### **Head 709—Waterworks**

41 The Financial Secretary has delegated to the following officers the power to authorise expenditure from Head 709 of the Fund—

<i>Officers</i>	<i>In respect of</i>
Director of Water Supplies	Water supplies works, and minor works under block allocation 9100WX (up to \$10 million each)
Permanent Secretary for the Environment, Transport and Works (Works)	Minor works under block allocation 9100WX

42 The estimate of the amount required in 2004–05 for expenditure on waterworks projects is \$1,337,628,000.

43 Significant waterworks projects scheduled to start in 2004–05 include 181WF—In-situ reprovisioning of Sha Tin water treatment work; and 100WF—Sheung Shui/Fanling water supply–Ping Che service reservoir.

44 The allocation of \$365,000,000 for *Subhead 9100WX—Waterworks, studies and investigations for items in Category D of the Public Works Programme* is for minor works including slope inspections and minor slope improvement works, feasibility studies and site investigations in respect of waterworks items, subject to a maximum ceiling of expenditure of not more than \$15 million per Category D item. Items may also be included in Category D to cover the costs of preliminary feasibility studies and investigations to enable waterworks projects to be included in Category C of the Public Works Programme, and consultants' fees and charges for feasibility investigations and design (including preparation of tender documents) of waterworks projects in Category B or (subject to the Secretary for Financial Services and the Treasury's approval) Category C of the Public Works Programme. Urgent payments for minor outstanding works not exceeding \$100,000 incurred on waterworks projects that have been substantially completed and that have no subhead in the Fund estimates may also be charged to this subhead. Approval will be sought from the Financial Secretary to reinstate such projects in the Fund estimates during the year and, once this approval has been obtained, expenditure will be transferred to the original project.

### **Head 711—Housing**

45 The Financial Secretary has delegated to the following officers the power to authorise expenditure from Head 711 of the Fund—

<i>Officers</i>	<i>In respect of</i>
Director of Architectural Services	Building works
Director of Civil Engineering	Civil engineering works
Director of Highways	Transport works
Director of Territory Development	Territorial development works
Director of Water Supplies	Water supplies works
Permanent Secretary for Housing, Planning and Lands (Housing)	Minor works under block allocation B100HX

46 The estimate of the amount required in 2004–05 for expenditure on housing-related infrastructure is \$917,687,000.

47 The allocation of \$10,000,000 for *Subhead B100HX—Minor housing development related works, studies and investigations for items in Category D of the Public Works Programme* is for minor works, feasibility studies and site investigations in respect of housing related works, subject to a maximum ceiling of expenditure of not more than \$15 million per Category D item. Items may also be included in Category D to cover the costs of preliminary feasibility studies and investigations to enable housing related projects to be included in Category C of the Public Works Programme, and consultants' fees and charges for feasibility investigations and design (including preparation of tender

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documents) of housing related projects in Category B or (subject to the Secretary for Financial Services and the Treasury's approval) Category C of the Public Works Programme.

### Head 708—Capital Subventions and Major Systems and Equipment

**48** Subheads under Head 708 were originally funded by the General Revenue Account. They were transferred to the Fund under a new expenditure head—Head 708—with effect from 1 April 1988.

**49** Capital subvention subheads make provision for expenditure on new buildings, extensions and re-provisioning of existing facilities, and provide funding for refurbishment costing more than \$2 million. Starting from the legislative session in 1996–97, capital subvention works projects have been subject to examination by the Public Works Subcommittee, in the same way as other projects under the Public Works Programme, prior to submission to the Finance Committee.

**50** Major systems and equipment subheads provide funding for non-administrative computer systems, communication systems and mechanised systems costing more than \$2 million. Major systems and equipment items, which do not form part of the Public Works Programme, continue to follow the procedures which govern items funded under the General Revenue Account.

**51** As at 19 December 2003, the total approved project estimate for existing projects (excluding block allocations) was \$50,629 million. The estimate for projects to be committed in the remainder of 2003–04 amounts to \$780 million. The actual expenditure on on-going projects up to 31 March 2003 was \$22,555 million. The revised estimate for 2003–04 is \$5,022 million. The outstanding commitment as at 31 March 2004 will be about \$23,832 million. During 2004–05, a total value of \$2,594 million is estimated to be committed on new projects. After allowing for estimated expenditure for both existing and new projects in 2004–05 of \$6,951 million, the outstanding commitment as at 31 March 2005 is estimated to be \$19,475 million.

**52** The Financial Secretary has delegated to the controlling officers of the relevant procuring departments the power to authorise expenditure for major systems and equipment projects from Head 708 of the Fund. As for capital subventions and minor works, the following officers have been delegated the power to authorise expenditure—

<i>Officers</i>	<i>In respect of</i>
Permanent Secretary for Education and Manpower	Capital Subventions—Education Subventions, Technical Education and Industrial Training, and minor works under block allocation 8100QX
Secretary-General, University Grants Committee	Capital Subventions—Universities, and minor works under block allocation 8100EX
Director of Architectural Services	Capital Subventions—Medical Subventions, and minor works under block allocation 8100BX (up to \$10 million each)
Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)	Capital Subventions—Miscellaneous
Permanent Secretary for Economic Development and Labour (Economic Development)	Capital Subventions—Miscellaneous
Permanent Secretary for Home Affairs	Capital Subventions—Miscellaneous
Director of Social Welfare	Minor works under block allocation 8001SX
Permanent Secretary for the Environment, Transport and Works (Works)	Minor works under block allocation 8100BX
Permanent Secretary for Health, Welfare and Food	Minor works under block allocation 8100MX

**53** The estimate of the amount required in 2004–05 for expenditure on capital subventions and major systems and equipment is \$7,675,027,000.

**54** The allocation of \$5,000,000 for *Subhead 8100BX—Slope-related capital works for subvented organisations other than education and medical subventions* is for slope inspections and minor slope improvement works for subvented organisations other than those covered by education subventions and medical subventions to the Hospital Authority, subject to a maximum ceiling of expenditure of not more than \$15 million for each project.

**55** The allocation of \$215,000,000 for *Subhead 8100EX—Alterations, additions, repairs and improvements to the campuses of the UGC-funded institutions* is for alterations, additions, repairs and improvements including slope inspections and minor slope improvement works to the campuses of the University Grants Committee (UGC)-funded institutions requiring a subsidy of not more than \$15 million each; and for studies for proposed UGC-funded building projects, including consultants' design fees and charges, preparation of tender documents, site investigation costs and major in-house investigations costing up to \$15 million for each project.



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**56** The allocation of \$200,000,000 for *Subhead 8100MX—Hospital Authority—improvement works, feasibility studies, investigations and pre-contract consultancy services for building projects* is for improvement and investigation works including slope inspections and minor slope improvement works to all public hospitals; for preliminary project feasibility studies; and for pre-contract consultancy services including design and preparation of tender documents for building projects, subject to a maximum ceiling of expenditure not more than \$15 million per item.

**57** The allocation of \$300,000,000 for *Subhead 8100QX—Alterations, additions, repairs and improvements to education subvented buildings* is for alterations, additions, repairs and improvements including slope inspections and minor slope improvement works to education subvented buildings (other than those funded through UGC) requiring a subsidy of not more than \$15 million each; and for studies for proposed education subvented building projects, including consultants' design fees and charges, preparation of tender documents and site investigation costs and major in-house investigations costing up to \$15 million for each project.

**58** The allocation of \$4,000,000 for *Subhead 8001SX—Reprovisioning of welfare facilities* is for reprovisioning of welfare facilities affected by the Housing Authority's Comprehensive Redevelopment Programme, subject to a ceiling of \$15 million for each project.

### **Head 710—Computerisation**

**59** On 14 December 1990, Finance Committee approved the creation of Head 710—Computerisation to meet expenditure on administrative computer systems and consultancies for feasibility studies and systems development with effect from 1 April 1991. Items under Head 710 do not form part of the Public Works Programme and are administered according to procedures similar to those governing non-works items under Head 708.

**60** The Financial Secretary has delegated to the controlling officers of the relevant procuring departments of major computerisation projects exceeding \$10 million each the power to authorise expenditure from Head 710 of the Fund. In addition, he has delegated to the Permanent Secretary for Commerce, Industry and Technology (Communications and Technology) the power to approve minor projects under block allocation A007GX, and the Director of Information Technology Services to authorise expenditure on such items.

**61** The estimate of the amount required in 2004–05 for expenditure on computerisation is \$1,884,015,000.

**62** The allocation of \$540,000,000 for *Subhead A007GX—New administrative computer systems* is a block allocation for administrative computer systems and consultancies for feasibility studies and systems development each costing between \$150,001 and \$10 million.