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**Public Works Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 3rd meeting
held in the Conference Room A of Legislative Council Building
on Wednesday, 23 November 2005, at 8:30 am**

Members present:

Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP (Chairman)
Hon Alan LEONG Kah-kit, SC (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon James TO Kun-sun
Hon CHAN Yuen-han, JP
Hon CHAN Kam-lam, SBS, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon CHOY So-yuk
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Hon LEE Wing-tat
Hon LI Kwok-ying, MH
Hon CHEUNG Hok-ming, SBS, JP
Hon Patrick LAU Sau-shing, SBS, JP
Hon TAM Heung-man

Members absent:

Hon CHEUNG Man-kwong
Hon Daniel LAM Wai-keung, BBS, JP

Public officers attending:

Miss Amy TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr Y C LO, JP	Permanent Secretary for the Environment, Transport and Works (Works)
Mrs Rita LAU, JP	Permanent Secretary for Housing, Planning and Lands (Planning and Lands)
Dr Mike CHIU, JP	Deputy Director of Environmental Protection (1)
Mr Davey CHUNG	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr C K WONG	Director of Drainage Services
Mr Raymond FAN	Deputy Director of Environmental Protection (2)
Dr M J BROOM	Assistant Director of Environmental Protection (Water Policy)
Mr P K CHAN	Chief Engineer/Sewerage Projects, Drainage Services Department
Mr W W CHUI	Chief Engineer/Harbour Area Treatment Scheme, Drainage Services Department
Mrs Ingrid YEUNG	Deputy Secretary for Health, Welfare and Food (Health) ²
Dr PANG Fei Chau	Executive Manager (Professional Services & Medical Development), Hospital Authority
Mr S Gary CROW	Chief Technical Advisor/Subvented Projects, Architectural Services Department
Ms Bernadette LINN	Deputy Secretary for Education and Manpower (2)
Ms Maisie CHAN	Principal Assistant Secretary for Education and Manpower (Infrastructure and Research Support)

Clerk in attendance:

Mr Paul WOO	Senior Council Secretary (1) ³
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Staff in attendance:

Ms Pauline NG	Assistant Secretary General 1
Mr Anthony CHU	Council Secretary (1) ²
Ms Caris CHAN	Senior Legislative Assistant (1) ¹
Mr Frankie WOO	Legislative Assistant (1) ²

Head 704 – Drainage**PWSC(2005-06)29 215DS Yuen Long and Kam Tin sewerage and sewage disposal – Kam Tin trunk sewerage phase 1 and Au Tau trunk sewers**

The Chairman advised members that the Panel on Environmental Affairs (EA Panel) was consulted on the proposal at the Panel meeting on 24 March 2005. While Panel members were in support of the sewerage projects in principle, they had expressed concern about the possible disruptions to the public arising from the road opening works which had to be carried out during the construction period. To address the problem, the Administration should reduce the duration of the works and consider undertaking such works at night as far as possible. Some members had also suggested that the Administration should take the opportunity to install smaller utility pipelines above or alongside sewers in the sewerage projects, thereby providing a common utility duct to facilitate future repair works.

2. Mrs Selina CHOW noted that the media had reported that for the villages where sewage was previously treated and disposed of by means of privately owned sewage treatment plants or septic tanks and soakaway systems, there was a low rate of the villagers undertaking improvement works to connect the trunk sewers with individual property. She expressed concern that private property owners in the area covered by this project might not be willing to do the connecting up works, thus defeating the purpose of the project. While expressing support for the project, Miss CHOY So-yuk pointed out that media reports had indicated that in some villages, only about 40% of the households had connected up to the communal sewerage system. Miss CHOY sought the Administration's explanation on how it would encourage owners to connect up their properties to the trunk sewers. She also suggested that the Administration should play a co-ordination role to assist the owners in undertaking the connecting up works and to minimize the disruptions which might be caused to the residents.

3. The Director of Drainage Services (DDS) explained that under the current policy, individual owners were responsible for constructing terminal manhole and pipework to connect their properties to the trunk sewer. The Deputy Director of Environmental Protection (1) (DD(1), EPD) supplemented that the Administration would liaise with the relevant Rural Committees in coordinating the works, quoting Tai Wai as an example of a high success rate of individual properties connecting up to the public sewage treatment system.

4. Mrs Selina CHOW and Miss CHOY So-yuk pointed out that the village households who were already using septic tanks for sewage treatment would tend to be reluctant to incur additional costs in constructing branch sewers. They sought the Administration's response on what concrete measures would be taken to persuade private owners to do the connection works.

5. The Assistant Director of Environmental Protection (Water Policy) (AD(WP), EPD) said that the Administration had been successful in persuading

owners to do the connection works because the majority of the owners recognized the benefits, such as a healthier and cleaner environment and the resulting higher value of their properties. DD(1), EPD added that private households were also aware of the fact that septic tanks required regular desludging and hence incurred high maintenance costs. He pointed out that the cost of the works to connect to branch sewers would be in the region of a few thousand dollars, depending on the distance between the premises and the terminal manhole. AD(WP), EPD further advised members that the Water Pollution Control Ordinance (WPCO) (Cap. 358) provided, among others, that the Director of Environmental Protection was empowered to serve a notice on the owner of concerned premises requiring him to construct appropriate terminal manhole and other pipework for conveying wastewaters to the communal sewer before a specified date.

6. Mrs Selina CHOW enquired if the Administration had proactively enforced the relevant requirements in WPCO. DD(1), EPD responded that the Administration would prosecute persons who refused to comply with the relevant requirements under WPCO after a notice had been served on them. However, it was the policy that before initiating prosecution, the Administration would provide appropriate advice to the parties and assist them where necessary in carrying out the works.

7. Mr Albert CHAN said that there might be practical difficulties for residents to undertake the connection works as the original routing of the sewage pipes of the properties might not be designed in such a way that they could easily be connected to a subsequently constructed trunk sewer. He asked whether the same problem could arise in the present project. DDS replied that in designing sewerage projects, manholes were included to allow connection works to public sewerage facilities to be undertaken.

8. Noting that the distance between the property and the manhole would affect the cost of the connection works, Mr Albert CHAN said that the manhole should be suitably located to facilitate the works to be done and minimize the cost. In response, DDS replied that manholes were normally constructed at a convenient distance for connection from the village properties. There should be no insurmountable difficulties in carrying out the required connection works if necessary.

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9. Mrs Selina CHOW requested and the Administration agreed to provide information on the success rate for connecting up private village properties to branch sewers before the relevant Finance Committee (FC) meeting.

10. Ms Miriam LAU noted that the proposed project would take three and a half years for completion. Expressing concern about the possible impact of the construction works on traffic in the surrounding area where the roads were narrow and crowded, she enquired about the measures which would be put in place to minimize the disruptions which might be caused. She suggested that where road opening works were required, they should be undertaken in sections so that two-way traffic could always be maintained. Appropriate road signs should also

be mounted to divert drivers away from the congested areas where the construction works were in progress.

11. DDS said that in carrying out the works, the Administration would avoid the heavy traffic areas as far as possible. He added that the project was planned to commence after the completion of the Kam Tin Bypass, which in time would ease the traffic along the Kam Tin Road. He further advised members that to mitigate the traffic impact which might result from the proposed project, each road opening works sections would not exceed 50 metres, and the distance between any two works sections would be more than 200 metres. A Traffic Management Liaison Group would be set up for liaison with the local community groups on the traffic management measures.

12. DDS further informed members that the part of the construction works at Au Tau would take about two years for completion. However, there would be practical difficulties to shorten the completion period of the whole project because part of the construction works at Nam Sang Wai would have to be suspended during the period from November to March in the following year when the migration birds nested in the area. He said that the anticipated period of three and a half years for completion of the entire project was reasonable given all the relevant factors.

13. The item was voted on and endorsed.

PWSC(2005-06)31 340DS Port Shelter sewerage stage 3 – Sai Kung Area 4 and Mang Kung Uk sewerage

14. The Chairman advised members that the EA Panel was consulted on the proposal at its meeting on 24 October 2005.

15. Miss CHOY So-yuk, Chairman of the EA Panel, reported that while Panel members were in support of the project in principle, they had requested the Administration to provide supplementary information on the water quality assessment, in particular the assessment of the potential increase in *E. Coli* level in the surrounding marine waters and at the beaches, arising from the increase in sewage flows to the Sai Kung Sewage Treatment Works (SKSTW). The supplementary information had been circulated to Panel members. Panel members were of the view that the standard on *E. Coli* should be tightened in order to ensure that the increase in sewage outflow would not have an adverse impact on the water quality. The Administration should also expedite the expansion of the sewerage network to all rural villages.

16. Mr LAU Kong-wah noted the Administration's supplementary paper provided to the EA Panel, which included findings of a mathematical computer model on the potential impact of the proposed project on the water quality in Port Shelter. The findings showed that the *E. Coli* level in the surrounding marine waters would remain below 10 per 100 mL, and the beach water quality would not

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be adversely affected by the increase in effluent discharge from SKSTW. Mr LAU queried the accuracy of the computer modeling results and questioned whether the same model had been used for the Stonecutters Island Sewage Treatment Works (SCISTW), the effluent discharge from which had led to closure of the beaches in Tsuen Wan. At Mr LAU's request, the Administration agreed to provide information on the computer modeling used for assessing the impact of the sewerage and associated facilities in Sai Kung on the water quality and that adopted for the SCISTW.

17. Mr LEE Wing tat said that the closure of Tsuen Wan beaches was a grim reminder of the possibility of inaccurate forecast and expressed concern that the same could happen in the planning for the present project. Mr LEE said that he was disappointed at the Administration's failure to respond in writing to the concerns raised at the EA Panel meeting about the accuracy of the computer modeling used for SCISTW. The Chairman remarked that the Administration should have fully considered and responded to the issues raised by Panel members, particularly in relation to policy matters, before submitting proposals to the Public Works Subcommittee (PWSC).

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18. At the request of Mr LEE Wing-tat, the Administration agreed to provide information to account for any discrepancy, if any, between the computer modeling in planning for SCISTW and the actual impact of the SCISTW on the water quality of Tsuen Wan beaches before the relevant FC meeting.

19. On members' concern about the impact of the proposed project on the water quality of nearby beaches, AD(WP), EPD said that the Administration's supplementary paper provided to the EA Panel had explained that the increased sewage flow to SKSTW resulting from the proposed project would not affect the quality of marine waters in the vicinity. The computer modeling showed that within a downstream distance of less than 10 metres from the outfall, the effluent would be diluted by 100 times on average, and the bacteria would die in the process. With a 100-fold dilution, the *E. Coli* level would be kept below 10 per 100 mL. The Kiu Tsui Beach, the beach nearest to SKSTW, was as far as about one kilometer away. Hence it was unlikely the water quality of the beaches would be adversely affected by the proposed sewerage project. He further explained that SCISTW was not directly comparable to SKSTW, due to the huge difference between the two in the volume of effluent discharge. While SKSTW had sewerage capacity of a few thousand cubic metres per day, SCISTW handled about 1.4 million cubic metres per day. Furthermore the effluent from the SCISTW was not disinfected, unlike the effluent from the SKSTW.

20. Mr LAU Kong-wah said that he would take the *E. Coli* level of 10 per 100 mL as the yardstick for the proposed sewerage project in Port Shelter. He remarked that if the *E. Coli* level in the surrounding marine waters exceeded this level when the sewerage facilities became operational, the Administration should have remedial measures in place. In response, AD(WP), EPD said that in putting in place a new sewerage treatment system, the Administration would closely monitor the quality of the sewage discharge and the impact on the environment. If

it was found that the outcome did not match the prediction, steps would be taken to improve the system to ensure that the required standard would be met. At the moment, the Administration was looking at a standard of an average *E. Coli* level of 100 per 100 mL.

Admin 21. At Mr LAU Kong-wah's request, the Administration agreed to report on the *E. Coli* level in the surrounding marine waters and beaches after the completion of the project.

Admin 22. Mr LAU Kong-wah noted that the Administration's information paper on the proposed project had not been provided to the Sai Kung District Council (SKDC). At his suggestion, the Administration agreed to provide the paper to SKDC to seek its comments on the proposed project before the relevant FC meeting.

23. The item was voted on and endorsed. Mr LEE Wing-tat requested that this item be voted on separately at the relevant FC meeting.

PWSC(2005-06)30 238DS Harbour Area Treatment Scheme stage 2A – environmental impact assessment, investigations, tunnel conveyance system design

24. The Chairman advised members that the EA Panel was consulted on this proposal at its meeting on 5 July 2005. Whilst supporting the proposal in principle, Panel members expressed concern that the Administration had not planned to proceed with Harbour Area Treatment Scheme (HATS) Stage 2B after completion of Stage 2A. On planning for the treatment capacity for Stage 2, members considered that in order to avoid wastage, a more cautious approach would be to construct new treatment works with a sufficiently large design capacity but at the same time with the flexibility for expansion to meet future increase in demand for treatment facilities. Panel members also expressed concern about the possible adverse impact from the use of chlorination for disinfection on marine life in the surrounding waters and the increase in the Trade Effluent Surcharge and associated sewage charges resulting from the increased treatment costs, which would inevitably have an impact on the public and the trades. Some members were also of the view that the Administration should formulate appropriate policies on water management to cover water saving and recycling of waste water etc.

25. Miss TAM Heung-man sought information from the Administration on improvement to water quality brought about by the completion of HATS stage 2. AD(WP), EPD responded that the impact of raw sewage on the harbour was that it would result in lower levels of oxygen, higher levels of (toxic) ammonia and higher bacteria levels in water. With the commissioning of HATS stage 2A, sewage collected from the northern and western sides of Hong Kong Island would be treated and disinfected before being discharged into the harbour. This would

significantly reduce the bacteria levels in the harbour. It would also further reduce the ammonia levels and increase the oxygen levels in much of the harbour.

26. In response to Miss TAM Heung-man's further enquiry on whether the investigations works of the proposed project would have any adverse impact on the surrounding environment, DDS explained that the investigations were temporary works. They would not cause air and water pollution although some noise impact might be generated. In any case, the Administration would take suitable noise control measures to minimize the impact.

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27. At Miss TAM Heung-man's request, the Administration agreed to provide information on the extent of improvements to the water quality of the Victoria Harbour brought about by the commissioning of HATS stage 1.

28. The item was voted on and endorsed.

Head 708 – Capital Subventions and Major Systems and Equipment

PWSC(2005-06)28 49MM Development of Chinese medicine clinics in the public sector

29. The Chairman advised members that the Panel on Health Services (HS Panel) was consulted on the proposal at its meetings on 13 June 2005 and 14 November 2005. Panel members in general supported the proposal.

30. Mrs Selina CHOW welcomed this proposal which would help meet the pressing demand of the public for Chinese medicine services. Referring to paragraph 13 of the Administration's paper, she sought clarification from the Administration on whether the works for the six Chinese medicine clinics (CMCs) would be carried out under one single contract or different contracts. She considered that it would be preferable to have the works carried out under one contract for each of the six CMCs so as to expedite completion. She also considered that the anticipated period of four to six months for the renovation works to be done for each CMC too long and requested the Administration to consider ways to reduce the duration.

31. The Deputy Secretary for Health, Welfare and Food (Health)2 (DS(H)2, HWFB) clarified that the renovation works for the six CMCs would be carried out under more than one contract. The Hospital Authority (HA) would carry out the works using its own term contractors for the respective clusters selected through competitive bidding processes rather than through tendering the project under one single contract, so that works could commence as soon as possible. There would be certain degree of flexibility in the period required for carrying out renovation works for individual clinics, depending on the conditions of the sites and any special fitting out requirements for the CMC, and steps would be taken to expedite the works as far as practicable. Presently, three chosen sites were already available for the works to commence soon. The remaining three sites were still being used

by occupants, and the renovation works would not commence until about mid 2006.

32. The Chief Technical Advisor/Subvented Projects, Architectural Services Department (CTA/SP, ArchSD) supplemented that out of the six CMCs, the three clinics with sites immediately available could commence renovation works in January 2006 for completion in June 2006. Works for the remaining three were expected to commence in May 2006 for completion in March 2007. It was likely that two CMCs would be included in one contract and the rest would be covered by another contract. The works would be phased not according to the availability of the contractors but according to the availability of the sites. The Executive Manager (Professional Services & Medical Development), Hospital Authority (EM(PSME), HA) added that the implementation timetable had also taken into account the lead time for ordering and procuring equipment, some might require up to six months for delivery after an order had been placed. DS(H)2, HWFB said that depending on the availability of the equipment and the number of Chinese medicine practitioners ready to offer service, some of the CMCs might operate initially on a limited scale, with their range of services expanded as time progressed.

33. Mrs Selina CHOW said that on the basis that the renovation works for the second batch of the CMCs could commence in May 2006, it was reasonable to expect they could also be completed within 2006. She urged the Administration to make best efforts to expedite the works for the six CMCs so that they could all become operational within 2006.

34. DS(H)2, HWFB said that the timeframe set by the Administration was a conservative forecast to ensure that all the six CMCs could be put into operation by March 2007. She assured members that the Administration would take measures to speed up the works as far as practicable.

35. Mr TAM Yiu-chung sought information on the non-governmental organizations (NGOs) which would be responsible for the service delivery and day to day operations of the CMCs.

36. DS(H)2, HWFB replied that for the CMCs, a tripartite model was adopted under which the HA collaborated with an NGO and a local university in each of the clinics. NGOs with good network in the district and/or proven track record in providing medical or community services would be invited to take charge of the running of the clinics. The process of selecting the NGOs was still underway. She added that the Government would provide funding to cover certain expenses including the capital works and other maintenance and remuneration costs, but the NGOs would be responsible for delivering service on a self-financing basis. The NGOs would also be required to provide training to a number of local Chinese medicine graduates within a prescribed training period. DS(H)2, HWFB further advised that at the initial stage it was unlikely that one single NGO would be responsible for the operation of all six CMCs. It was envisaged that in time when experience built up, each NGO should be able to manage at least two CMCs.

Where an NGO operated more than one CMC, it could, where necessary, use the profits generated by one CMC to cross subsidize other clinics which might be operating at a loss.

37. In response to Mr TAM Yiu-chung's enquiry on the number of patients seeking treatment at CMCs, EM(PSME), HA said that based on the record of the existing three CMCs in operation, the average patronage rate for a CMC was about 30 000 consultations per year. The actual situation of individual CMCs varied according to factors such as the location of the clinic, the types of treatment/medicine and the number of Chinese medicine practitioners available etc. On the whole, the number of patients served by the CMCs was increasing.

38. In reply to Mr TAM Yiu-chung's enquiry on the plan for setting up the remaining nine CMCs, DS(H)2, HWFB informed members that suitable sites for the clinics had yet to be identified. Funding proposals would be submitted to PWSC as soon as suitable sites were available, and the operation of the CMCs already established was reviewed. Mr TAM asked whether the CMCs could be attached to the existing public hospitals pending availability of independent sites for their operation. DS(H)2, HWFB pointed out that at present some hospitals, such as the Tseung Kwan O Hospital, had already established a CMC. Some hospitals might not be able to do the same in view of constraints such as lack of space. She added that easy accessibility by patients, in particular the elderly, was also an important factor in deciding the location of the CMCs.

39. Mr Andrew CHENG informed members that the HS Panel had discussed the issue of setting up of CMCs at a number of meetings. The Panel generally supported the early establishment of more CMCs. To achieve this, the Panel had suggested to the Administration that the funding proposal should cover all 15 CMCs, including the remaining nine CMCs for which sites had not yet been identified, so as to allow the works to commence once suitable sites became available. However, the Administration's response was that it would need to take into consideration the experience gained in the setting up of the first three CMCs and the remaining preparatory work required before deciding on the exact timing for setting up the rest of the CMCs. The Administration also did not consider the submission to PWSC/FC a time-critical step in the whole programme. Mr Andrew CHENG said that he did not accept the Administration's stance and urged the Administration to seriously reconsider the HS Panel's suggestion which would expedite the scrutiny and approval process of PWSC/FC, thereby helping to speed up the establishment of the rest of the CMCs. He said that the HS Panel had considered that the progress of setting up the CMCs had been unduly delayed and had failed to meet the expectation of the public. In his view, given that three CMCs had already been established, there should be no great problems in ascertaining the funding requirements for setting up the rest of the CMCs, which would operate under a similar mode. The Chairman remarked that he did not agree with the Administration's view that submission to PWSC/FC was not a time-critical step in expediting the establishment of CMCs, cautioning that the granting of approval to funding proposals by LegCo was not automatic and must not be taken for granted.

40. DS(H)2, HWFB said that the Administration appreciated the concern of the Panel and had considered the suggestion in detail. Taking into account all the preparatory work required for the establishment of additional CMCs, the Administration was of the view that it would be more appropriate to follow the established procedures to seek upgrading of the items with clearly defined scope of works and more accurate cost estimates. She added that the costs of setting up CMCs at different times and at different locations could vary widely. When suitable sites for the remaining CMCs were identified, the costs for setting up the CMCs could be assessed more accurately taking account of all the prevailing circumstances, and the preparatory work for setting up the clinics could proceed in parallel with the process of seeking funding approval from LegCo. The submission of the projects to PWSC/FC at that stage would not in practice delay the process.

41. The Deputy Secretary for Financial Services and the Treasury (Treasury)³ explained that it was the role of the Financial Services and the Treasury Bureau to ensure that cost estimates for works projects included in funding proposals submitted to PWSC/FC for approval should be as accurate as possible so as to minimize the need of having to seek FC's approval for revised project estimates subsequently. The site of a proposed works project would have an important bearing on the costs and hence it would not be advisable to submit a funding application when the site of the project had yet to be decided. She assured members that so far as the establishment of CMCs was concerned, the Administration would proceed with the necessary funding procedures swiftly as soon as the scope of the works was determined.

42. Referring to the HS Panel's suggestion mentioned by Mr Andrew CHENG that the proposal should cover all 15 CMCs including the nine CMCs pending availability of suitable sites, Mrs Selina CHOW cautioned that FC had the special function to approve public expenditure. Where Members were sitting as members of FC, they had the duty to ensure prudent use of public money and scrutinize financial proposals carefully according to the established procedures and practices. It had been the practice of the FC to approve a capital works project only if it was supported with full details and with all the necessary data, and LegCo considered the proposals on their own merits and on a project by project basis. In her view, the suggestion for the PWSC/FC to consider a proposal without the requisite details such as the location of the proposed project was a drastic and undesirable deviation from the well established procedure, and it would be irresponsible for PWSC/FC to give blanket approval to proposals which were in lack of sufficient information to substantiate the funding requirement.

43. Mr Andrew CHENG reiterated that the consensus of members of the HS Panel was that all the remaining CMCs should be set up at the earliest possible stage, and the proposal put forward by the Panel was to serve that end. He added that the Democratic Party took the view that the Administration could make reliable estimates of the average costs for the setting up of the remaining nine CMCs based on the available data pertaining to the CMCs already in operation.

Minor discrepancies which might arise in individual projects could be met by contingency provisions where necessary.

44. Mrs Selina CHOW stressed that PWSC should be fully apprised of the merits of individual proposals, and be provided with all the necessary information and data to facilitate its consideration. Only by performing its duties in such a manner could PWSC decide on justifiable grounds whether a proposal in question should be supported or otherwise. In her view, it would be wrong in principle to ask PWSC to consider proposals based on a standard case without sufficient regard to the circumstances specific to the individual projects in question. She also expressed concern that should this new approach be adopted for the CMCs, it would create a bad precedent which could affect the consideration of other capital works proposals, such as schools, on grounds of urgency.

45. Referring to paragraph 7 of the Administration's paper which set out the objectives of providing general out-patient Chinese medicine services in the public sector, Mr Abraham SHEK said that those were concepts peculiar to western medicine services and doubted whether it was appropriate to apply them to general out-patient Chinese medicine services. He said that the application of such concepts to Chinese medicine services would lead to high costs of establishing CMCs in the public sector. Mr SHEK said that the estimated average cost of about \$6 million per CMC (i.e. unit cost of \$6,676 per sq metre) was on the high side. He also noted that many rooms shown in the layout plan attached to the Administration's paper were empty rooms and questioned whether this indicated wastage of resources. He asked whether the Administration would consider withdrawing the proposal pending further study of the proposal.

46. Mrs Selina CHOW did not support withdrawing the proposal as this would further delay the establishment of the CMCs and hence against the public interest.

47. DS(H)2, HWFB explained that the objectives of providing Chinese medicine services in the public sector and the intended mode of operation of the CMCs had been widely discussed and supported by relevant sectors. Generally, the objectives were to develop standards in Chinese medicine practice, to systematize the knowledge base of Chinese medicine through clinical research, and to provide training in evidence-based Chinese medicine. To help achieve these objectives, the three CMCs already established had adopted a collaboration model. To facilitate the CMCs in their efficient operation and fulfillment of their intended goals, it was necessary to provide them with the essential support facilities, such as a dedicated computer network to maintain a common electronic clinical management system for sharing and collating clinical information to facilitate overall management, audit and research. In addition, there had to be systems in place for the safe and accurate dispensing of medicine. She added that the CMCs were intended to develop standards in Chinese medicine practice which was expected in turn to lead to improvements in the operational mode of Chinese medicine practitioners in the private sector. At present, there were about 5 000 registered Chinese medicine practitioners and 3 000 listed Chinese medicine

practitioners. The estimated requirements for the CMCs to be set up had to provide for a clinical environment that met present-day standards. Furthermore, the CMCs had to provide for training facilities. She said that given all the policy considerations on promoting Chinese medicine practice, the works requirements of out-patient CMCs in the public sector should be different from that of a traditional Chinese medicine clinic in the private sector.

48. While agreeing that the establishment of the CMCs should not be delayed, Mr Abraham SHEK reiterated his concern about the high unit cost of the proposed CMCs. He considered that the Administration should carefully monitor the cost. Mr Patrick LAU agreed that the Administration should ensure that the cost of setting up the CMCs should be kept at reasonable levels. He opined that the Administration could conduct a costing exercise, taking into account all the essential requirements and the operational experience of the existing CMCs, to come up with certain benchmarks for assessing individual expenditure items and the unit cost for the establishment of CMCs.

49. In response, DS(H)2, HWFB explained that the scope of the renovation works for the proposed CMCs comprised a wide variety of items such as flooring, internal fittings and partitioning, air-conditioning, drainage, fire services installation and other building services, furniture and equipment, provision of registration and waiting area, construction of different rooms for registration, patient consultation and other duties. The estimated unit cost was considered reasonable for the nature of the works to be carried out.

50. Miss CHAN Yuen-han said that there was a general impression that the costs of works projects carried out by the Government were usually higher than that of similar works carried out by the private sector. While expressing support for the proposal, she considered that the Administration had to carefully review the estimated costs. Miss CHAN further pointed out that the CMCs would be more frequently patronized by elderly people. She requested the Administration to give priority to setting up CMCs in districts with a higher percentage of ageing population.

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51. The item was voted on and endorsed.

PWSC(2005-06)32 25EA Redevelopment of St. Stephen's Girls' Primary School at Park Road, Mid-levels

52. Mr Andrew CHENG declared that his youngest daughter was a student of the St. Stephen's Girls Primary School. He enquired about the progress of the renovation works for ex-Pokfulam Government Primary School, which would be used as temporary premises to accommodate the students during the period of redevelopment of the St. Stephen's Girls Primary School.

53. The Deputy Secretary for Education and Manpower (2) replied that except for some final touch-up to be performed, the renovation works for the

ex-Pokfulam Government Primary School had been completed. The premises would be ready for use by February 2006 when the demolition works for the present premises of St. Stephen's Girls Primary School commenced.

54. Mr Patrick LAU and Mr Abraham SHEK pointed out that the unit cost for this project **25EA** at \$6,277 per sq. metre was much lower than that for the previously discussed project **49MM**. They asked whether this reflected a better value for money for **25EA**.

55. CTA/SP, ArchSD responded that the cost components of the two projects were different and hence not directly comparable. He explained that the unit cost of \$6,277 per sq. metre for **25EA** comprised mainly building and building services costs, while the unit cost of \$6,676 per sq metre for **49MM** was inclusive of all building and building services, fitting out and equipment costs.

56. Miss CHAN Yuen-han said that queries on the unit costs had often been raised because of the concern about the higher costs for Government public works projects when compared with those in the private sector. She suggested that some objective yardsticks should be formulated to facilitate members in considering whether the cost estimates submitted by the Administration in relation to certain public works projects were reasonable.

57. The Assistant Secretary General 1 (ASG1) said that the issue highlighted by Miss CHAN Yuen-han about cost estimates had been raised on a number of occasions. Where the subject was to be reviewed, it might be more fruitful to look at not only the unit costs of works, but the actual tender bids and the final account of the works after completion. It was quite often that despite the lower tender price, the final account could be close to the original project estimates after payment of compensation to the contractor for claims. The review would only be fruitful if it covered the entire process and detailed information and data were collated.

58. The Permanent Secretary for the Environment, Transport and Works (Works) echoed that it would not be meaningful to single out the unit costs in the project estimates for review. He explained that estimates for public works projects were worked out, based on price movement trends reflected in works contracts awarded in the previous six months or a year and taking into account any special requirements for the individual projects concerned. In practice, the estimates might not always be able to reflect the most updated market prices. He added that works projects should be looked at individually in the light of their particular nature and requirements. During the scrutiny of each PWSC item, members would have the opportunity to critically examine the proposals, raise queries on issues of concern and request the Administration to clarify matters to members' satisfaction.

59. Members agreed to ASG1's suggestion that the matter should be followed up by FC/PWSC as appropriate. The Chairman added that where policy issues were involved in the consideration of the subject, they should be dealt with by the Panel on Planning, Lands and Works.

60. The item was voted on and endorsed.
61. The meeting ended at 10:40 am.

Council Business Division 1
Legislative Council Secretariat
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