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

**Minutes of the 14<sup>th</sup> meeting  
held in Conference Room A of Legislative Council Building  
on Wednesday, 4 June 2008, at 8:30 am**

**Members present:**

Ir Dr Hon Raymond HO Chung-tai, SBS, 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 CHAN Yuen-han, SBS, JP  
Hon Bernard CHAN, GBS, JP  
Hon CHAN Kam-lam, SBS, JP  
Hon SIN Chung-kai, SBS, JP  
Hon Jasper TSANG Yok-sing, GBS, JP  
Hon LAU Kong-wah, JP  
Hon LAU Wong-fat, GBM, GBS, JP  
Hon Miriam LAU Kin-yee, GBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon CHOY So-yuk, JP  
Hon Andrew CHENG Kar-foo  
Hon Abraham SHEK Lai-him, JP  
Hon Albert CHAN Wai-yip  
Hon LEE Wing-tat  
Hon LI Kwok-ying, MH, JP  
Hon Daniel LAM Wai-keung, SBS, JP  
Dr Hon KWOK Ka-ki  
Hon CHEUNG Hok-ming, SBS, JP  
Prof Hon Patrick LAU Sau-shing, SBS, JP  
Hon TAM Heung-man

**Members absent:**

Hon James TO Kun-sun  
Dr Hon Philip WONG Yu-hong, GBS  
Hon Howard YOUNG, SBS, JP  
Hon Timothy FOK Tsun-ting, GBS, JP

**Public officers attending:**

Mr Joe C C WONG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>3</sup>
Mr MAK Chai-kwong, JP	Permanent Secretary for Development (Works)
Mr Raymond YOUNG, JP	Permanent Secretary for Development (Planning and Lands)
Dr Michael CHIU Tak-lun, JP	Deputy Director of Environmental Protection <sup>(1)</sup>
Miss Sandra LAM	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr Philip YUNG Wai-hung, JP	Deputy Secretary for Transport and Housing (Transport) <sup>1</sup>
Mr WAI Chi-sing, JP	Director of Highways
Mr WAN Man-lung, JP	Principal Government Engineer (Railway Development), Highways Department
Mr Malcolm GIBSON	Head of Project Engineering, MTR Corporation Limited
Ms Maggie SO	Senior Manager (Projects and Property Communications), MTR Corporation Limited
Mr Patrick NIP Tak-kuen, JP	Deputy Secretary for Food and Health (Health) <sup>1</sup>
Miss Gloria LO Kit-wai	Principal Assistant Secretary (Health) <sup>2</sup> , Food and Health Bureau
Mr YUE Chi-hang, JP	Director of Architectural Services
Dr LO Su-vui	Director (Strategy and Planning), Hospital Authority
Dr Raymond CHEN	Chief Manager (Strategy and Service Planning), Hospital Authority
Dr LUK Che-chung	Cluster Chief Executive (Kowloon East Cluster), Hospital Authority
Mr Donald LI	Senior Architect (Facility Planning), Hospital Authority
Mrs Anita LAW	Senior Hospital Administrator (Tseung Kwan O Hospital), Hospital Authority

**Clerk in attendance:**

Ms Rosalind MA Senior Council Secretary (1)8

**Staff in attendance:**

Mrs Constance LI Assistant Secretary General 1  
Mr Noel SUNG Senior Council Secretary (1)4  
Ms Angel SHEK Council Secretary (1)2  
Ms Alice CHEUNG Senior Legislative Assistant (1)1  
Mr Frankie WOO Legislative Assistant (1)2

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Action

**Head 706 – Highways**

**PWSC(2008-09)22 52TR Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link – design and site investigation**

The Chairman informed the meeting that the Subcommittee on Matters Relating to Railways under the Panel on Transport had discussed the proposal on 2 May 2008. As requested by the Subcommittee, the Administration had provided additional information regarding the financial arrangements for the project.

2. Ms Miriam LAU reported that when the Subcommittee on Matters Relating to Railways (the Subcommittee) discussed the proposal on the design and site investigation for the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) on 2 May 2008, members generally supported the proposal but expressed concerns about the proposed provision, the approach for taking forward the project, and the connectivity of XRL with other areas and with other means of public transport.

3. Ms LAU said that the Subcommittee was concerned whether the provision of \$330 million, being on-cost payable to MTR Corporation Limited (MTRCL) for project planning and management, overheads and management expenses for the XRL project was on the high side, and whether it would be an open-ended commitment if payment was based on the actual expenditure incurred. According to the Administration, the amount was only tentative and was subject to further negotiation with the MTRCL. Ms LAU added that Subcommittee members had also queried the need and justification for providing \$156 million for engaging consultancies to assist in land administration, and another \$57 million for engaging consultants to vet the design of MTRCL and assess the project cost estimate, etc.

4. Ms LAU further said that some members of the Subcommittee considered that adequate transport interchange facilities should be provided for passengers using the transport hub in West Kowloon where three railway termini would be

located. In this connection, a Subcommittee member held the view that the XRL terminus should not be located in West Kowloon, as it would be inconvenient to passengers travelling from the New Territories (NT) who wanted to take the XRL train to Shenzhen or Gunagzhou. As part of the overall transport strategy, the terminus of XRL should be located in the northern part of NT instead for linking up with the existing railway lines between the NT and the urban areas.

5. As regards the approach for taking forward the project, Ms LAU said that a Subcommittee member was of the view that awarding the project to MTRCL without going through a public tender had contravened the free market principle. The projected patronage of 99 000 passengers per day for XRL was also over-optimistic in view of the availability of other cross-boundary facilities. At the request of the Subcommittee, the Administration had provided information regarding the background to and the pros and cons of the "ownership approach" and "concession approach" for building railway projects, an analysis of the cost-effectiveness of the two approaches in past railway projects, and details of the projected cross-boundary passenger traffic in 2016 at the various cross-boundary land crossings.

6. Mr LAU Kong-wah noted that the Hong Kong section of XRL would comprise an approximately 26-km long rail link enclosed in an underground tunnel from the West Kowloon terminus to the boundary at Huanggang. He asked whether site investigation and feasibility study on the safety of such tunnels had previously been conducted, and whether the site investigation revealed any difficulties with the project. Mr LAU also enquired whether the Hong Kong section of XRL would be compatible with the XRL system in the Mainland since the speed of the Mainland trains might be further enhanced in future. He further asked whether, with the XRL, Hong Kong passengers could travel to places outside Guangdong, such as to Beijing by through train.

7. The Deputy Secretary for Transport and Housing (Transport)1 (DS(T)1) responded that for long-haul trains to major cities in Mainland outside Guangdong province, such as Beijing, through trains would be provided so that passengers would not need to interchange for other trains en route, as the railway systems within the Hong Kong section and Mainland section of the XRL should be compatible. The Director of Highways (DHy) responded that the underground tunnel of the Hong Kong section of XRL would be the fifth longest underground tunnel in the world, just after Switzerland (which had two long underground tunnels), Japan, and the cross channel tunnel linking up England and France. The MTRCL had conducted preliminary site investigations and feasibility study on building the tunnels of XRL, including the provision of fire prevention facilities and evacuation strategies, by making reference to the experience of these countries in building long underground tunnels which extended over 50 km in length. DHy said that expertise was available in Hong Kong for building the long underground tunnel, and the design of the Hong Kong section of XRL, including the use of the dedicated railway track, would be compatible with the long term railway development standard in the Mainland. However, under the current design, passengers would have to interchange at the XRL stations if they wanted to go to

major cities in Guangdong through the proposed Pearl River Delta Rapid Transit System ( 珠江三角城際快速軌道 ).

8. Dr KWOK Ka-ki enquired whether the estimate of \$2,782.6 million was sufficient to cover the design and site investigation costs for the project, in view of the rising construction costs for infrastructure projects. Dr KWOK also expressed concern about the future fare level and asked whether the Government would conduct a study on the fare level of XRL vis-à-vis the costs for building the railway project.

9. DS(T)1 responded that the overall estimate for building the Hong Kong section of XRL was \$39.5 billion. The current proposal was on the design and site investigation for the project, and a more accurate estimate of the capital costs would be worked out for the project and vetted by an independent consultant. It was expected that the passenger volume at the various cross-boundary land crossings would continue to grow. The current forecast daily patronage of the XRL was 99 000 passengers in 2016. The XRL project was designed to cater for the long term development of cross-boundary transportation. After the completion of the design and site investigation, discussion on fare setting would be held with the relevant Mainland authorities and MTRCL, taking into account factors such as the operation arrangements of the XRL and the fares of other cross-boundary transport facilities, in order to ensure the competitiveness of the XRL and provision of choices to passengers. DHy supplemented that the estimate for the design and site investigation of the XRL project had already taken into account the rising construction costs for other infrastructure projects, and a sum of \$200 million had been included to provide for contingencies.

10. Mr CHEUNG Hok-ming asked whether there would be public consultation on the alignment of the Hong Kong section of XRL as it would pass through residential areas, country parks and wetland. Ms Emily LAU asked about the expenditure for the Environmental Impact Assessment (EIA), and the time-table for public consultation, including public consultation on the EIA report.

11. DS(T)1 responded that the relevant District Councils (DC) and local communities would be consulted on the project. DHy supplemented that public consultation would be carried out in phases. Preliminary consultation on the project with six relevant DCs would be made in June and July 2008. The relevant DCs and local communities would be consulted again when more details of the project design were available. DS(T)1 added that the public and the Advisory Council on the Environment would be invited to comment on the EIA report in accordance with the EIA Ordinance.

12. Ms Emily LAU enquired about the basis for calculating the provision of \$330 million as on-cost payable to the MTRCL. Ms LAU requested that the Government should provide a paper indicating whether the on-cost payment would be capped at 16.5%, and also reporting the progress and outcome of discussion with MTRCL on the on-cost payment. Ms LAU also asked about the provision of \$156 million for engaging consultancies to assist in land administration. She was

concerned that a large amount of money was to be paid to consultants to assist the Lands Department in handling the land administration work relating to the XRL project, instead of improving the manpower situation of the Department. Ms LAU requested the Administration to provide a paper, before the relevant Finance Committee meeting, giving details of the proposed payment of \$156 million.

13. DHy explained that under the concession approach, the MTRCL would be entrusted with the design and construction of the XRL project, subject to the Government's formal approval, and the MTRCL and the Government agreeing on the entrustment fee. In the case of the XRL, the on-cost payable to the MTRCL included the services to be provided by the MTRCL for the management and supervision of the design and construction works of the project, which would cover staff cost for the dedicated project management team and the headquarters for providing support for the project, accommodation costs for the dedicated project management team and consultants, and the corporation costs (e.g. legal, financial, human resources, public relations, operating support, insurance, corporate governance and other relevant overheads).

14. DHy advised that payment of on-cost to the MTRCL could be by reimbursement or by setting a percentage of the actual expenditure. The reimbursement method would require tremendous administrative efforts in verifying the MTRCL's actual on-cost expenditure, which was not desirable in view of the scale of the construction works of the XRL. The setting of a percentage of expenditure for on-cost payment was the one usually adopted as it provided better financial control, and was more practicable from the resource point of view. The on-cost rate for the XRL had yet to be agreed with the MTRCL. The determination of a reasonable on-cost rate would take a long time. The Government would need to examine the MTRCL's audited accounts of previous projects and ascertain the actual on-cost apportioned to individual projects, and then further negotiate with the MTRCL. Pending an agreement on the on-cost rate, payment of the on-cost for design work to the MTRCL would have to be made on a reimbursement basis according to the actual expenses incurred by the MTRCL for such services. The amount paid would be deducted from the final on-cost payable to the MTRCL. Hence the design on-cost proposed in item (a)(IV) of paragraph 11 of PWSC(2008-09)22 was only an indicative figure for estimation purpose only. He said that a percentage of 16.5% was adopted in the cost breakdown taking into account the on-cost incurred by MTRCL in previous projects. Independent consultancy advice would be sought in assessing the reasonableness of the on-cost rate to be proposed by the MTRCL for the XRL project.

15. Mr Malcolm GIBSON added that the MTRCL would present all recent audited records for calculation of on-cost payments relating to construction projects to the Government, so that an agreement could be reached between the Government and the MTRCL regarding the on-cost payment, taking into account the magnitude and complication of the XRL project.

16. DHy further advised that in order to avoid creating civil service posts for administration of land matters relating to the XRL project, consultants would be appointed to assist the Lands Department in handling the land administration matters. Such work would involve about 40 land administration executive staff, mainly at the Lands Executive level, to verify the lands records, undertake land surveys, and handle representations from owners/tenants in the areas affected by the XRL project.

17. The Chairman asked, given that the on-cost payment for previous projects had not exceeded 15% of the overall project costs, whether the Government could make a commitment that the overall on-cost payment for the XRL project would not exceed 16.5%. DHy responded that the Government and MTRCL were in the process of discussing the basis and calculation of the on-cost payment, and reviewing the audited accounts for on-cost payment in past railway projects. In the absence of relevant information, the Government could not commit to capping the on-cost payment at 16.5% at the present stage.

18. Mr LAU Kong-wah opined that the estimated on-cost payment at \$330 million was on the high side, as it was based on 16.5% of the project estimate. Mr LAU asked about the percentage of on-cost payments for other projects assigned to other Government departments, public organizations and/or private consultants. DHy responded that he did not have the information at hand, but pointed out that the scope of management input varied from one project to another. He explained that the MTRCL would have to deploy resources to supervise the carrying out of such work. Such expenditure would have to be carefully worked out, e.g. the same team of MTRCL staff might be overseeing the XRL project together with other railway projects.

19. Mr Albert CHAN opined that it was imperative to conduct a financial viability study for the XRL to assess the passenger volume, the fare level, the operation mode and the financial arrangements between the Government and the MTRCL. Mr CHAN considered that without such information, it was inappropriate for LegCo to approve the funding proposal for the design and site investigation of the XRL project. He was concerned that other options for delivering the project, such as awarding the construction contract through open tender, had not been considered or put up for public consultation. Mr CHAN reiterated that while he supported the project, he objected to the current funding proposal. Ms Emily LAU shared Mr CHAN's concern and said that the Government should explain why a public tender would not be called for implementing the XRL project.

20. DS(T)1 responded that the estimated capital cost for the Hong Kong section of XRL was \$39.5 billion, and the Government would receive an estimated payment of \$28 billion from the MTRCL under the "concession" arrangement. Financial viability was not the only consideration in the implementation of public infrastructure projects, and the XRL project was expected to bring about \$83 billion in economic benefits to Hong Kong over a period of 50 years. DS(T)1 added that the Government had considered the option of calling for open tender for the

operator of the project. However, this was found not feasible as it was necessary to connect the Hong Kong section of XRL with the Mainland section as soon as possible, since the progress of constructing the Hong Kong section had already lagged behind that in the Mainland, and the open tender option would further delay the project by at least two years which would have adverse impact on Hong Kong's economy. On balance, it was considered appropriate to assign the project to the MTRCL. The Permanent Secretary for Development (Works) (PS(W)) supplemented that members should distinguish between the role of a project manager as against the design and construction agents. Under the "concession approach", the MTRCL was assigned the role of the project manager and they would oversee the implementation of the projects, and on completion, operate the railway line. Tenders would still be called by the MTRCL, based on the laid down procedures, for design and construction of the project. Mr Albert CHAN opined that PS(W)'s reply was misleading.

21. Mr Abraham SHEK declared interest as an independent non-executive director of the MTRCL. He pointed out that the Government would have to pay an on-cost of more than \$330 million if it appointed a contractor to undertake the XRL project through open tender, as the KCRC had already put in a lot of resources in assessing the feasibility and design of the project. A new contractor would not have the benefit of such information and experience. For the interest of Hong Kong, it was appropriate to assign the MTRCL to undertake the XRL project. Mr SHEK stressed that the economic benefits brought to Hong Kong should be considered in implementing a railway project.

22. Prof Patrick LAU and Ms Emily LAU enquired about the expenditure for the design of the XRL terminus which amounted to \$372 million, and asked whether an open competition would be held for the design of the terminus. DHy replied that the XRL terminus would be the largest underground railway terminus in Hong Kong upon its completion. Mr Malcolm GIBSON supplemented that the XRL terminus would be one of the largest railway termini in the world, with a large number of platforms ranging from 250 m to 450 m long. The terminus would be built 30 m underground with different facilities and property development on top of it. It was envisaged that about 40 million passengers would use the terminus in a year and an open tender would be called for the detailed design of the terminus with a view to appointing world renowned architects for the design of the terminus, according to the World Trade Organization's requirements. Consideration would be given as to whether a design competition should be held for the terminus. The MTRCL would work closely with the relevant Government departments to work out the design parameters for the terminus.

23. Ms Miriam LAU supported the use of the "concession approach" for building the XRL project. Considering that most passengers using the XRL terminus would carry luggage, she asked whether the XRL terminus would include convenient conveying facilities for passengers interchanging between railway systems, i.e. the South Kowloon Link, the Tung Chung Line and the XRL. Mr LAU Kong-wah shared Ms LAU's concern. He was of the view that as nearly 40 million passengers would use the terminus each year, there should be adequate



underground railway links to facilitate passengers interchanging between different railway systems. Mr Malcolm GIBSON replied that interchange facilities, e.g. travellers and escalators, would be provided to connect the XRL terminus with other railway lines in West Kowloon, and public transport interchanges would also be in place at the terminus for passengers changing for other modes of public transport.

24. Mr Andrew CHENG remarked that while the Democratic Party supported the XRL project, the Party was of the view that the Government should clearly spell out the principles for adopting the "concession approach" and "ownership approach" in developing railway projects. If the Government had to pay for all the costs of a railway project, the Government and LegCo should have a say on the fare level of the railway line and the future fare adjustment. DS(T)1 responded that the form of funding support for railway projects should be project specific. The Government would consider the most viable options for providing funding support for each railway project on a case-by-case basis, having regard to the following considerations:

- (a) whether the Government should take a longer term view on investment in railway infrastructure and retain the ownership of the railway, thereby retaining the residual value of the railway;
- (b) whether the Government would be prepared to input more resources, including staff and cash outlay, to implement the railway under the concession approach;
- (c) whether the Government would be prepared to bear the construction risks and operating risks under the concession approach, e.g. lower revenue as a result of patronage being lower than anticipated;
- (d) the financial implications for the Government;
- (e) whether the selected approach would allow the MTRCL to effectively co-ordinate the planning and implementation of the railway and the above station/depot property development; and
- (f) whether the ownership of the new railway by the Government would facilitate the smooth implementation of the railway networks.

25. DS(T)1 added that since the Government would continue to discuss with the Mainland authorities the future development of XRL, the "concession approach" was adopted for the development of the Hong Kong section of XRL. The Government would continue to monitor the operation of the railway line by MTRCL. When the design of the Hong Kong section of XRL had been drawn up, the Government would discuss with the relevant Mainland authorities the mode of operation of the railway line, including the fare level, taking into account the passengers' affordability, competition from other cross-boundary transport facilities, and the economic situation. The determination of the fare level of the

railway line would not be out of step with market demand.

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26. Mr Andrew CHENG expressed concern about setting the fare level of the Hong Kong section of XRL based on market conditions. He pointed out that the MTRCL operated on a monopolized franchise and the XRL would not face any competition from other railway lines. Mr CHENG requested that the Government should provide before the relevant Finance Committee meeting detailed information on the principles for setting the fare level of XRL. Mr CHENG reiterated that the Government and LegCo should have a say in setting the fare of XRL and the future fare adjustment. DS(T)1 undertook to provide information regarding the principles for setting the fare level of XRL. He pointed out that apart from railway services, there were other modes of public transport providing cross-boundary services, e.g. ferries and buses.

27. Miss CHAN Yuen-han expressed concern about the impact of XRL on the heritage structures along the railway line. She asked about the Government's stance if there was a conflict between the retention of heritage sites and the construction of the XRL, given the rising public aspiration for protection of heritage sites/structures. DS(T)1 responded that the impact of the Hong Kong section of XRL on heritage sites would be investigated during the design and site investigation stage. DHy supplemented that the Hong Kong section of XRL mainly would run in underground tunnels, and care would be taken in selecting sites for the fire and emergency exits so as to avoid or minimize their impact on any heritage sites. Public consultation on the XRL project would be made during different stages of the project, including the selection of sites for the emergency exits.

28. The Chairman put the item to vote. Mr Albert CHAN requested a division. Of the members present, fifteen members voted for the item, one member voted against and no members abstained. The individual results were as follows:

*For:*

Mrs Selina CHOW  
Miss CHAN Yuen-han  
Mr CHAN Kam-lam  
Mr Jasper TSANG  
Mr LAU Kong-wah  
Mr LAU Wong-fat  
Ms Miriam LAU  
Ms Emily LAU  
(15 members)

Miss CHOY So-yuk  
Mr Andrew CHENG  
Mr LI Kwok-ying  
Mr Daniel LAM  
Mr Alan LEONG  
Mr CHEUNG Hok-ming  
Prof Patrick LAU

*Against:*

Mr Albert CHAN  
(1 member)

29. The item was endorsed by the Subcommittee. Ms Emily LAU requested that this item be voted on separately at the relevant FC meeting.

**Head 708 - Capital Subventions and Major Systems and Equipment****PWSC(2008-09)23      3MR      Expansion of Tseung Kwan O Hospital**

30. The Chairman advised members that the Panel on Health Services (HS Panel) was consulted on this proposal on 19 May 2008.

31. Mr LI Kwok-ying, Chairman of the HS Panel, said that while members of the Panel generally supported the proposal, they were concerned about the provision of adequate manpower resources to cope with the services of Tseung Kwan O Hospital (TKOH) after expansion. In this connection, some Panel members urged the Administration to provide manpower resources so that existing vacant wards and beds in TKOH could be made available for in-patient services to maximize the utilization of resources. A member was of the view that the Government should devise a comprehensive plan for the provision of healthcare services in the Kowloon East (KE) Cluster to cope with the service demand in the long run.

32. Mr LAU Kong-wah highlighted that there was a genuine demand for obstetrics services in TKOH given the population profile of the Tseung Kwan O (TKO) district with a high percentage of young couples. He was gravely concerned about the convenience and safety of expectant mothers residing in TKO who had to travel to the United Christian Hospital (UCH) or the Prince of Wales Hospital for obstetric services. Noting from the Administration's paper that the remaining part of conversion works, which included the necessary facilities for the development of obstetric services, would be carried out only after completion of the ambulatory block in January 2012, Mr LAU expressed concern about the late provision of the needed services.

33. The Deputy Secretary for Food and Health (Health)1 (DS(H)1,FHB) said that in accordance with the prevailing arrangement, the Hospital Authority (HA) would consider providing obstetric services at hospitals with at least 3 000 to 3 500 childbirths per year in their respective catchment areas, in order to ensure sufficient utilization of the services to enable their healthcare personnel to gather sufficient experience in handling births thereby reducing the risks in the service delivery process. Currently, the average number of newborns in TKO and Sai Kung per year was about 2 500 (around 1 700 delivered in public hospitals and about 800 in private hospitals). While wards and beds for obstetric services had been provided for during the set up of TKOH, obstetric services had not yet been made available because the number of childbirths in TKO and Sai Kung were below the benchmark. He advised that under the current proposal, one neo-natal intensive care unit (NICU) would be provided as one of the necessary facilities for the development of obstetric and neo-natal services. He assured members that the KE Cluster would closely monitor the number of childbirths in TKO and would consider provision of obstetric services when circumstances warranted.

34. The Cluster Chief Executive (Kowloon East Cluster), Hospital Authority (CCE(KEC), HA) advised that safety of expectant mothers and babies was the major consideration in the provision of obstetric services. The benchmark of 3 000 to 3 500 newborns per year was necessary for the healthcare personnel to acquire sufficient experience to handle complications that might arise in the labour process. Of the 1 700 annual number of newborns in TKO and Sai Kung delivered in public hospitals, around one-third was using the services at UCH in Kwun Tong, which was located within reasonable travelling distance from TKO. HA would monitor the changes in birth rates in TKO, and plan for the provision of obstetric services in TKOH where necessary.

35. Mr LAU Kong-wah did not subscribe to the Administration's explanation. Mr LAU recalled that Members had previously raised concern about the utilization of wards and beds in TKOH at the Legislative Council (LegCo) meeting on 7 May 2008. The Administration apparently had not taken action to address LegCo Members' concerns. He urged the Administration to expedite the provision of obstetric services in TKOH by utilizing the existing facilities and space in TKOH, in view of the anticipated increase in the number of newborns in TKO. He asked whether the conversion works for obstetric facilities could be advanced, i.e. to be carried out concurrently and not after the completion of the ambulatory block.

36. DS(H)1,FHB clarified that according to the current proposal, part of the conversion/renovation works in the hospital main block that would not affect existing services would start in July 2008, followed by the construction of the new ambulatory block in April 2009. After completion of the ambulatory block, the existing services and facilities as listed in paragraph 3(a) of the Administration's paper would be decanted from the main block to the new ambulatory block, and conversion/renovation would be carried out on the vacated space to provide for the planned additional wards and facilities as set out in paragraph 3(b) of the paper. As far as facilities for obstetric and neo-natal services were concerned, there was already physical set-up of obstetric beds in TKOH but they were not yet put into operation because of the lack of sufficient service demand as explained above. The current proposal would include the provision of one NICU in addition to the existing available facilities for obstetric services. In the meantime, resources would also be deployed to strengthen antenatal out-patient services in TKOH for which the number of attendance quota would be increased to enable pregnant women in the district to receive regular check-ups and other out-patient services in TKOH. He stressed that the provision of obstetric services according to the benchmark on annual childbirths had been adopted by HA as a standard practice across different clusters to ensure safety of expectant mothers and babies. CCE(KEC), HA added that hardware for the provision of obstetric services were currently available at the main block of TKOH, which, together with the proposed NICU, could cope with the demand for such services, when the growth in childbirths reached the service provision benchmark.

37. Mr Andrew CHENG pointed out that the provision of obstetric services for residents in the district should be given special consideration given its unique geographical location as it was relatively remote from other public hospitals in the KE Cluster, and TKO residents had to access UCH through the Tseung Kwan O Tunnel. In his view, obstetric services should be provided to meet the demand of the district, especially in TKO where the demand was strong given its population profile and increasing number of childbirths. Referring to the information provided by the Administration in response to an earlier question raised at a Council meeting, Mr CHENG expressed concern about the reduction of beds in rehabilitation wards and surgical wards, and the existence of over 60 vacant beds in TKOH. He doubted whether the proposed expansion of TKOH with the provision of additional beds would be an effective utilization of hospital resources. Mr CHENG urged the Administration to examine the utilization of the various services provided in TKOH, to avoid any mismatch of resources. Miss CHAN Yuen-han and Mr LAU Kong-wah expressed similar concerns.

38. Mrs Selina CHOW also expressed concern about the existence of vacant wards in TKOH, some of which had been used for storage purpose. She called on the Administration to devise measures to rectify such a mismatch in service provision and resource allocation so as to convince members of the need for provision of additional resources for TKOH. Ms Miriam LAU shared Mrs CHOW's concern and urged the Administration to monitor closely the increase in number of newborns in TKO, so that obstetric service could be provided at TKOH promptly once the benchmark was reached.

39. DS(H)1,FHB responded that the current proposal aimed to provide for the necessary facilities for TKOH to meet future service requirements and demands in KE. To enhance the provision of healthcare services for TKO residents, additional resources had been provided for hospitals in the KE Cluster. CCE(KEC), HA added that HA would monitor closely the increase in childbirths in TKO and would launch the obstetric services when the benchmark was reached. He also advised that the majority of vacant beds in TKOH were reserved for the provision of obstetric and neo-natal services, with 52 beds in two obstetric wards and 26 beds in one special care baby ward. Conversion of these reserved beds for other medical services was not desirable because of the cost and time considerations for restoring the facilities for obstetric and neo-natal services when circumstances warranted. Some of these reserved facilities were therefore temporarily used for clinical support services and administrative purposes.

40. Regarding the reduction of beds in the rehabilitation wards, CCE(KEC), HA advised that the Haven of Hope Hospital was specialized in the provision of rehabilitation services in the KE Cluster, providing a more favourable environment for patients in its catchment area including TKO. He added that with the conversion/renovation of spaces in TKOH, there would be an increase in the overall provision of in-patient services and more patients could be treated or benefitted. At the request of Mr CHENG, the Administration agreed to provide, before the relevant Finance Committee (FC) meeting, supplementary information on the number and types of beds in TKOH which had not yet been made available

for in-patient services.

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41. Ms Emily LAU opined that the healthcare services provided by public hospitals could not meet public expectation and demand in terms of both quality and quantity. Ms LAU enquired about the resources required for the provision of obstetric services in TKOH, including requirements for medical staff, and requested that supplementary information in this regard be provided to Members before the relevant FC meeting.

42. DS(H)1,FHB stressed that HA would monitor closely the demand for obstetric services in TKOH in accordance with its prevailing policy and benchmark for the provision of services in the catchment areas of hospitals in the cluster. To ensure there would be sufficient manpower for carrying out HA services, HA would have additional intakes for the three-year Registered Nurse (RN) High Diploma Programme and the two-year Enrolled Nurse (EN) Programme starting from 2008-09. Proposals had also been put forward for University Grant Committee-funded institutions to increase the number of intakes for training courses for medical practitioners. He agreed to provide the information required by Ms Emily LAU on resources requirements.

43. Ms Emily LAU noted that one of the operating rooms in TKOH would be equipped with negative pressure under the current proposal. In this connection, she expressed concern about the quality control for the enhancement works, as similar facilities provided at the Princess Margaret Hospital (PMH) were reported to have problems.

44. The Director of Architectural Services (D Arch S) advised that according to the Administration's follow-up inquiry, the media reports of problems in the isolation wards at PMH were caused by misunderstanding. The cracks found on the internal walls of the isolation wards were results of unsatisfactory finishing and the contractor had been requested to rectify the problem. As regards the two defective sinks, they were taken down for replacement as cracks were found on them during routine inspection checks and the contractors had agreed to replace all the sinks to ensure quality. As to the concern about the slow closing of doors for operating rooms with negative pressure, D Arch S explained that this was one of the features of the new infection control technique adopted after the outbreak of the Severe Acute Respiratory Syndrome. D Arch S said that there was room for improvement in the application of this new technique in hospitals, and the Administration would try to identify solutions to address the concern of hospital users.

45. Miss CHAN Yuen-han expressed concern that, despite the large population served by TKOH, the hospital was not provided with the necessary equipment and facilities, such as Magnetic Resonance Imaging (MRI) to cope with the demand for the range of healthcare services. She cited the traffic accident which occurred in Sai Kung on 1 May 2008 where some of the casualties had to be sent to other hospitals for emergency treatment because of the lack of necessary facilities in TKOH. Miss CHAN was of the view that if adequate resources could

be provided in TKOH, it could have saved much time in treating the casualties. Ms Miriam LAU also expressed concern about the lack of facilities in TKOH to cope with emergency demand for treatment of casualties. While expressing support for the proposed expansion project, Ms LAU asked about the level of services to be provided at TKOH after the expansion, and whether the facilities would be upgraded to align with the standard provisions in hospitals in the same cluster.

46. CCE(KEC), HA advised that under the current proposal, additional resources were sought for the provision of equipment and facilities for TKOH to cope with future service demand. It was the policy of HA to provide certain specialized services in designated hospitals for effective use of resources and to ensure availability of expertise for treatment of different types of injuries so that patients' interests could be best protected. For serious accidents involving a large number of casualties, DS(H)1,FHB and CCE(KEC), HA advised that streaming the injured to different hospitals within the cluster or to other clusters was to ensure expeditious and specialized treatment to the injured based on their conditions and types of injuries. DS(H)1,FHB said that the streaming process on the day of the serious traffic accident in Sai Kung had been smooth and efficient, and the large number of injured had been sent to different hospitals for necessary treatment and surgeries.

47. Miss CHAN Yuen-han remained concerned about the time taken for sending and transferring the injured to other hospitals when there were serious accidents. She was particularly concerned about the potential risk to lives in the event of emergencies in the TKO district. Ms Miriam LAU shared the view that despite a smooth streaming process for the casualties in the traffic accident in Sai Kung, the provision of more resources for TKOH would enlarge its capacity to take up casualty cases in case of emergencies.

48. While supporting the current proposal, Miss CHAN Yuen-han was concerned about the deployment of resources from the existing in-patient services to the new services, which would exert pressure on the provision of existing services.

49. DS(H)1,FHB advised that it was an international trend to shift the focus from in-patient treatment to ambulatory and community-based care and the proposed ambulatory block for TKOH under the current proposal was in line with this trend. He stressed that the current proposal would not reduce the level of in-patient services in TKOH. As some of the existing services and supporting facilities in the main block would be moved to the proposed ambulatory block, the spaces vacated in the main block would be converted/ renovated to accommodate additional in-patient wards. Hence, the provision of in-patient services in TKOH would actually be strengthened after the proposed works. CCE(KEC), HA advised that a greater range of facilities and equipment would be provided at TKOH after completion of the project, while tertiary services such as treatments for brain or lung injuries would be provided at designated hospitals serving catchment areas across the clusters. Responding to Ms Miriam LAU's further enquiry, CCE(KEC),

HA said that CT Scan system was currently available at TKOH, and therefore not included in the indicative list of furniture and equipment items under the project.

Admin 50. Mr Alan LEONG opined that more information should be given to enlighten members on the overall planning for service provisions in the whole KE Cluster, to facilitate their assessment of the adequacy of resource provision for TKOH. Mr LEONG referred to his question raised at an earlier Council meeting on the services of the KE Cluster, and called on the Administration to respond to the strong public demand for expansion of services in UCH. At the request of Mr LEONG, the Administration agreed to provide information on the future planning for service provision in the whole KE Cluster, particularly the plans for expansion of services in UCH.

Admin 51. Mr LAU Kong-wah queried why the Administration proposed to expand the services for TKOH when there were still under-utilized facilities in the obstetric wards. He said that the Administration had failed to respond to public calls for expeditious provision of obstetric services in TKOH, even though the number of newborns in the district was only slightly below the benchmark. He did not think members would consider the current proposal before these issues were resolved. To facilitate members' consideration of the proposal, Mr LAU requested the Administration to provide, before the relevant FC meeting, information on the number of newborns in different districts and the provision of obstetric services in the respective public hospitals. He also asked the Administration to provide the annual number of newborns in TKO in the past ten years, the expected time when the benchmark would be reached, and the lead time required to make preparation for provision of obstetric services in TKOH.

Admin 52. Ms Emily LAU pointed out that members of the Sai Kung District Council (SKDC) had raised concern about services provided at TKOH, during a meeting with LegCo Members, and a tripartite case conference would be arranged for Members to follow up the discussion with SKDC and the Administration. Ms Emily LAU and Mr LAU Kong-wah were of the view that the Administration should take account of the views of SKDC before seeking funding approval of FC on the proposal. The LegCo Secretariat was requested to follow up with the Administration and SKDC for timely arrangement of the case conference.

53. The item was voted on and endorsed. Ms Emily LAU requested that this item be voted on separately at the relevant FC meeting.

#### Items deferred

54. Owing to time constraint, members agreed that the remaining seven items on the agenda (**PWSC(2008-09)15, 16, 18, 20, 24, 25, and 26**) be deferred to the next meeting scheduled for 13 June 2008, or to another meeting to be arranged.

*(Post-meeting note: With the concurrence of the Subcommittee Chairman, an additional meeting was scheduled for Tuesday, 17 June 2008 to deal with the unfinished items deferred from the 13 June meeting, if any. As all*



the items on the agenda had been dealt with at the meeting on 13 June, the meeting on 17 June was subsequently cancelled.)

55. The meeting ended at 10:44 am.

Council Business Division 1  
Legislative Council Secretariat  
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