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

**Minutes of the 2nd meeting
held in Conference Room 1 of the Legislative Council Complex
on Wednesday, 27 November 2013, at 8:30 am**

Members present:

Ir Dr Hon LO Wai-kwok, BBS, MH, JP (Chairman)
Hon LEUNG Che-cheung, BBS, MH, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon WONG Kwok-hing, BBS, MH
Hon Cyd HO Sau-lan
Hon CHAN Hak-kan, JP
Dr Hon LEUNG Ka-lau
Hon IP Kwok-him, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK
Hon CHAN Han-pan
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP

Hon Alice MAK Mei-kuen, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, JP
Dr Hon CHIANG Lai-wan, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Member attending:

Hon TANG Ka-piu

Member absent:

Hon Tony TSE Wai-chuen

Public officers attending:

Mr YEUNG Tak-keung	Deputy Secretary for Financial Services and the Treasury (Treasury) ³
Mr WAI Chi-sing, JP	Permanent Secretary for Development (Works)
Mr Thomas CHAN Chung-ching, JP	Deputy Secretary for Development (Planning and Lands) ¹
Ms Anissa WONG, JP	Permanent Secretary for the Environment
Ms Joyce HO Kwok-shan	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Works)
Mr LEUNG Koon-kee, JP	Director of Architectural Services
Mr HON Chi-keung, JP	Director of Civil Engineering and Development
Mr CHAN Chi-chiu, JP	Director of Drainage Services
Mr LAU Ka-keung, JP	Director of Highways
Mr Enoch LAM Tin-sing, JP	Director of Water Supplies
Dr Ellen CHAN Ying-lung, JP	Assistant Director (Environmental Infrastructure) Environmental Protection Department
Mr Elvis AU Wai-kwong, JP	Assistant Director (Nature Conservation and Infrastructure Planning) Environmental Protection Department
Mr LEUNG Kam-pui	Chief Technical Adviser (Subvented Projects) Architectural Services Department
Dr KO Wing-man, BBS, JP	Secretary for Food and Health

Ms Janice TSE Siu-wa, JP	Deputy Secretary (Health)1
	Food and Health Bureau
Mr Donald LI	Chief Manager (Capital Planning)
	Hospital Authority

Clerk in attendance:

Mr Derek LO	Chief Council Secretary (1)5
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Staff in attendance:

Mr Andy LAU	Assistant Secretary General 1
Ms Connie HO	Senior Council Secretary (1)3
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)7

Action

1. The Chairman advised that there were two items for the meeting, including an information note on the forecast of submissions to the Public Works Subcommittee (PWSC) for the 2013-2014 Legislative Council Session and a proposal for making a one-off grant of \$13 billion to the Hospital Authority (HA) for minor works projects.

2. The Chairman then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of the Legislative Council (LegCo), they should disclose the nature of any direct or indirect pecuniary interests relating to the funding proposals under discussion at the meeting before they spoke on the item. He also drew members' attention to Rule 84 of RoP on voting or withdrawal in case of direct pecuniary interest.

**Overview of potential submissions to Public Works Subcommittee
PWSCI(2013-14)11 — Forecast of submissions for the 2013-14
Legislative Council Session**

3. The Chairman said that as agreed with the Administration in the 2001-2002 legislative session, the Administration had been providing forecasts of submissions to the PWSC at the beginning of each legislative session to enable members and other LegCo Members to have a preliminary view of the potential capital works items to be submitted to PWSC and to facilitate the consultation process of these capital works projects. The

meeting noted that the 2013-2014 forecast had been circulated to relevant Panels for members to indicate which of the projects would require detailed discussion at the relevant Panels before they were submitted to PWSC.

Shortage of construction workers and escalating project costs

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4. Pointing out that the construction industry was facing a shortage of construction workers, Ms Emily LAU queried if there would be sufficient supply of manpower to support the implementation of the proposed public works projects. Mr WU Chi-wai expressed a similar concern. Noting the already heavy demand for manpower in the construction industry arising from Government projects, such as the Operation Building Bright programme and the Mandatory Building Inspection Scheme, Mr WU requested the Administration to provide a forecast on the additional manpower requirement in the construction industry in the upcoming one to two years arising from the implementation of the proposed list of public works projects and an assessment of the impact of shortage in construction workers on the project costs of public works projects.

5. Permanent Secretary for Development (Works), Development Bureau (PS(W), DEVB) responded that the Administration was aware of the tight supply of manpower in the construction industry and had maintained close liaison with the Construction Industry Council (CIC) to keep track of the manpower situation. To enhance the supply of construction workers, the Administration had secured approval of the Finance Committee (FC) for a total funding of \$320 million in 2010 and 2012 to increase the training capacity of the CIC. The Administration would closely keep in view the manpower situation of the construction industry as reflected in manpower surveys and studies. To reduce the demand for construction workers of specific trades in public works projects, the Administration had encouraged contractors to adopt automation in the construction process. Contractors adopting automation in their projects would be given a higher score in tender assessment. Meanwhile, the DEVB would review and suitably adjust the works programmes of some public works projects which were not urgent.

6. With regard to the impact of the rising cost of labour on project costs, PS(W), DEVB explained that according to the data provided by the Census and Statistics Department, the rate of wage increase of general workers in the previous five years was about 30%. The wage increase constituted about 10% of the increase in project costs during the same period. Members noted that the overall tender prices had increased by 56% since 2009, with costs of labour and construction materials accounting for about 30% of the increase while the rest attributable to the rising management staff cost and cost associated with tenderers' risk assessment of the works. The Administration

agreed to furnish members with supplementary information in this respect.

7. Pointing out that the shortage of construction workers had led to escalation in project costs and project slippage, Mr IP Kwok-him asked if the Administration would suitably postponing the commencement of some public works projects in order to strike a balance between the provision of public facilities and the effective project implementation and cost control. Mr Christopher CHUNG suggested that the Administration should consider reprioritizing the public works projects and reducing the number of projects in the pipeline in order to relieve the immediate demand for construction workers.

8. PS(W), DEVB pointed out that the overall volume of construction works in both the public and private sectors in the upcoming one to two years would exceed that during the construction programme of the Chek Lap Kok airport. While many skilled construction workers had been trained up in the last decade, the Administration would take a multi-pronged approach to manage the demand for manpower in the construction industry. On monitoring of project costs, PS(W), DEVB advised that despite the cost overruns in a few projects, the approved project estimates of the some 40 public works projects implemented in the last year remained higher than the tender prices by 5% to 6%, meaning that the Administration was able to get hold of the price trend in the construction sector. He added that the Administration should be prudent in reprioritization of the public works projects as it would have a substantial impact on the delivery of the needed infrastructures and facilities.

9. Mr Christopher CHUNG pointed out that the costs of public works projects were usually higher than those of similar projects undertaken by the private sector and urged the Administration to conduct a review on the project costs. Mr Albert CHAN held a similar view, adding that the high project costs of Government projects might be due to the Administration's rigid requirements on the standards of design and cumbersome procedures. He also advised the Administration to adopt the "design-and-build" approach in public works projects more widely so as to leverage on private sector's creativity in design and strength in cost containment. PS(W), DEVB advised that the Administration had briefed members of PWSC regarding the methodology on the estimation of project costs in the briefing session conducted on 12 November 2013. While agreeing with Mr CHAN's view on enhancing the creativity in the design of public works projects, PS(W), DEVB said that the ultimate procurement mode to be selected would be subject to requirements of individual projects.

Concerns about individual projects

Item 8 - Integrated Basement for West Kowloon Cultural District

10. Mr Christopher CHUNG enquired if the proposed project on the integrated basement for West Kowloon Cultural District (WKCD) should be funded by the one-off upfront endowment of \$21.6 billion granted to the West Kowloon Cultural District Authority (WKCDA) for the implementation of the WKCD Project, and requested the Administration to provide the necessary documentary proof should the answer be negative. Mr MA Fung-kwok expressed a similar concern and enquired about the delineation of the undertakings between the Administration and the WKCDA in respect of the development of the integrated basement. Mr CHUNG and Mr MA also enquired about the estimated total project costs for the construction of the integrated basement.

11. Director of Civil Engineering and Development (DCED) responded that in principle, the Administration would undertake the works in relation to communal and government facilities and the related engineering works in WKCD while the WKCDA would be responsible for the delivery of arts and cultural and various other related facilities therein. The WKCDA had conducted a three-stage public engagement exercise from 2009 to 2011 to prepare a Development Plan (DP) for the WKCD and Foster + Partners' "City Park" conceptual plan was selected in March 2011 as the preferred option for developing into a DP. According to Foster + Partners' concept, the WKCD would feature a large waterfront park with traffic, parking and loading/unloading facilities put underground in an integrated basement to free up at-grade space for arts and cultural use and to create a pedestrian-friendly district for public enjoyment. As the integrated basement was an integral part of the DP for the WKCD as well as an essential design feature to meet the statutory minimum requirement for 23 hectares of public open space as specified in the South West Kowloon Outline Zoning Plan, the Government planned to fund the capital works of the integrated basement as general enabling works to facilitate the development of the whole WKCD project. He also said that the project costs of the integrated basement would only be available upon the completion of its detailed design, the funding application of which would be submitted to PWSC under the proposed submission. The Administration had planned to consult the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project under the Panel on Home Affairs and the Panel on Development regarding the details of the proposed project tentatively scheduled for April to May 2014.

12. Mr Christopher CHUNG requested that the proposed project be deleted from PWSCI (2013-2014)¹¹ in the light of its controversy. The Chairman advised that as PWSCI (2013-14)¹¹ was only an information paper providing a forecast of submissions for the 2013-2014 legislative session and members could express their views on the proposed project when it was submitted to the relevant Subcommittee of the LegCo for scrutiny, Mr CHUNG's request would not be dealt with at the meeting.

Item 12 - Redevelopment of Queen Mary Hospital (phase 1)

13. Noting that the proposed scope of works in phase 1 of the redevelopment project of Queen Mary Hospital (QMH) represented just a small part of the entire redevelopment project, Mr WONG Kwok-hing enquired about the overall planning of the redevelopment project and urged the Administration to speed up its progress. Chief Technical Adviser (Subvented Projects), Architectural Services Department advised that subject to the advice of Food and Health Bureau and Hospital Authority, the total costs of the entire QMH redevelopment project would be about \$8 to \$10 billion, and the part of the project proposed for upgrading to Category A under the proposed submission, which included the conversion of Senior Staff Quarters for temporary decanting of existing facilities and equipment in Clinical Pathology Building, University Pathology Building and Houseman Quarters in QMH at an estimated project costs of about \$1.5 billion, was only the preparatory works for the redevelopment project. He said that as QMH would be redeveloped in situ, the related works could only be carried out in phases to avoid service disruption.

Item 14 - Reprovisioning of Shanghai Street refuse collection point and street sleepers' services units to the site at Hau Cheung Street, Yau Ma Tei for the phase II development of the Yau Ma Tei Theatre project

14. Dr Fernando CHEUNG said that the Panel on Home Affairs did not support the Administration's proposal to co-locating the Shanghai Street refuse collection point ("RCP") and street sleepers' services units ("SSSU") at the same site at Hau Cheung Street upon their reprovisioning when the Panel was consulted on the project at its meeting on 15 April 2013. Dr CHEUNG asked whether the RCP and SSSU would be reprovisioned to separate sites in the Administration's revised proposal pursuant to the motion passed at the meeting. Director of Architectural Services (D Arch S) advised that in the light of the Panel members' views, the Administration had consulted relevant government departments about the feasibility of various options for the reprovisioning project. The Administration would consult the Panel again in December 2013 on the proposed works.

Item 18 - Strategic studies for artificial islands in the Central Waters

15. Mr WONG Kwok-hing expressed his support for the conduct of the proposed strategic studies for building artificial islands in the central waters between Hong Kong Island and Lantau for enhancing land supply and provision of a new fills reception site in Hong Kong. Mr WONG requested the Administration to expedite the project and to explore other alternative sites in parallel in the light of possible opposition to the proposed site in the central waters.

16. DCED responded that the Administration had reviewed the waters in Hong Kong and considered that the central waters were most suitable for constructing artificial islands as the impact on the marine ecology could be minimized. Constructing artificial islands in the eastern waters would not be advisable, having regard to the high ecological value in those parts of sea. For the western waters, the Administration had already identified a few near shore reclamation sites for further studies taking into account the major infrastructure projects under planning or construction. However, since the central waters had been provisioned with some port facilities such as anchorage areas and fairways, further studies and assessments would be required to evaluate and confirm the best locations for developing artificial islands. DCED assured members that the Administration would speed up the project as far as possible.

17. Pointing out that the proposal for enhancing land supply by building of artificial islands was rather controversial and public consensus on the proposal had not been reached yet, Mr Albert CHAN considered that the Administration had jumped the gun to implement this project by launching the proposed strategic studies. PS(W), DEVB responded that the Administration would proceed with further planning of the artificial islands project based on the outcomes of the strategic studies and the related technical assessments. The Chairman was of the view that the proposed strategic studies could provide useful information to facilitate further discussions on the Administration's proposal by the public.

Item 23 - Cross Bay Link, Tseung Kwan O

18. Mr Gary FAN said that according to the previous plan of the Administration released in 2010, the construction works of the Cross Bay Link at Tseung Kwan O (TKO) would commence in 2013 and complete in 2016. Mr FAN enquired about the reasons for the delay of the project and expressed his concern over the possible increase in project costs that might arise as a consequence. Pointing out that TKO residents had been suffering from serious traffic jams during rush hours, Mr FAN urged the

Administration to expedite the proposed project. DCED responded that the Administration noted the concern of TKO residents, and advised that the detailed design of TKO – Lam Tin Tunnel, which could effectively relieve the major traffic congestion issue between Lam Tin and TKO upon its completion, was already underway. For the Cross Bay Link project, the Administration was resolving more than 800 objections received when the proposed road scheme was gazetted under the Roads (Works, Use and Compensation) Ordinance. DCED added that the Administration would update the implementation schedule of the project from time to time in the light of changing circumstances. He assured members that the Administration would strive to speed up the project as far as practicable.

Item 29 - Renovation of Hong Kong Museum of Art

19. Mr MA Fung-kwok enquired about the service arrangements during the renovation of the Hong Kong Museum of Art. Pointing out that the Hong Kong Museum of Art, which being the only art museum in Kowloon, might need to close during the entire renovation period spanning for three years from the fourth quarter of 2014 to 2017 while the M+, a new museum in the WKCD, was targeted for completion in 2017-2018, Mr MA asked if the Administration would consider coordinating the implementation of the two projects to minimize the disruption to service. D Arch S advised that the Home Affairs Bureau would consult the Panel on Home Affairs on the proposed works and the related service arrangements in May 2014.

Item 31- Lei Yue Mun Waterfront Enhancement Project — development of a waterfront promenade and related improvement works and construction of a public landing facility

20. Ms Emily LAU said that the Lei Yue Mun Waterfront Enhancement Project (LYMWEP) had been dragged on for years and enquired about the reasons for its slow progress. Deputy Secretary for Development (Planning and Lands)1, DEVB (DS(P&L)1, DEVB) responded that the LYMWEP was a tourism related project under the purview of the Commerce and Economic Development Bureau (CEDB). DS(P&L)1, DEVB said that the project was in the course of consultation and he would help convey Ms Emily LAU's concern to the CEDB.

Item 43 - Southeast New Territories landfill extension

21. Mr Gary FAN expressed his intention to move a motion in accordance with paragraph 32A of the PWSC Procedure seeking to delete the Southeast New Territories (SENT) Landfill Extension project (5164DR) from PWSCI(2013-14)11, which was opposed by the Panel on Environmental

Affairs back in May 2013.

22. Mr Gary FAN considered it inappropriate that the Administration's now planned to consult the Panel on Environmental Affairs again and seek support from PWSC and FC on the proposal in early 2014 because the mitigation measures, which included the retrofitting of refuse collection vehicles and various environmental improvement measures in the vicinity of SENT landfill, had only been recently introduced by the Administration and their effectiveness remained to be seen. Mr FAN said that the Administration should re-submit the proposal only when the mitigation measures were proven to be effective. He advised that the Administration should concentrate its efforts in taking forward the Northeast New Territories and West New Territories landfill extension projects for the time being.

23. The Chairman advised that in accordance with paragraph 32A of PWSC Procedure, a member might move a motion without notice to express a view on an agenda item if the motion was considered by the Chairman as directly related to the agenda item and agreed by a majority of members that it should be proceeded forthwith during the deliberation of that item prior to the question on it being put to vote. Given that PWSCI (2013-2014)¹¹ was an information paper providing a forecast of submissions to the PWSC in the 2013-2014 legislative session on which no question was required to be put to vote and members would have ample opportunities to express their views on the SENT Landfill Extension project when it was submitted to the relevant Panel, PWSC and FC in the future, the Chairman suggested that Mr Gary FAN's motion would not be dealt with at the meeting. Mr Gary FAN agreed to the Chairman's suggestion.

Other concerns

24. Noting that projects in relation to the construction of public housing and welfare facilities were not on the proposed list of submissions to the PWSC for the 2013-14 legislative session, Ms Emily LAU enquired about whether and when these projects would be presented to relevant Panels. Ms LAU also urged the Administration to expedite the planning and implementation of housing and welfare facilities as the public had been in need of these facilities for a long time. DS(P&L)1, DEVB responded that although public rental housing projects under the purview of the Housing Authority were not on the proposed list of submissions, a number of projects relating to land supply, such as the development of the Anderson Road Quarry site (item 9) and the main engineering infrastructure in association with the proposed developments in Area 56, Tung Chung (item 13), would be put forward for the PWSC's consideration in this session. Principal Assistant Secretary (Treasury) (Works), FSTB (PAS(Tsy))(W), FSTB added

that projects in relation to the construction of welfare facilities would not be discussed at the PWSC meeting as they were funded by the Lotteries Fund. However, she would relay Ms Emily LAU's concern to the relevant policy bureau.

25. Mr TAM Yiu-chung noted that only one project relating to the provision of community facilities in the New Territories West was included in the proposed list of submissions in the information paper and urged the Administration to expedite the planning of these projects in the light of local residents' aspirations. Mr TAM also asked if community facilities would be accorded a lower priority in resources allocation exercise of the Government. PAS(Tsy)(W), FSTB responded that the Administration had all along accorded priority to enhancing the provision of community facilities in the Government's resources allocation exercise. Among the 38 non-major infrastructure projects planned to be submitted to PWSC in this legislative session, five of them were projects in relation to leisure and cultural facilities. In response to Mr TAM's enquiry on whether the proposed projects to be funded by the Universal Accessibility Programme (UAP) would be put forward to the PWSC separately, PAS(Tsy)(W), FSTB advised that projects under the UAP would be funded by block allocation Subhead 6016TX, funding of which would be sought in the context of Capital Works Reserve Fund (CWRF) block allocations. The funding application for block allocations would be discussed by PWSC in December 2013.

26. Pointing out that some noise barriers were retrofitted on highways along sections where there were no residential buildings nearby, Mr IP Kwok-him was of the view that such works had not only prevented highway users from enjoying an open vista along the highway but had also wasted resources. In this connection, Mr IP enquired about the criteria for retrofitting of noise barriers. Permanent Secretary for the Environment responded that the retrofitting of noise barriers would be based on the noise level generated by traffic flow, and the Administration had a set of stringent criteria and standards in this respect. The Administration would also consult relevant stakeholders, including local residents and District Councils concerned, on the design of the noise barriers.

27. Mr Albert CHAN commented that the concentration of tendering exercises for most of the planned public works projects in the third and fourth quarters of a year might push up tender prices. Mr CHAN suggested that the Administration should spread out the tendering exercises for public works projects evenly throughout the year. The Administration should also consider enhancing the use of environmentally-friendly building materials and design in public works projects in the light of the long-term savings and environmental benefits that could be achieved despite that a higher

construction cost might be incurred. The Administration took note of Mr CHAN's views.

**Head 708 – Capital Subventions and Major Systems and Equipment
PWSC(2013-14)26 83MM One-off grant to the Hospital Authority
for minor works projects**

28. The Chairman advised that the proposal was to make a one-off grant of \$13 billion to HA for carrying out minor works projects, including improvement works, regular maintenance and preparatory works for major capital works projects, subject to a financial ceiling of \$75 million for each individual item. The Panel on Health Services had been consulted on the proposal on 28 October 2013 and Panel members supported the proposal. The gist of Panel discussion was tabled at the meeting.

Justifications for the proposal

29. Dr Elizabeth QUAT enquired about the effectiveness of making the proposed one-off grant to HA on expediting the progress of hospitals' minor works projects and whether it would be more appropriate for HA to solicit the required funding by phases instead. Noting that the HA would invest the uncommitted funds of the one-off grant in low-risk investments, Dr QUAT asked about the investment track record of HA.

30. Secretary for Food and Health (SFH) advised that the annual planning of minor works projects had created substantive workload for HA staff. The proposed one-off grant arrangement would give HA more certainty of the funds available for a reasonably long period of time, thereby allowing HA and individual hospitals to plan for multi-stage improvement works involving decanting and renovation in phases, so as to accelerate progress of the improvement programmes.

31. As regards HA's investment track record, the Deputy Secretary (Health)1, Food and Health Bureau (DS(H)1, FHB) advised that in line with the investment strategy for the additional commitment of \$10 billion for the Samaritan Fund approved by the FC in 2012, the uncommitted funds of the one-off grant would be placed with the Hong Kong Monetary Authority (HKMA) to earn an investment return that was linked to the performance of the Hong Kong Exchange Fund (HKEF). Subject to further discussion with HKMA, the placement period would be six years and the rate of return on the investments would be calculated on the basis of the average annual investment return of the HKEF's investment portfolio for the placement period.

32. In response to Dr QUAT's further enquiry on whether there were any precedents for the Administration's allocation of one-off grants to statutory bodies for specific purposes, PAS(Tsy)(W), FSTB advised that the Administration had sought FC's approval in 2008 for providing a one-off upfront endowment of \$21.6 billion to the WKCDA for the implementation of the WKCD Project.

33. Expressing concern about the anticipated increase in construction cost, Ms Cyd HO enquired if the Administration would put in place any mechanism to seek additional allocation for the proposed minor works programme due to higher-than-expected increase in project cost. SFH advised that in drawing up the funding requirement, the Administration had taken into account the average amount of allocation for HA's minor works projects in the past few years, which was about \$600 million to \$700 million per year. The proposed one-off grant was expected to be able to support the minor works of HA for about 10 years unless there was unusual escalation of construction cost.

Monitoring mechanisms

34. Dr Helena WONG indicated that members belonging to the Democratic Party would support the funding proposal. However, Dr WONG was concerned whether the Administration would keep the relevant LegCo Panel posted of the financial position of the one-off grant and the implementation progress of the minor works projects funded by the grant. Ms Emily LAU expressed a similar concern.

35. SFH advised that to ensure transparency and accountability on the use of the proposed one-off grant, the use of fund under the proposed one-off grant would be monitored by LegCo and FHB. Apart from depositing with LegCo Secretariat annually a full list of all the items proposed to be funded by the one-off grant in the following financial year, the HA would also submit to the Panel on Health Services and PWSC the annual report on the key minor works projects implemented and the annual audit financial statement on the use of the one-off grant.

36. Miss CHAN Yuen-han suggested that in order to enhance the transparency of HA's decision-making process, the Administration should provide in the relevant documents submitted to the Panel on Health Services in the future justifications for projects included in the minor works programme funded by the one-off grant as well as those that had long been requested by the public but were finally rejected by HA. SFH responded that in view of the large number of minor works projects involved, it might

not be feasible for HA to consult the public on every single project and provide justifications for every decision made. Nevertheless, SFH assured members that HA would duly consult stakeholders in the community, such as the District Councils concerned, on projects which might have significant impact on service delivery.

37. Mr LEUNG Che-cheung declared that he was a member of the Pok Oi Hospital Governing Committee. Indicating that he had no objection to the proposed one-off grant allocation to HA in principle, Mr LEUNG enquired about the justifications for setting the financial ceiling of HA's minor works projects at \$75 million for each individual item.

38. PAS(Tsy)(W), FSTB responded that FC's approval would have to be sought for the establishment of block allocations under the Capital Works Reserve Fund (CWRF) on various types of public works projects, their ambits and financial limits. At present, a majority of block allocations under the CWRF were subject to a financial ceiling of \$30 million in spending on each item. The items under Subhead 6101TX for UAP were subject to a financial ceiling of \$75 million each having regard to the scale and complexity of the works to be funded under that Subhead. The proposed \$75 million financial ceiling for each minor works project of HA to be funded under the proposed one-off grant was in line with the arrangement for the implementation of UAP under the block allocation Subhead 6101TX.

Projects coordination and management

39. Dr Helena WONG expressed her worry that HA's staff could not monitor the quality of works effectively due to heavy workload arising from the implementation of these projects should there be no coordination on their implementation priority. Dr CHIANG Lai-wan expressed a similar concern. Pointing out that shortage in construction workers might lead to slippage of projects and increase in project cost, Dr CHIANG urged the Administration to closely monitor the implementation of works and control the project cost.

40. SFH responded that the provision of a one-off grant would give HA more certainty of funds available for a reasonably long period of time and enable the HA and individual hospitals to make longer term planning on the minor works which would be conducive to the effective control of project cost.

41. In response to the Dr Helena WONG's enquiry on how individual hospitals could secure resources for addition of manpower to cope with the increase in hospital beds under the minor works programme, SFH advised that the resources for additional recurrent provision for staffing could be

made available through internal redeployment of resources within the hospital concerned, internal resources allocation of the HA and reallocation of resources within the FHB.

42. Mr Albert CHAN expressed grave concern over the surging project costs of public works projects and the shortage in construction workers. Pointing out that the shortage of manpower in the construction industry would be further aggravated in three to five years' time due to the launch of large scale housing construction programmes by the Government and the building maintenance programmes in the private sector for the large number of buildings constructed in 1990s, Mr CHAN urged the Administration to set up a working group comprising representatives from the Labour and Welfare Bureau and the Development Bureau under the Chief Secretary for Administration to study the issue. PS(W), DEVB responded that a forecast on the number of construction projects in the upcoming three years was available at the website of the Construction Industry Council. The said information could serve as a basis for the Government's estimation on the manpower requirements in the construction industry in the next few years.

43. Dr Elizabeth QUAT also queried if sufficient workers could be hired to fill the 16 420 labourer posts expected to be created by the proposed one-off grant in the light of labour shortage in the construction industry. Chief Manager (Capital Planning), HA (CM(CP), HA) responded that there should not be great recruitment difficulties of non-skilled workers for these labourer posts.

44. Dr CHIANG Lai-wan requested that a visit be arranged for members to enhance their understanding on the proposed minor works programme under HA. SFH advised that depending on the interest of members, the Administration would follow up with the Secretariat of the Panel on Health Services on the related arrangements.

Expansion of hospital services and the development of tertiary health services

45. Pointing out the difficulty of the service enhancements brought about by the proposed minor works projects in coping with the increasing demand for hospital services, Ms Emily LAU urged the Administration to plan ahead for the establishment of new hospitals as early as possible given very long period of time involved in these projects. SFH responded that the Administration was mindful of the new demands for hospital services over the years. In planning for the development of new hospitals and the redevelopment or expansion of existing hospitals, the Administration would take into account the future demographic changes in different districts, the demand for healthcare services, the overall provision of healthcare services

including service load and case complexity in the various clusters under HA. Based on the identified service needs in the respective geographical districts, HA had been planning a number of hospital projects with a view to boosting its inpatient capacity, enhancing service quality, and renewing its building facilities. The Administration had briefed the Panel on Health Services on the overview of the redevelopment and expansion plans of public hospitals in July 2013 and would update the Panel periodically.

46. Noting that some minor works projects were proposed to enhance the provision of specialized health services in individual hospitals, Mr WU Chi-wai sought information on HA's overall strategy in respect of the development of tertiary and specialized health services. SFH advised that at present, a comprehensive range of primary and secondary services were being provided in all hospital clusters, including 24-hour accident and emergency care, in-patient service supported by different specialties, day services, outpatient services and rehabilitation and community services. He said that provision of tertiary and highly specialized services such as organ transplants, open heart surgery, severe burns, clinical oncology that had relatively small number of caseloads and required some state-of-the-art technologies, equipment and comprehensive supporting facilities for delivery, were provided by tertiary services centres at designated hospitals. The purpose of such an arrangement was to achieve cost-effectiveness by concentrating advanced equipment and technology, and to ensure the quality of services by pooling together the experience and expertise of health care professionals. The HA had set up dedicated committees to coordinate the provision and development of tertiary and specialized health services, and the related plans would be presented to the Panel on Health Services as and when appropriate.

Heritage conservation, greening and provision of cultural facilities

47. Noting that over 56% of the buildings under HA's management were completed more than 30 years ago while some were even over 85 years, Ms Cyd HO enquired if the HA would conduct an assessment of the cost effectiveness on the maintenance of these old buildings. She opined that HA should request the Administration to provide alternative sites for relocation of the concerned medical facilities should the maintenance of these buildings be considered not cost-effective. SFH responded that the HA did counter some difficulties arising from the preservation of a heritage building in the redevelopment of Kwong Wah Hospital. CM(CP), HA added that some buildings under HA's management were graded historic buildings. The HA would fully comply with the relevant requirements of the Antiquities and Monuments Office when implementing minor works projects in these buildings.

48. Mr Albert CHAN suggested that the Administration should make reference to overseas practice of designating a percentage of the project cost for the provision of cultural facilities, such as the display of local artists' work to promote local cultural development, and green areas in Government's projects in the future. The Administration took note of Mr CHAN's suggestion.

Concerns on projects of individual clusters

New Territories West Cluster

49. Pointing out that the facilities of Tuen Mun Hospital (TMH) were not up to standard, Mr Albert CHAN asked if resources would be set aside under the proposed one-off grant to bring the standards of TMH's facilities up to the prevailing standards. Mr TAM Yiu-chung and Miss Alice MAK also expressed grave concern over the inadequate provision of operating theatres (OTs) in TMH. Mr TAM further enquired if improvement works in relation to the drainage facilities of TMH would be carried out under the minor works programme of the hospital.

50. SFH responded that the Administration was fully aware of the need to enhance the facilities of TMH in view of the heavy demand and high unitization rate of its services. In this connection, a number of projects had been proposed under the minor works programme to improve the facilities of TMH. The FHB was also supportive towards the proposal for addition of OTs in TMH. A feasibility study on the provision of additional OTs in TMH was being carried out and it was targeted for completion in mid-2014. While the cost of this project would exceed the financial ceiling of \$75 million under the minor works programme funded by the proposed one-off grant, it would be dealt with separately by HA. On improvement to the drainage system of TMH, CM(CP), HA advised that the project was under planning and the related works would be implemented upon securing the LegCo's approval for the proposed one-off grant.

51. In response to Mr TAM's further enquiry on whether the proposed expansion of Cardiac Catheterization Laboratory in Special Block of TMH could help enhance the provision of direct cardiac catheterization services to patients, SFH replied in the affirmative and clarified that the Cardiac Catheterization Laboratory was a service unit providing direct services to patients.

Kowloon West Cluster

52. Ms Cyd HO expressed concern on the proposed project for the construction of the lift tower at the Princess Margaret Hospital (PMH) to facilitate patients' access to the hospital. She said that no Government department was willing to take up the project while HA claimed that the project site was outside PMH's precincts. Ms HO enquired about the progress of the project. CM(CP),HA responded that the project site had been revised and it was now entirely located within the PMH's precincts. He said that funding had been secured from the Hong Kong Jockey Club Charities Trust for the construction of the lift tower and the HA was progressing with the project.

53. Miss Alice MAK urged the Administration to expedite the proposed improvement works for aseptic dispensing service at PMH to shorten outpatients' waiting time for drug dispensing. SFH clarified that the aseptic dispensing service was not for normal drug dispensing but was a dedicated service providing aseptically prepared doses for specific clinical treatments, such as chemotherapy. In response to Miss Alice MAK's enquiry, SFH explained that the absence of Kwai Chung Hospital's (KCH) minor works projects in the proposed project list was due to the allocation of \$45.1 million approved by FC earlier on for carrying out emergency repairs and renovation of in-patients wards in KCH. The planning for redeveloping the hospital was in progress.

54. Miss Alice MAK and Mr TANG Ka-piu requested the Administration to consider constructing a cover for the pedestrian walkway connecting On Tung Street/Chui Kwan Drive and the North Lantau Hospital (NLH) in Tung Chung to provide convenience for patients commuting to NLH. SFH responded that FHB was positive to the proposal and would actively explore for its inclusion in the minor works project list to be funded by the proposed one-off grant, having regard to technical feasibility and site availability.

Kowloon Central Cluster

55. Miss Alice MAK enquired whether improvement works would be carried out to enhance the hospice service of the Hong Kong Buddhist Hospital (HKBH). SFH responded that improvement works to enhance the hospice service of HKBH would be incorporated in the major refurbishment programme of the hospital which was currently under planning.

Hong Kong East Cluster

56. Mr WONG Kwok-hing enquired about the implementation timetable for the relocation and expansion of Wan Tsui General Out-patient Clinic (WTGOPC) in Chai Wan and the development plan of the site adjacent to Siu Sai Wan Complex which had been allocated to HA for provision of public health services. Pointing out that the WTGOPC could only provide 70 service quotas per day due to site constraints, Mr WONG urged the HA to expedite the relocation and expansion of WTGOPC in the light of huge public demand for out-patient service in the district. Mr WONG also expressed his disappointment that the proposed minor works programme did not include any projects of Chinese medicines (CM) out-patients clinics. He urged the Administration to step up its efforts on promoting the development of CM services.

57. SFH advised that FHB was supportive towards the relocation and expansion of WTGOPC. CM(CP),HA added that a site in Wan Tsui Estate, currently a skating rink under the management of the Housing Authority, had been identified for the relocation of WTGOPC. HA had been liaising with the Housing Authority regarding the transfer of the site to HA. SFH said that HA would deal with the project for the development of the site adjacent to Siu Sai Wan Complex separately as its scale would likely be outside the ambit of minor works projects. On development of CM services, SFH advised that since the Executive Council had approved an allocation in 2003 for the establishment of 18 public Chinese medicine clinics (CMCs) in the territory by phases, 17 CMCs had been set up and the remaining one was expected to commence operation in 2014. The Chinese Medicine Development Committee (CMDC) had also been set up to give recommendations to the Government concerning the direction and long-term strategy of the future development of CM services in Hong Kong. The Administration would take forward the development plans of CM services based on the recommendations of CMDC.

58. At 10:20 am, the Chairman extended the meeting by 15 minutes from 10:30 am to 10:45 am to allow sufficient time for discussion.

Other concerns

59. Noting that a number of minor works projects were proposed to be carried out in some hospitals, namely Yan Chai Hospital, United Christian Hospital, Pok Oi Hospital and Caritas Medical Centre where major renovation or redevelopment works had just been completed, Miss Alice MAK urged HA to enhance coordination of project implementation to

mitigate the impact of the works on patients. CM(CP),HA assured members that implementation of the proposed minor works would not affect normal service delivery.

Admin

60. Mr TANG Ka-piu expressed concern over the problem encountered by medical institutions in Cheung Chau in the transmission of X-ray films to public hospitals in other areas due to inadequate provision of high-speed broadband service in Cheung Chau. He also requested the Administration to consider the feasibility of installing a passenger lift at Choi Yuen Shopping Centre to provide a barrier-free route for patients commuting between Sheung Shui MTR Station and the North District Hospital. The Administration undertook to look into the issues and provide a written response to address Mr TANG's concerns after the meeting. Mr Charles MOK informed members that HA had been making progress in tackling the problem of transmission of X-ray films.

61. The item was voted on and endorsed.

Any other business

62. There being no other business, the meeting ended at 10:35 am.