

**立法會**  
**Legislative Council**

LC Paper No. FC175/20-21  
(These minutes have been  
seen by the Administration)

Ref : FC/1/1(14)

**Finance Committee of the Legislative Council**

**Minutes of the 14<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 29 January 2021, from 2:48 pm to 3:39 pm**

**Members present:**

Hon CHAN Kin-por, GBS, JP (Chairman)  
Hon CHAN Chun-ying, JP (Deputy Chairman)  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon YIU Si-wing, BBS  
Hon MA Fung-kwok, GBS, JP  
Hon CHAN Han-pan, BBS, JP  
Hon LEUNG Che-cheung, SBS, MH, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Hon KWOK Wai-keung, JP  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, GBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, SBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Hon CHUNG Kwok-pan  
Hon Jimmy NG Wing-ka, BBS, JP  
Dr Hon Junius HO Kwan-yiu, JP  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai, JP  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan, JP  
Dr Hon Pierre CHAN  
Hon LUK Chung-hung, JP  
Hon LAU Kwok-fan, MH  
Hon Kenneth LAU Ip-keung, BBS, MH, JP  
Dr Hon CHENG Chung-tai  
Hon Vincent CHENG Wing-shun, MH, JP  
Hon Tony TSE Wai-chuen, BBS, JP

**Members absent:**

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon CHEUNG Kwok-kwan, JP

**Public officers attending:**

Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>1</sup>
Miss CHAN Cheuk Yin, Jennie	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Dr CHUI Tak-yi	Under Secretary for Food and Health
Ms Maisie HO Mei-chi	Principal Assistant Secretary for Food and Health (Health) <sup>5</sup>
Dr Cissy CHOI Yu-sze	Head (Primary Healthcare Office), Food and Health Bureau
Mr IP Ching-wan	Chief Architect (Central Management Division 2), Architectural Services Department
Mr Calvin CHAN Tsun-kit	Architect (8)(Central Management Division 2), Architectural Services Department

**Clerk in attendance:**

Ms Anita SIT

Assistant Secretary General 1

**Staff in attendance:**

Miss Bowie LAM

Council Secretary (1)1

Mr Frankie WOO

Senior Legislative Assistant (1)3

Miss Yannes HO

Legislative Assistant (1)7

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Action

The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

2. Regarding the recommendations made by the Public Works Subcommittee ("PWSC") to be discussed at today's meeting, the Chairman declared that he was a Director and the Chief Executive Officer of Well Link Insurance Group Holdings Limited. He was also a Director of Well Link General Insurance Company Limited and Well Link Life Insurance Company Limited, both under the Well Link Insurance Group.

**Item 1 — FCR(2020-21)84**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 6 JANUARY 2021**

**PWSC(2020-21)22**

**HEAD 704 — DRAINAGE**

**Civil Engineering— Drainage and erosion protection**

**172CD — Rehabilitation of underground stormwater drains**

3. The Chairman advised that this item sought the approval of the Finance Committee ("FC") for the recommendation of PWSC made at its meeting on 6 January 2021, i.e. the recommendation in PWSC(2020-21)22 regarding the upgrading of 172CD, entitled "Rehabilitation of underground stormwater drains - remaining works", to Category A at an estimated cost of \$702.7 million in money-of-the-day ("MOD") prices. No member had requested that the recommendation be voted on separately at the FC meeting.

Voting on FCR(2020-21)84

4. At 2:49 pm, the Chairman put item FCR(2020-21)84 to vote. The Chairman declared that the majority of the members present and voting were in favour of the item. The item was approved.

**Item 2 — FCR(2020-21)85**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 6 JANUARY 2021**

**PWSC(2020-21)21**

**HEAD 703 — BUILDINGS**

**Health — Clinics**

**76MC — Development of a District Health Centre at Caroline Hill  
Road Site**

5. The Chairman advised that this item sought the approval of FC for the recommendation of PWSC made at its meeting on 6 January 2021, i.e. the recommendation in PWSC(2020-21)21 regarding the upgrading of 76MC to Category A at an estimated cost of \$168.0 million in MOD prices for the development of a District Health Centre at a site in Caroline Hill Road ("Wan Chai District Health Centre)("WCDHC"). PWSC had spent about 37 minutes on scrutinizing the above proposal.

Project estimates

6. Mr Martin LIAO referred to paragraphs 5, 12 and 14 of PWSC(2020-21)21 in which the Government advised that it would require the successful developer-tenderer ("the Purchaser") of the site in Caroline Hill Road ("the Site") to provide WCDHC at the lower floor of the planned commercial development for the Site in accordance with the Land Sale Conditions and the Technical Schedule to be appended therein. The Purchaser was required to design and construct, as well as provide the fitting-out and finishing works for the facilities. Upon completion of the works, WCDHC would be handed over to the Government as a government property. The Government would reimburse the Purchaser the actual cost of construction of the facilities, subject to a pre-determined financial ceiling established with reference to the design and construction costs of the facilities as if they were to be designed and constructed by the Government; and would estimate the on-cost payable to the Purchaser (which covered the Purchaser's on-cost for design and construction supervision) based on the average on-costs of similar outsourced projects of other government departments. Mr LIAO enquired that, as the Site was

situated at a prime location with a high land value, whether it was appropriate for the Government to estimate the project cost according to the above criteria, and how the Government would deal with any cost overruns.

7. Mr YIU Si-wing noted that the current estimate of the proposed project (i.e. \$168.0 million) was 4% lower than that listed earlier in the paper for the Panel on Health Services (LC Paper No. CB(2)191/20-21(03)) (i.e. \$175.0 million). Mr YIU enquired how the Government came up with the estimate which was 4% lower than before, and whether the inflation factor had been taken into account. He also requested the Government to specify which expenditure items set out in the breakdown in paragraph 14 of PWSC(2020-21)21 would be borne by the Purchaser.

8. Mr KWOK Wai-keung, Mr LEUNG Che-cheung, Dr CHENG Chung-tai and Ir Dr LO Wai-kwok expressed support for the construction of WCDHC to enhance district-based primary healthcare services with an emphasis on disease prevention, which would reduce the need for specialist services and hospitalization due to population ageing. Mr LEUNG noted that the estimated construction unit cost of WCDHC, represented by the building and building services costs, was \$38,499 per sq m of construction floor area ("CFA"). He considered the cost rather high, and enquired how the authorities calculated the project cost and unit cost. Mr KWOK, Mr LEUNG, Mr Holden CHOW and Dr Pierre CHAN expressed concern that, as WCDHC would be established under the planned commercial development and the Purchaser would be responsible for the design and construction, such public-private partnership model might lead to problems in the daily operation, responsibility for maintenance and repair, or ownership. For example, how the Government would deal with any water leakage from other floors of the planned commercial development that would affect the operation of WCDHC. Moreover, if the Purchaser opted for more expensive construction materials of higher quality, this would inflate the repair and maintenance costs in the future.

9. Chief Architect (Central Management Division 2), Architectural Services Department ("CA/CMD2, ArchSD") advised that the Government would require the Purchaser to provide WCDHC at the lower floor of the planned commercial development in accordance with the Land Sale Conditions and the Technical Schedule to be appended therein; the relevant building plan was subject to approval; and the land lease and relevant plans would also clearly set out the boundary of WCDHC and the responsibility for maintenance and repair. CA/CMD2, ArchSD stressed that the Purchaser would only be responsible for the design, construction, fitting-out and finishing works of WCDHC, i.e. works involved in the 6 estimate items (a) to (f) (including "foundation", "building", "building

services", "drainage", "additional energy conservation, green and recycled features" and "on-cost payable to the Purchaser") set out in paragraph 14 of PWSC(2020-21)21; and "furniture and equipment" (estimate item (g)) would be separately procured and settled by the Government. Furthermore, the item "contingencies" (estimate item (h)) was merely a provision to be drawn down by the Government only when necessary. Excluding "furniture and equipment" and "contingencies", the construction cost ceiling would be incorporated in the Land Sale Conditions, and therefore there would not be cost overruns; any additional costs beyond the ceiling would be borne by the Purchaser. Upon completion of the works, the Purchaser had to submit a written statement report certified by an Authorized Person. The Government would then review the report in accordance with the established mechanism (including whether the works were in compliance with the approved building plans) before reimbursing the Purchaser the actual cost of construction on an accountable basis.

10. CA/CMD2, ArchSD explained that the project estimate of WCDHC was 4% lower than the earlier estimate mainly because of the reduction in furniture and equipment costs. As the estimate was calculated in MOD prices, the impact of inflation on the cost was already taken into account. As for the construction unit cost of \$38,499 per sq m, it was estimated with reference to the costs of similar government projects. The Government considered the cost comparable to that of similar projects. In response to Mr LEUNG Che-cheung's enquiry, CA/CMD2, ArchSD advised that the cost for disposal of construction waste generated by the project concerned (about \$0.6 million) was calculated based on the CFA of WCDHC and the charges stipulated in the Waste Disposal (Charges for Disposal of Construction Waste) Regulation (Cap. 354N), etc. The said cost did not involve other floor area of the planned commercial development.

11. Mr YIU Si-wing said that the Purchaser was responsible for the design and construction of WCDHC according to the Government's specifications. He enquired whether the Administration had assessed if and how this requirement would affect the land price concerned. The Administration agreed to provide a written response after the meeting.

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12. Dr Pierre CHAN believed that, as it was one of the requirements in the Land Sale Conditions that the Purchaser would be responsible for the design and construction of WCDHC, the construction cost (especially foundation cost) should be reflected in the land price. Coupled with the fact that the Government did not invite any public tender for the project, he enquired why the Government should bear the cost of construction.

13. In response, Permanent Secretary for Financial Services and the Treasury (Treasury) advised that in addition to the basic model in which the Government would directly design and construct public facilities by itself and bear the relevant costs, depending on whether the sites and the time were compatible with the projects concerned, the Government might also adopt other models to provide such facilities, including requiring the Purchaser to design and construct facilities in the land sale conditions with the cost borne by the Purchaser. The financial implications would be reflected in the bid price of the site. In addition, the Government could also require the Purchaser to design and construct facilities within a specified estimate ceiling in the land sale conditions, and the cost would be borne by the Government. As the Government had more specific requirements for the specifications of WCDHC, the latter model was adopted. She also pointed out that as the Government had specified in the land sale tendering document that the Purchaser was required to design and construct WCDHC according to designated specifications, developers would consider their own tender prices in light of the requirement. Therefore, adopting this model would not have implications to market competition. She also clarified that the foundation cost mentioned in the discussion paper referred to the additional foundation cost incurred by the Purchaser for the construction of WCDHC under the planned commercial development.

14. Ir Dr LO Wai-kwok was of the view that even the Purchaser was to pay for the cost of construction, the cost would be passed on to the tender price of land sale, thus reducing the revenue from the sale of land. Hence, there would not be much different from having the construction cost directly covered by the Government. He also considered it a show of the Government's commitment in implementing the project and its sense of responsibility as the Government opted to specify in the tendering document the requirement for the Purchaser to design and construct WCDHC according to designated specifications with the construction cost borne by the Government.

#### Location of the Wan Chai District Health Centre

15. Dr CHENG Chung-tai opined that the location of WCDHC was not right, because the site in Caroline Hill Road would be used for commercial development in the future. Upon completion of the project, the traffic in the vicinity would become busier. It was rather inconvenient for WCDHC users (especially the elderly and persons with mobility disabilities) and the vehicles carrying them to travel to and from the centre, and it might also further aggravate the traffic congestion in the district.

He also questioned the decision to set up a health centre in a commercial district (instead of a larger housing estate) for the provision of primary healthcare services, as the lack of clear policy objectives and service targets might lead to resource mismatch.

16. Ir Dr LO Wai-kwok observed that, owing to the lack of land in Wan Chai, quite a number of members of the community believed that the site in Caroline Hill Road should not only be used for commercial development, but also for providing public facilities needed in the district to achieve the principle of "single site, multiple uses", as well as various policy objectives. Therefore, the Government's proposal for setting up a health centre in the district was in line with public opinion. The Government should seize the opportunity to properly implement the WCDHC.

17. Under Secretary for Food and Health ("USFH") advised that it was a huge challenge to identify locations in developed areas for setting up district health centres ("DHCs"). If a suitable permanent site could not be found in certain areas, the Government would first set up DHCs by renting suitable premises in various districts. USFH advised that population distribution varied among districts. It was infeasible to rely solely on one DHC to cover all primary healthcare services in a district. A network of DHCs and other healthcare facilities was more important for the provision of adequate and comprehensive healthcare services for communities.

#### Setting up DHCs in 18 districts

18. Mr KWOK Wai-keung noted that DHCs in 3 districts (namely Kwai Tsing, Sham Shui Po and Wong Tai Sin) had commenced service at the moment, while DHCs in 4 districts (i.e. Tsuen Wan, Yuen Long, Tuen Mun and Southern District) were expected to be established within the current term of the Government. Mr KWOK enquired about the Government's plan and progress of implementing DHCs in the remaining 11 districts (especially the Eastern DHC).

19. USFH advised that the Government's aim was to extend the services provided by DHCs to all 18 districts.□□In addition to the planned establishment or expected establishment of DHCs in 7 districts within the term of the current Government, the Government would first establish interim "DHC Expresses" in the remaining 11 districts to provide health promotion, consultation and chronic disease care services for residents in the districts. After identifying suitable sites or premises, the DHC Expresses would gradually be converted to DHCs. USFH added that the Government communicated with the Eastern District Council on the



establishment of a DHC in the district in November 2018 and the proposed health centre and social welfare facilities building in Siu Sai Wan was identified as the preliminary site. Principal Assistant Secretary for Food and Health (Health)5 advised that the Government was now preparing the funding application for the Eastern DHC project, which was expected to be completed in 2024.

20. Mr Holden CHOW enquired whether the Government would consider expanding the scope of the disease screening services of DHCs to cover some common cancers. USFH advised that currently the Government would implement/provide screening programmes or cancer check-up services for some cancers on the basis of recommendations of the Cancer Expert Working Group on Cancer Prevention and Screening of the Cancer Coordinating Committee. He pointed out that certain kinds of cancer screening were not suitable to be conducted in DHCs. However, DHCs could complement the Government's cancer screening programmes and provide the public with basic health risk assessment. For members of the public who were eligible for the Government's relevant cancer screening programmes, DHCs could offer professional advice, co-ordination and referral to doctors enrolled under respective screening programmes for screening, so that they could receive necessary treatment early. At the same time, DHCs would carry out preventive health promotion and public education on risk factors associated with cancers.

Voting on FCR(2020-21)85

21. At 3:33 pm, the Chairman put item FCR(2020-21)85 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 26 members voted in favour of and one member voted against the item. No member abstained from voting. The votes of individual members were as follows:

*For:*

Mr Abraham SHEK Lai-him	Mr Tommy CHEUNG Yu-yan
Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Mr WONG Kwok-kin	Mrs Regina IP LAU Suk-ye
Mr Michael TIEN Puk-sun	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr MA Fung-kwok
Mr CHAN Han-pan	Ms Alice MAK Mei-kuen
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Ms Elizabeth QUAT	Mr POON Siu-ping
Mr Dr LO Wai-kwok	Mr CHUNG Kwok-pan
Mr SHIU Ka-fai	Mr Wilson OR Chong-shing
Ms YUNG Hoi-yan	Mr CHAN Chun-ying

Mr LUK Chung-hung                      Mr Kenneth LAU Ip-keung  
Mr Vincent CHENG                      Mr Tony TSE Wai-chuen  
Wing-shun  
(26 members)

*Against:*  
Dr CHENG Chung-tai  
(1 member)

22. The Chairman declared that the item was approved.
23. The meeting ended at 3:39 pm.

Legislative Council Secretariat  
15 June 2021