

立法會 *Legislative Council*

LC Paper No. CB(1)417/01-02
(These minutes have been seen
by the Administration and
cleared with the Chairman)

Ref : CB1/PS/2/00

Legislative Council Panel on Transport

Subcommittee on matters relating to the implementation of railway development projects

Minutes of Meeting held on Tuesday, 10 July 2001, at 9:00 am in Conference Room A of the Legislative Council Building

Members present : Hon Mrs Miriam LAU Kin-yee, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, JP
Hon CHAN Kwok-keung
Hon LAU Chin-shek, JP
Hon Andrew CHENG Kar-foo
Hon Abraham SHEK Lai-him, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip

**Non-Subcommittee
member attending** : Hon Emily LAU Wai-hing, JP

Members absent : Hon LAU Kong-wah
Hon WONG Sing-chi
Hon LAU Ping-cheung

**Public officers
attending** : **Agenda item I**

Transport Bureau

Mr M L WAN
Principal Assistant Secretary (7)

Agenda item II

Transport Bureau

Mr William SHIU
Principal Assistant Secretary (4)

Highways Department

Mr L T MA
Government Engineer (Railway Development)

Attendance by invitation : Kowloon-Canton Railway Corporation

Mr YEUNG Kai-yin
Chairman and Chief Executive

Mr James BLAKE
Senior Director, Capital Projects

Mr Ian THOMS
Director of West Rail

Mr C N FUNG
Project Manager (South), West Rail

Mrs Irene YAU
General Manager, Corporate Affairs

Mr C K YEUNG
Senior Public Affairs Manager, West Rail

Clerk in attendance : Mr Andy LAU
Chief Assistant Secretary (1)2

Staff in attendance : Ms Alice AU
Senior Assistant Secretary (1)5

I Confirmation of minutes and matters arising

(LC Paper No. CB(1)1453/00-01 - Minutes of meeting held on 8 March 2001;

LC Paper No. CB(1)1716/00-01(01) - Extract of minutes of meeting between LegCo Members and Kowloon City District Council on 12 April 2001; and

LC Paper No. CB(1)1555/00-01(01) - Development of railway projects in Kowloon City District)

The minutes of the meeting held on 8 March 2001 were confirmed.

Matters arising

Bidding programme of the Shatin to Central Link (SCL)

2. The Chairman said that at the last meeting held on 8 March 2001, members agreed that the Administration should be requested to consult the Subcommittee before a decision was made by the Executive Council on which railway corporation should be granted with the development right for the SCL project. She said that the present meeting was not scheduled for discussion of the SCL project but in order to enable members to understand the latest development of the SCL project, she had invited the Administration to brief members on the subject matter.

3. Principal Assistant Secretary for Transport (7) (PAS for T (7)) advised that the SCL would be a through running line between Tai Wai and the Central Business District of Hong Kong Island. It effectively comprised three elements, namely the Tai Wai to Diamond Hill Link, the East Kowloon Line (EKL) and the Fourth Rail Harbour Crossing. The Government had invited interested Corporations to submit proposals for the SCL based upon a design, construct, operate and finance arrangement for the Conforming Scheme. The Conforming Scheme alignment and configuration adopted the Exhibition/Admiralty option of the Railway Development Strategy 2000. The deadline for submission was 20 July 2001. The Administration expected the choice of operator for the SCL could be made by the end of this year.

4. PAS for T (7) advised that the whole assessment and comparison process would be carried out in strict confidence. Government would need to maintain the confidentiality of information provided to it by the Corporations in their Proposals. To ensure a level playing field, Government would decide on the SCL operator based on a like-for-like comparison of Conforming Proposals. The bidders might also submit Non-Conforming Proposals. Non-Conforming Proposals would not be considered before the assessment of the Conforming Proposals had been completed. After the selection of the Corporation to be awarded the SCL project, Government would conduct proper consultation to finalize the routing and stations of SCL.

Action

5. Mr LAU Chin-shek enquired about the Government's stance towards the proposed extension of SCL to Ho Man Tin, Oi Man and Whampoa areas. PAS for T (7) briefed members further on what constituted a Conforming Proposal. As far as the EKL was concerned, it comprised a running line, with stations at Diamond Hill, Kai Tai, To Kwa Wan, Ma Tau Wai, either Ho Man Tin or Gillies Avenue and Hung Hom. The proposed link to Whampoa would therefore be considered as a Non-Conforming Proposal. Mr LAU Chin-shek opined that the Administration should have a stance on the proposed extension to Whampoa rather than leaving it entirely to the selected Corporation for SCL. It should also conduct consultation at this stage rather than to wait until the selection of the Corporation to be awarded the SCL project was completed.

6. Members urged the Administration to shorten the assessment time for selection of the Corporation to be awarded the SCL project. PAS for T (7) advised that the Administration would make every effort to speed up the processes. He pointed out that the assessment time required for KCR Tsim Sha Tsui Extension, MTR Tseung Kwan O Extension and KCR West Rail were 4 months, 8 months and 12 months respectively. As such, the proposed timeframe for SCL was not long.

7. On the assessment criteria, Mr Abraham SHEK opined that due consideration should be given to the proposed fare strategy of the respective Corporations. PAS for T(7) replied that Government would take into account a number of factors in its assessment including the extent to which the Corporations required Government funding support and the land requirement for the Proposals as well as the fare basis and level, etc.

8. Mr Abraham SHEK remarked that Government should avoid granting property development rights above railway stations and depots to the selected Corporation to support the financial viability of the project. Rather, Government should subsidize the SCL in the form of equity contribution, if considered necessary. PAS for T (7) took note of the member's view. The Chairman also remarked that the subject matter fell outside the scope of the present discussion and asked Mr SHEK to follow up the matter at other forum.

9. Concluding the deliberations, the Chairman requested the Administration to consult members before a decision was made by the Executive Council on which railway corporation should be granted with the development right for the SCL project. PAS for T (7) took note of the Chairman's request and highlighted the need for Government to maintain the confidentiality of information provided to it by the Corporations. Members however considered that prior consultation was necessary and the Administration should revert to the Panel with appropriate information.

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II An update on the progress of the KCR West Rail project

(LC Paper No. CB(1)1716/00-01(02) - Presentation materials provided by the Kowloon-Canton Railway Corporation; and

LC Paper No. CB(1)1737/00-01(01) - Information paper provided by the Kowloon-Canton Railway Corporation)

10. At the invitation of the Chairman, the Chairman and Chief Executive of Kowloon-Canton Railway Corporation (CCE/KCRC) briefed members on the progress of KCR West Rail Phase I. He said that the project was making very good progress with all major milestones achieved on time or ahead of schedule. The project estimates had also been adjusted downward from \$64 billion to \$46.4 billion. He also highlighted various environmental mitigation measures and initiatives under the West Rail project to ensure sustainable development for Hong Kong. He advised that the Corporation was now aiming at opening this world-class railway ahead of the original target date of December 2003 and it had already started the related operational readiness planning.

11. With the aid of PowerPoint, the Project Manager (South), West Rail (PM/WR) then gave a presentation on the progress of KCR West Rail Phase I as set out in LC Paper No. CB(1)1716/00-01(02).

12. Members paid KCRC a compliment on achieving all major milestones for the West Rail project on time or ahead of schedule and below budget.

Wet season works arrangements

13. Mr Albert CHAN pointed out that significant improvements had been made by KCRC to avoid flooding during heavy rainstorms caused by the construction works of the West Rail project. He asked KCRC to brief members on the actions taken in this regard. The Director of West Rail (DWR) advised that as two West Rail stations - Tuen Mun and Siu Hong - were being built directly above the Tuen Mun nullah, a number of mitigation measures had been completed to enhance the flow capacity of the nullah, including works to widen and deepen the nullah. Arrangements had also been made to finish the works in the nullah prior to the occurrence of any rainstorm/typhoon.

Handling of third party claims

14. Mr Albert CHAN and Miss Emily LAU urged KCRC to speed up the processing of the outstanding claims from the affected parties. DWR advised that some 300 claim cases had been settled. KCRC would continue to monitor the progress of all claims to ensure that they were handled expeditiously. He also advised that wherever there had been doubt in a claim case, the benefit of the doubt had been given to the claimant.

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Fare

15. In view of the savings achieved, Mr LAU Chin-shek opined that there was significant room for KCRC to reduce the West Rail fares during operation. CCE/KCRC advised that the West Rail fares would be drawn up nearer the time of opening. KCRC would take into account all relevant factors, including the latest market situation and competition from other transport modes before a decision was made. He also pointed out that the savings achieved in the West Rail project had been re-directed to finance the East Rail Extension projects.

16. Referring to paragraph 42 of the paper, Mr CHENG Kar-foo enquired about the financial implications of adopting a flexible and pragmatic approach towards third party claims. DWR advised that the expenditures incurred were not significant and on average, a settlement of about \$5,000 to \$50,000 per claim was made. Mr CHENG Kar-foo opined that in future report, KCRC should include the sum of the ex-gratia payments for members' information.

Traffic and transport planning

17. Mr Albert CHAN pointed out that individual road projects could not be completed in time to cater for the planned operation of the West Rail. He pointed out that local District Councils had been urging the Administration to take advantage of synchronizing the related works with that of the West Rail so as to minimize the disruption caused to residents during construction stages, not to mention the need to provide good interchanging facilities at West Rail stations.

18. Principal Assistant Secretary for Transport (4) replied that with the exception of Mei Foo Station, which would be well served by an existing public transport interchange (PTI), the other eight West Rail stations would be linked to purpose-built PTIs to enable passengers to connect conveniently with various feeder services. He noted members' concern about the subject matter and would continue to work on it. CCE/KCRC said that the Corporation had already started operational readiness planning. One of the issues under consideration was the interchanging facilities at West Rail stations which would have implications on West Rail patronage. The Chairman asked the Administration to review the overall planning of the external connections at various stations with due regard to the views expressed by local District Councils.

Capacity of the West Rail

19. Mr Abraham SHEK enquired whether the use of nine-car trains with shorter stations instead of 12-car trains would have any implications on future expansion of the railway. CCE/KCRC advised that the line was being designed to operate at shorter headway with nine-car trains. The frequency would be improved from 25 trains per hour to 33 departures per hour per direction. As such, it should be able to cope with the demand.

Action

20. Mr Abraham SHEK enquired about the sale programme for property developments above stations and depots. CCE/KCRC replied that depending on market situation, the residential units would be put out to the market in phases between 2006 and 2011.

21. In response to Mr Abraham SHEK, CCE/KCRC replied that expenditures on the railway system for West Rail amounted to about one-third of the total project estimates and the related components were all imported from overseas countries. Regarding the remaining civil works which constituted about two-thirds of the project estimates, they were essentially carried out by companies with their main offices in Hong Kong. These companies also employed a substantial number of local labour force.

22. Noting that the project estimates had been reduced from \$64 billion to 46.4 billion, Miss Emily LAU enquired whether there was room for KCRC to further reduce the project estimates. CCE/KCRC advised that suitable provision had been set aside for payment of land premium. However, the exact amount had yet to be determined, pending trials by the Land Tribunal in some cases. Against this background, it would be difficult to give an accurate assessment at this stage. As requested by Miss LAU, CCE/KCRC undertook to examine whether additional information on the amount of reserve could be provided to members.

KCRC

23. Miss Emily LAU supported KCRC's move to put in place initiatives to ensure sustainable development for Hong Kong. Noting that West Rail would be one of the quietest railways in the world with operation noise at 55dB(A) within 25 metres from the track, she enquired the present position of the East Rail. CCE/KCRC replied that over the years, KCRC had put in place more than \$1 billion on noise mitigation measures with a view to addressing the noise impact of East Rail on near-by residents. With the mitigation measures in place, the noise level had been brought down to acceptable limits agreed with the Environmental Protection Department. He undertook to provide further information in this regard after the meeting.

KCRC

24. Miss Emily LAU enquired whether KCRC had received complaints against the environmental and construction impacts of their works. Referring to paragraph 32 of the paper, Miss Emily LAU enquired about the details of the 60 offences committed by West Rail's contractors for breaching the environment-related legislation and the penalties imposed by the court for such offences. DWR advised that most of the cases were minor in nature and many of which had been dealt with by the court. He undertook to provide further information after the meeting.

KCRC

25. Mr CHAN Kwok-keung appreciated the efforts made by KCRC in promoting construction safety. DWR advised that the cumulative incidence rate was 28 reportable accidents per 1000 workers, which compared favourably with the Hong Kong construction industry average of 155. Although a fatality case was recorded, the remaining accidents involved were mainly minor in nature.

26. The Chairman thanked representatives of KCRC and the Administration to the meeting.

Action

III Any other business

27. There being no other business, the meeting ended at 10:30 am.

Legislative Council Secretariat
26 November 2001