

Legislative Council Panel on Transport

**Appointments to the Managing Board
of the Kowloon-Canton Railway Corporation**

Introduction

We issued a paper on 7 November 2002 to inform Members of the appointments to the Managing Board of the Kowloon-Canton Railway Corporation (KCRC). Members have requested us to provide a further paper setting out the considerations in respect of these appointments.

Composition of the Board

2. During the deliberations of the Bills Committee last year on the KCRC (Amendment) Bill 2001, some Members opined that the Board membership should be expanded to include individuals from green groups and grass roots organisations as well as Members of the Legislative Council to ensure a balanced composition of the Board.

3. We took into account these views carefully in considering appointments to the Board. We agreed that it is important to have a balanced composition in order to meet the functional needs of the Board. The major functions of the Board include, among other things, formulating overall company strategy, acquisition and divestment policy, approval of the annual estimates of revenue and expenditure, major financing arrangements, fares and charges, ensuring that sound administrative systems and procedures are in place and overseeing the implementation of capital projects.

4. To ensure that the Board would have an appropriate composition so that it could perform its function effectively, the Government carefully assessed the suitability of prospective candidates having regard to relevant factors such as personal capabilities, leadership,

expertise, experience, integrity and commitment to public service. The newly appointed and re-appointed members possess the necessary knowledge and experience in such areas as banking, accounting, legal profession, business management, property development and large-scale development projects. All these are required to meet the functional needs of the Board.

5. The new and re-appointed members of the KCRC Board all have a strong and well-proven background in their respective professional fields. Furthermore, with their long establishment and experience working in Hong Kong, they would have a good understanding and grasp of our community needs and aspirations. Lastly, with the Secretary for Environment, Transport and Works (SETW) and Secretary for Financial Services and the Treasury sitting as members of the Board, we believe that the wider public interest vis-à-vis the commercial operations of the Corporation will be given careful and balanced considerations.

6. While we support the need to inject environmental considerations into the business of the Board, we believe that SETW, whose portfolio covers environment and herself a well-established environmental expert, is well placed to ensure that adequate attention is paid to this important area.

Support from Committees and Liaison Groups

7. The Committee system adopted by the Corporation will enable the Board to have access to the views and advice from a wide section of the community.

8. The Board is planning to appoint individuals, who are not members of the Corporation, to the various Committees. With different background and coming from a wide cross-section of the community, the Board will be able to benefit from the advice of the Committee members in its decision making.

9. Apart from the Committees, KCRC has both regular and ad hoc channels for obtaining advice, suggestions and feedback from stakeholders on its service and performance. Examples include :-

- (a) a dedicated Environmental Committee specifically set up to advise on and monitor the effectiveness of environmental mitigation measures for the Sheung Shui to Lok Ma Chau Spar Line project. This committee is chaired by a senior director of KCRC and comprises members from key green groups;
- (b) Community Liaison Groups formed for the West Rail and East Rail Extensions projects to communicate plans and progress of the projects to local representatives, discuss environmental mitigation and traffic management measures, and deal with community concerns arising from the railway projects; and
- (c) standing Passenger Liaison Groups to collect passengers' opinion on East Rail and Light Rail services.