

立法會
Legislative Council

LC Paper No. CB(1)2481/03-04
(These minutes have been seen
by the Administration and
cleared with the Chairman)

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Panel on Transport

Subcommittee on matters relating to railways

**Minutes of special meeting on
Thursday, 24 June 2004, at 10:45 am
in the Chamber of the Legislative Council Building**

Members present : Hon Miriam LAU Kin-yee, JP (Chairman)
Hon Albert HO Chun-yan
Hon CHAN Kwok-keung, JP
Hon LAU Kong-wah, JP
Hon Andrew CHENG Kar-foo
Hon Abraham SHEK Lai-him, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon WONG Sing-chi
Hon LAU Ping-cheung

Non-Subcommittee : Hon James TO Kun-sun
Member attending

Members absent : Dr Hon David CHU Yu-lin, JP
Ir Dr Hon Raymond HO Chung-tai, JP
Hon TAM Yiu-chung, GBS, JP
Hon LEUNG Fu-wah, MH, JP

Public Officers : Mr Raymond HO
attending Principal Assistant Secretary for the Environment,
Transport and Works

Mr WAN Man-lung
Principal Government Engineer/Railway Development
Highways Department

Attendance by invitation : Kowloon-Canton Railway Corporation

Mr Samuel LAI
Acting Chief Executive Officer

Mr K K LEE
Senior Director, Capital Projects

Mrs Grace LAM
General Manager, Corporate Affairs

Mr Joseph CHOI
General Manager, Construction

Individuals

Mr Henry CHAN Man-yu
Chairman
Yau Tsim Mong District Council

Mr Alexis CHAN Kin-shing
Member
Yau Tsim Mong District Council

Mr CHAN Siu-tong
Vice Chairman, Traffic and Transport Committee
Yau Tsim Mong District Council

Mr Albert LAI Chi-lap
Member
Yau Tsim Mong District Council

Canton Road Association

Mr John A GIRARD
Chairman
Canton Road Association

Mr Frankie YICK
Chief Manager - External Relations
Wharf

Mr Lawrence LEE
Business Development Director
Wharf

Mr Clement WONG
Assistant Project Director
Wharf

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

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

Miss Winnie CHENG
Legislative Assistant 5

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I Kowloon Southern Link

- (LC Paper No. CB(1)2179/03-04(01) - Submission dated 6 June 2004 from Mr Albert LAI Chi-lap, Yau Tsim Mong District Council Member;
- LC Paper No. CB(1)2179/03-04(02) - Supplementary information paper provided by the Administration;
- LC Paper No. CB(1)2007/03-04(02) - Information paper provided by the Administration for the meeting on 3 June 2004;
- LC Paper No. CB(1)2044/03-04(02) - Speaking note provided by Canton Road Association on "Kowloon Southern Link";
- LC Paper No. CB(1)2044/03-04(03) - A set of diagrams provided by Wharf on "Kowloon Southern Link"; and
- LC Paper No. CB(1)2044/03-04(04) - Letter dated 24 May 2004 from Canton Road Association to the Secretary for the Environment, Transport and Works stating its objection to the gazetted railway scheme for Kowloon Southern Link)

The Chairman welcomed the attending individuals and deputation to the meeting. She recapped that at the previous meeting held on 3 June 2004, the Subcommittee had received views from Canton Road Association (the Association), Wharf Estates Development Limited (Wharf) as a member of the Association, and Mr Henry CHAN, Chairman of Yau Tsim Mong District Council (YTMD) (who had

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attended the meeting as in individual) on the provision of Canton Road Station (CAR) under the Kowloon Southern Link (KSL) project. The present meeting was a continuation of that meeting to allow members to follow up on the related issues with the Administration and Kowloon-Canton Railway Corporation (KCRC). Representatives of YTMDC had also been invited to attend the meeting to give views on the matter.

2. Mr Abraham SHEK declared his interest as a Member of Managing Board of the KCRC.

3. Members noted that the four Members of YTMDC were attending the meeting as individuals.

Views from deputations/individuals

4. Mr Henry CHAN, Chairman of YTMDC, said that during previous discussions by the Traffic and Transport Committee of YTMDC on the KSL project, a clear consensus was reached for the construction of CAR. Moreover, the bored tunnel method should be adopted for construction works of KSL along Salisbury Road so as to minimize disturbance on the shop operators nearby. Citing various planned tourism initiatives to be undertaken in Tsim Sha Tsui (TST), he stressed that CAR should be constructed in the first instance to meet the expected increase in passenger demand. In view of the impact of the matter on the local residents, Members of YTMDC unanimously requested that arrangements be made to brief YTMDC on any further development as regards the provision of CAR before a decision was taken.

5. Stressing the envisaged public transport and economic benefits of CAR, Mr Alexis CHAN, Member of YTMDC, queried KCRC's decision to construct a station in the more remote West Kowloon area while deferring the provision of CAR which was urgently needed to serve the busy tourism, commercial and entertainment spot of Canton Road.

6. Mr CHAN Siu-tong, Deputy Chairman of Traffic and Transport Committee of YTMDC, also reiterated the strong request from the local shop owners and business operators that the bored tunnel construction method should be used for the section of KSL along Salisbury Road as their businesses had already been seriously affected for a long time by the construction works of KCRC's Tsim Sha Tsui Extension (TSTE).

7. Mr Albert LAI, Member of YTMDC, highlighted the salient points of his submission (LC Paper No. CB(1)2179/03-04(01)), and stated support for the KSL project only if CAR and a station to serve the 33 000 population and three schools in the Charming and Fu Pak constituency areas in Kowloon West were provided. In response, Mr Joseph CHOI, General Manager, Construction of KCRC, briefly explained that KCRC had already carefully considered the matter. However, the Charming and Fu Pak areas were already well-served by MTR's Olympic Station and other public transport modes. In view of this and other technical issues involved, KCRC had decided that no such station would be provided under KSL. Mr James

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TO considered that KCRC should ensure that steps were taken to protect the relevant site administratively so that the station could be constructed in future when adequate passenger demand was generated. His view was noted by KCRC.

8. Mr John GIRARD, Chairman of the Association, pointed out that Canton Road was a highly popular business, shopping and entertainment destination for both local people and the tourists. Hence, the Association was entirely not convinced that such a busy area should be deprived of an access to KSL, particularly with the understanding that the bus terminus outside the Star Ferry Pier would be relocated to TST East in a few years' time. The Association also believed that the provision of CAR would add to the cost-effectiveness of KSL as it could help increase passenger volume to KCRC's West Rail (WR). Taking all these into account, the Association called on the Administration to ensure that CAR would be built together with other construction works for KSL so as to minimize the disturbance caused to the affected shop owners and business operators.

9. Mr Frankie YICK, Chief Manager - External Relations, Wharf, said that since the last Subcommittee meeting on 3 June 2004, Wharf had held discussions with KCRC on Wharf's latest proposal for providing CAR to identify ways to address the various technical issues involved. Under the proposal, the station would take up 50 000 sq. ft. of space now occupied by an underground car park of a Wharf property development on Canton Road. Depending on KCRC's final decision on the method and duration of construction works as well as the impact of such on its property holdings, Wharf's assessment was that the relevant cost would only be about 15% to 20% of KCRC's original estimate of \$3 billion which involved resumption of two properties owned by Wharf. Stressing Wharf's role as a facilitator, Mr YICK assured members that Wharf's stance was that it was prepared to pursue the matter at a no-lost basis.

Latest developments

10. The Principal Assistant Secretary for the Environment, Transport and Works (PAS for ETW) said that with agreement from all the involved parties, the Administration had prepared a paper (LC Paper No. CB(1)2179/03-04(02)) updating members on the current developments of CAR under the proposed KSL. He said that taking into account members' views raised at the previous Subcommittee meeting, the Government had agreed to facilitate the discussions between Wharf and KCRC to see whether and how Wharf's latest proposal could be further developed. A steering group chaired by the Environment, Transport and Works Bureau and a working group chaired by the Highways Department with members from both KCRC and Wharf were set up. The target was to complete the deliberations by September 2004 so that the implementation programme for KSL would not be affected.

11. Mr K K LEE, Senior Director, Capital Projects of KCRC (SDCP/KCRC), then reported on the progress of various issues currently under deliberation, as set out in the supplementary note provided by KCRC on "Kowloon Southern Link - Canton Road Station Proposal - Progress Report on First Stage Deliberations". He informed

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members that an integrated team from KCRC and Wharf was working in earnest to further develop the proposal within a very tight programme. All the relevant parties had agreed that the deliberations would be conducted in three stages. The first stage which took about three weeks would see the development of a concept plan capable of meeting the station operation and safety requirements. In the second stage lasting for a few weeks, the constructability of the station design would be examined and costing implications established. The commercial viability and arrangements and land issues would be addressed at the final stage.

(Post-meeting note: The supplementary note was tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1)2261/03-04(01).)

12. Mr Samuel LAI, Acting Chief Executive Officer of KCRC (CEO(Atg.) of KCRC), reiterated that KCRC was prepared to explore any possible options for CAR provided that the operation and safety requirements were met and that it was commercially viable to do so. While good progress had been made in the past few weeks, he called on members' understanding on the substantial technical difficulties and site constraints involved in the construction of a railway station in a busy and developed urban spot as Canton Road in TST. As KSL would extend WR from its terminal at Nam Cheong to Hung Hom Station, its early provision should bring about substantial transport benefits to the local residents in North West New Territories (NWNT). As such, its implementation should not be adversely affected by the CAR issue.

Provision of CAR

13. Mr CHENG Kar-foo stated support for continued efforts by the Administration, KCRC and Wharf to provide CAR which was expected to bring considerable transport benefits to the passengers. He stressed that as public expenditure was involved, KCRC and Wharf should maintain a high degree of transparency of the discussions particularly those related to the financial aspects of the proposal. As the amount of compensation payment was really the crux of the issue, he called on KCRC to give early consideration to the commercial viability of the proposal, instead of leaving such matters to the final stage of deliberations. On the other hand, Wharf should also give due regard to the public interest at stake when considering the amount of compensation sought. In this connection, he asked whether \$450 - \$600 million, i.e. 15% to 20% of KCRC's original estimate of \$3 billion, was the likely upper limit Wharf would seek in respect of compensation payment.

KCRC

14. Mr Albert CHAN considered that more information was required before members could assess the cost-effectiveness and hence, desirability of providing CAR. In this respect, he requested KCRC to provide members with supplementary information on the expected incremental patronage arising from CAR as well as the additional cost required for its construction. In view of the local interest at stake, the same information should also be provided to YTMDC for reference.

15. Mr LAU Kong-wah said that the provision of CAR would bring about a

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win-win-win situation to the travelling public, KCRC and Wharf. As Wharf's property holdings would also benefit from improved accessibility with the provision of a major railway station nearby, he called on Wharf to consider the matter in a positive light taking into account the public interest at stake.

16. Mr James TO also stressed the public interest at stake and called on all concerned parties to take forward the matter under a co-operative spirit. In particular, he said that the Administration should play a more pro-active co-ordinating role in ensuring that the public transport benefits to be brought by CAR would materialize.

17. Mr Abraham SHEK considered that given the public interest at stake, the Administration was duty-bound to ensure the provision of CAR. Given its shareholding in KCRC, the Government should adopt a stronger stance and bring the two sides closer to an agreement.

18. In response, CEO(Atg.) of KCRC said that KCRC had always acknowledged the benefits of providing CAR under KSL. However, in view of various engineering considerations and the extensive disruption to the public during its construction, KCRC had proposed to defer CAR. However, KCRC was open to any possible options for providing the station as long as the operation and safety requirements were met. In taking the matter forward, KCRC would ensure the prudent use of public funds by carefully assessing the expected incremental patronage and extra fare revenue generated for the KCRC network. Moreover, the provision of CAR should not adversely impact on the rate of return of the whole project.

19. Mr Frankie YICK said that Wharf had all along adopted a sincere attitude in holding the relevant discussions with KCRC. Reiterating Wharf's role as a facilitator, he said that Wharf's intention was not profit-seeking. Wharf would continue its efforts in taking the matter forward as long as the financial interests of Wharf and its rental clients were safeguarded. Responding to Mr CHENG Kar-foo's enquiry, Mr YICK said that the amount expected to be incurred by Wharf's latest proposal was only a fraction of that required under KCRC's original resumption proposal. However, the exact amount would depend on a whole host of factors yet to be ascertained including the duration and method of construction works, the likely impact of construction on its Wharf's property holdings, etc. He said that the amount would be made known to the public if an agreement could be reached with KCRC in principle.

20. PAS for ETW stated that although there were separate stages of deliberations, both sides would strive to complete the whole process within a relatively short period of time so as not to adversely impact on the implementation of the KSL project. Updating members on the progress of on-going statutory procedures, he said that a total of 66 objections had been received upon the gazettal of KSL. The objections were being handled and it was expected that certain modifications to the gazetted scheme might be required. If the negotiations between KCRC and Wharf on CAR could be completed before September 2004, the necessary changes could be dealt with together with those made in response to the objections. As regards the transparency of deliberations, the Administration believed that KCRC and Wharf would approach

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the matter in a positive light based on the fair principles of commercial operation.

Other issues

21. While expressing support in principle for the provision of CAR, Mr Tommy CHEUNG pointed out that other stakeholders were also involved as the construction of CAR would have a significant impact on the existing shop operators and owners on Canton Road and Peking Road. Referring to the complaints and grievances of business operators and shop owners affected by the construction of TSTE, he called on KCRC to ensure that better compensation arrangements, particularly in respect of business loss, were made so that the interests of small businesses would be safeguarded. CEO(Atg.) of KCRC responded that KCRC would make every effort to ensure fair treatment for all the affected business operators and shop owners. However, the matter related to the Government's policy in respect of compensation payment. KCRC would review the matter together with the concerned government departments.

22. Mr LAU Kong-wah said that in light of these latest development, the Administration should seriously consider the WR route option for Regional Express Line (REL) so that the passengers in NWNT could enjoy direct and convenient railway service between the busy urban centre of TST and Guangzhou in the Pearl River Delta. If such route option was likely, the Administration should ensure that KCRC and Wharf were duly informed so that planning for station facilities and safety requirements of CAR as the terminus of REL would be made accordingly.

23. In response, PAS for ETW confirmed that one of the options being considered was to use WR track and infrastructure for REL service. He undertook that the Administration would revert to members in due course when a decision on the REL project had been made.

24. Mr LAU Kong-wah also considered that notwithstanding the provision of CAR, KCRC should adhere to its previous undertaking of providing a subway network linking KCRC East TST Station and Canton Road so as to improve the connectivity in the TST area. CEO(Atg.) of KCRC responded that KCRC would keep the matter in view.

KCRC 25. Referring to the grave concern expressed by YTMDC Members about the disturbance arising out of the use of cut-and-cover construction method along Salisbury Road, Mr LAU Kong-wah called on KCRC to re-visit the matter and see how such concerns could be addressed. He requested KCRC to set out clearly in writing the reasons why bored tunnel option was not feasible for this section, as well as the improvements on the cut-and-cover construction method to be sought. Such information should also be provided to YTMDC for early consultation.

Admin/ 26. Summing up the discussion, the Chairman invited the Administration, KCRC and Wharf to take note of members' concern about the provision of CAR under KSL. The Administration and KCRC should revert to the Subcommittee upon completion of

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KCRC the on-going discussions between KCRC and Wharf in September 2004.

II Any other business

27. There being no other business, the meeting ended at 12:40 pm.

Council Business Division 1
Legislative Council Secretariat
18 August 2004