

立法會
Legislative Council

LC Paper No. CB(1)1002/04-05
(These minutes have been seen
by the Administration)

Ref: CB1/PS/1/04/1

Panel on Transport

Subcommittee on matters relating to railways

**Minutes of meeting on
Friday, 7 January 2005, at 10:45 am
in the Chamber of the Legislative Council Building**

Members present : Hon Miriam LAU Kin-ye, GBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, 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 Kwok-hing, MH
Hon LEE Wing-tat
Hon Patrick LAU Sau-shing, SBS, JP

Members attending : Hon James TO Kun-sun
Hon CHEUNG Hok-ming, SBS, JP

Members absent : Hon TAM Yiu-chung, GBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP

Public Officers attending : **Agenda item IV**
Miss Cathy CHU
Deputy Secretary for the Environment, Transport and
Works T2

Mr William SHIU
Principal Assistant Secretary for the Environment,
Transport and Works T4

Mr K H LO
Chief Inspecting Officer (Railways)
Environment, Transport and Works Bureau

Miss Alice AU-YEUNG
Principal Transport Officer
Transport Department

Agenda item V

Dr Sarah LIAO
Secretary for the Environment, Transport and Works

Mr Joshua LAW
Permanent Secretary for the Environment, Transport and
Works

Mr Thomas CHOW
Deputy Secretary for the Environment, Transport and
Works T1

Mr Raymond HO
Principal Assistant Secretary for the Environment,
Transport and Works T7

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

Agenda item VI

Mr Thomas CHOW
Deputy Secretary for the Environment, Transport and
Works T1

Mr Raymond HO
Principal Assistant Secretary for the Environment,
Transport and Works T7

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

**Attendance by
invitation**

: Agenda item IV

MTR Corporation Limited

Mr Andrew MCCUSKER
Deputy Operations Director

Mr Wilfred LAU
Head of Operations

Ms Maggie SO
External Affairs Manager

Kowloon-Canton Railway Corporation

Mr Y T LI
Senior Director, Transport

Mrs Grace LAM
General Manager, Corporate Affairs

Agenda item V

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

Wharf Estates Development Limited

Mr Micky LEUNG
Business Development Director

Mr Frankie YICK
Chief Manager – Banking & External Relations

Mr Clement WONG
Assistant Project Director

Agenda item VI

Kowloon-Canton Railway Corporation

Mr K K LEE
Senior Director, Capital Projects

Mrs Grace LAM
General Manager, Corporate Affairs

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

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

Miss Winnie CHENG
Legislative Assistant (1)5

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I Confirmation of minutes of meeting and matters arising
(LC Paper No. CB(1)462/04-05 - Minutes of meeting held on 19 November 2004)

The minutes of the meeting held on 19 November 2004 were confirmed.

II Information papers issued since last meeting

2. Members noted that no information paper had been issued since last meeting.

III Items for discussion at the next meeting scheduled for 4 March 2005

(LC Paper No. CB(1)609/04-05(01) - List of outstanding items for discussion; and

LC Paper No. CB(1)609/04-05(02) - List of follow-up actions)

3. After deliberation, members agreed that the following items would be discussed at the next meeting scheduled for 4 March 2005:

(a) Railway incidents and performance of the railway systems in Hong Kong as proposed by Mr WONG Kwok-hing and Mr LAU Kong-wah,

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with particular emphasis on the need for introducing an additional performance indicator on train service disruptions to enhance railway safety and service performance, as well as the findings and recommendations of the independent review by Lloyd's Register Rail; and

- (b) Ma On Shan Rail as proposed by Mr LAU Kong-wah, with particular emphasis on the recent train service disruptions and overall service performance of the railway system, including the noise impact caused by the operation of the railway on near-by residents and remedial actions taken so far.

4. Mr CHENG Kar-foo suggested that the Subcommittee might need to follow up on the item "Shatin to Central Link" scheduled for discussion at the present meeting, taking the proposal as contained in the Joint Merger Report submitted by the two railway corporations.

IV Railway incidents and performance of the railway systems in Hong Kong

(LC Paper No. CB(1)609/04-05(03) - Information paper provided by the Administration)

5. The Deputy Secretary for the Environment, Transport and Works T2 (DS for ETW(T)2) introduced the Administration's paper on the matter (LC Paper No. CB(1)609/04-05(03)).

6. With the aid of PowerPoint, Mr Andrew MCCUSKER, Deputy Operations Director of MTR Corporation Limited (DOD/MTRCL), took members through the salient points of the information note on "Service Performance and Rail Safety Measures by MTR Corporation Limited" (Annex A to LC Paper No. CB(1)609/04-05(03)).

(Post-meeting note: A set of presentation materials from MTRCL was tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1)667/04-05(01).)

7. With the aid of PowerPoint, Mr Y T LI, Senior Director, Transport of Kowloon-Canton Railway Corporation (SDT/KCRC), took members through the salient points of the information note on "Service Performance and Rail Safety Measures by Kowloon-Canton Railway Corporation" (Annex B to LC Paper No. CB(1)609/04-05(03)).

(Post-meeting note: A set of presentation materials from KCRC was tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1)667/04-05(02).)

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Effectiveness of Government monitoring

Performance indicators

8. Mr CHENG Kar-foo noted that for the same period from January to November 2004, the monthly average number of MTR incidents resulting in a service disruption lasting over 8 minutes was 10.8 while that of East Rail (ER) was 1.73. Notwithstanding this substantial difference in numbers, the train service delivery rates of the MTR system and ER were only marginally different at 99.9% and 99.88% respectively. He thus queried the efficacy of the existing performance indicators in reflecting the service performance of the two railways. Mr CHENG was strongly of the view that the Government should introduce an additional performance indicator on train service disruptions so as to enhance railway safety and service performance.

9. In response, DS for ETW(T)2 stressed that the Government imposed a high standard in setting the performance indicators concerned. They were even more stringent than those being adopted in other advanced cities. In the case of Singapore, based on information available, the performance requirement for train punctuality was 94% for arriving trains and 96% for departing trains. But for Hong Kong, the requirement for train punctuality was set at 98%. She said that for each railway incident, the Transport Department (TD) and the Hong Kong Railway Inspectorate (HKRI) would also follow up with the railway corporation concerned as appropriate and ask for an incident report. They would conduct investigation; provide advice to the railway corporation concerned on preliminary identification of the cause of the incident and the immediate action required. They would monitor the progress of the identification of the root cause as well as implementation of rectification measures. For service reliability and service levels, the railway corporations were required to meet a set of performance requirements including train service delivery, train punctuality and passenger journeys on time as agreed with the Government. TD would monitor the service performance of the railway corporations by scrutinizing regular returns submitted by them.

10. Regarding the calculation of train punctuality rates, the Principal Transport Officer of TD (PTO/TD) explained that a number of relevant factors would be taken into consideration when calculating the rates of different railway lines including the number of trains operated, the number of delayed train trips and the duration of delays. For the MTR urban lines which operated at higher frequency, TD would count each incident which lasted for 2 minutes or more in calculating the rates. For ER which was less frequent, each incident which lasted for 3 minutes or more would be counted. Hence, although the average numbers of service disruptions for the two railway lines were different, their rates of train punctuality were quite close.

11. In this respect, the Chairman said that apart from ER, KCRC also operated the West Rail (WR) and Light Rail (LR). It might be more appropriate to compare the service performance of the two railway corporations if the aggregate number of service disruptions of WR and LR was also taken into account. Nonetheless, she opined that the Administration should consider whether and how the performance

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indicators could be improved to reflect the special characteristics or operating conditions of individual railway lines in terms of the Government's monitoring of service performance. The Administration should also provide more detailed explanation to members on how the existing performance indicators were calculated.

12. Mr CHENG Kar-foo remained unconvinced that with such a big difference in the actual numbers of delay incidents, the train punctuality rates of MTR and ER would work out to be so close simply because of the difference in train service frequencies. He was strongly of the view such a performance indicator could not adequately address the public's wish for the Administration to monitor railway services in a more vigilant manner, and reiterated his call for the Administration to give favourable consideration to his suggestion on the need for a new performance indicator on train service disruptions.

13. DS for ETW(T)2 stated that the Government already had an established regulatory regime for railway services. It should also be recognized that the two railway corporations had all along put in tremendous efforts to maintain a high standard of safe and reliable service to the passengers. For train service disruptions, it would be most important to have the root cause identified and remedial measures taken to prevent any recurrence. She further said that according to TD's data, MTR's record in respect of the number of train delays for 8 minutes or more had in fact been improving for the past few months from 16 incidents in October 2004 to 7 incidents in December 2004.

14. Mr LAU Kong-wah however was concerned that the incident record of the MTR system was in fact deteriorating. He referred to the monthly average number of MTR incidents causing delays for 8 minutes or more in 2003 (13.3 incidents per month) and from January to November in 2004 (10.8 incidents per month), and queried why the picture was different from general public perception that the MTR system was plagued with more serious incidents in 2004 than 2003. He opined that it was meaningless to compare mere figure without taking into account the severity of the incidents, such as those involving cracked rail, emission of smoke and burnt smell or creation of load noises, etc. which had caused much concern among the travelling public.

15. DOD/MTRCL replied that the public was generally more concerned about incidents involving smoke and smell. He explained that as the MTR system was designed to the fail-safe principle, trains would be brought to a safe halt immediately if an essential component or system fault was detected. In order to stop the trains, brakes would have to be applied hard and smell would emanate from that. The smell was a sign that the safety mechanism was working and passengers should not be alarmed by that.

16. Mr LAU Kong-wah remained unconvinced and sought the Administration's stance as to whether it was satisfied with existing service performance of MTRCL.

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17. DS for ETW(T)2 said that as reflected by the statistics, MTRCL's record was indeed improving. But that did not mean the Administration and the two railway corporations would be complement to improvement. She assured members that both the Administration and two railway corporations took a very serious approach in enhancing service performance. For example, upon the Administration's advice, MTRCL had taken prompt and active steps to implement enhancement measures to further improve service performance. However, she called on members' understanding that the operation of a railway system was a complicated matter and it was inevitable that service delays would occur sometimes. To facilitate members' understanding, she agreed to provide more detailed information on the actual number of MTR incidents causing delays for 8 minutes or more from January to November 2004 as well as a summary of the related incidents and disruptions caused to passengers after the meeting.

18. Mr WONG Kwok-hing was dissatisfied that the Administration had sided with the railway corporations in this matter and failed to safeguard the interests of the travelling public by allowing the railway corporations to hide behind the inadequate performance indicators.

19. DS for ETW(T)2 replied that the Administration adopted an impartial and independent regulating role. There was no question of favouring the railway corporations. The Government had always reminded the corporations to improve performance to serve the public where necessary.

Alert mechanism

20. Mr CHENG Kar-foo was concerned about the railway corporations' compliance with the 8-minute notification procedure as the requirement was only voluntary and not mandatory. As far as he knew, during a recent service disruption incident of the Ma On Shan Rail, KCRC had only informed TD 11 minutes after the incident had occurred. He opined that the Administration should consider measures to induce compliance of the two railway corporations with the notification procedure.

21. PTO/TD responded that in case of a service disruption, the railway corporation concerned had to take many response actions within a short period of time. In most cases, the railway corporation concerned had followed the agreed notification procedure. TD had looked into the said incident and was satisfied that KCRC had made the best effort to inform TD as soon as practicable while at the same time taking the necessary recovery actions. While there was a slight delay, it was understandable under the circumstances.

Outsourcing

22. Mr WONG Kwok-hing expressed serious concern about the Administration's monitoring on the out-sourcing of maintenance works by MTRCL. In this connection, he sought information on the extent of works relating to safety and

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maintenance being out-sourced by MTRCL and asked whether the reduced level of maintenance staff was one of the reasons for the increasing number of incidents on the MTR system.

23. DOD/MTRCL advised that about 18% of the maintenance works had been contracted out. He stressed that the same requirements and standards were adopted for maintenance works carried out by MTR staff and contractors. Ms Maggie SO, External Affairs Manager of MTRCL referred to the supplementary information paper provided by MTRCL (LC Paper No. CB(1)300/04-05(01)) after the Transport Panel meeting on 20 October 2004 when the item was last discussed, and informed members that the numbers of man-hour spent on safety critical maintenance tasks in recent years had not been reduced.

24. DS for ETW(T)2 said that the Administration was aware of public concern about the impact of MTR's outsourcing. As such, the Administration had requested to include this aspect in the independent third party review being undertaken by Lloyd's Register Rail.

25. Summing up the discussion, the Chairman said that the Subcommittee would continue discussion with the Administration and the two railway corporations on the item at its next meeting scheduled for 4 March 2005, with particular emphasis on the need for introducing an additional performance indicator on train service disruptions to enhance railway safety and service performance, as well as the findings and recommendations of the independent review by Lloyd's Register Rail.

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MTRCL

V Kowloon Southern Link

- (LC Paper No. CB(1)609/04-05(04) - Information paper provided by the Administration; and
LC Paper No. CB(1)656/04-05(01) - A letter dated 5 January 2005 from the Chairman of Yau Tsim Mong District Council attaching a joint submission signed by 35 Chairmen and Deputy Chairmen of 18 District Councils)

26. The Chairman drew members' attention to the joint submission from 35 Chairmen and Deputy Chairmen of the 18 District Councils (DCs) stating support for the Government to undertake enabling works for the future provision of an additional station on Canton Road.

27. Mr Abraham SHEK declared interest as he was a Member of the KCRC Managing Board.

28. The Secretary for the Environment, Transport and Works (SETW) stated the Administration's stance on the provision of an additional station under the Kowloon Southern Link (KSL) project as follows:

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- (a) The strategic function of KSL was to link up West Rail (WR) to East Rail (ER), providing a fast and convenient railway link for over a million residents of the North West New Territories (NWNT) to reach the Tsim Sha Tsui (TST) area by WR without the need to interchange or to connect to other areas served by ER. As such, the provision or otherwise of an additional station at the location now being occupied by Harbour City would not affect the strategic function of KSL.
- (b) Notwithstanding its desirability as considered by some in the community, the Administration would have to consider the cost-effectiveness of providing an additional station which required an additional investment of \$1.8 billion to build and more public funds to operate in future. One must also bear in mind the consequential increase in fares that would ultimately burden the passengers.
- (c) The proposed West Kowloon (WKN) Station under the KSL would in fact be built at the location now accommodating the Canton Road Government Offices. The location was indeed not far away from the China Hong Kong City and Harbour City.
- (d) Upon KSL's commissioning, the TST area would be conveniently served by three railway stations, namely the MTR Tsim Sha Tsui Station, KCR East Tsim Sha Tsui (ETS) Station and KSL's WKN Station. The choice of location for WKN Station had already taken into account the catchment of the existing railway stations. Hence, the KSL scheme proposed in the Railway Development Strategy 2000 did not include a station at the southern part of Canton Road.
- (e) From WKN Station, passengers could walk to China Hong Kong City and the northern part of Harbour City in just about 4 minutes. In addition, KCRC had decided to extend the pedestrian subway underneath Middle Road to the existing pedestrian subway at Peking Road, thus shortening the walking time from the ETS Station to the southern section of Canton Road and the area around the Star Ferry Pier to 7 – 10 minutes. In short, to travel to or from the Harbour City would still be very convenient even without a station at the Harbour City location. Besides, walking was a healthy exercise for people.
- (f) Wharf had stated explicitly that KCRC should bear the full cost of the additional station. Moreover, Wharf had also stated clearly that the provision of the station would require demolition and redevelopment of the whole Harbour City, and that in order to make the redevelopment project financially viable, the Buildings Authority had to grant it a bonus gross floor area (GFA) of about 600 000 sq.ft., estimated to worth \$4 – 9 billion. The bonus GFA was equivalent to at least two times the area required for the station (around 280 000 sq.ft.)

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- (g) The Government's transport policy was clear that land grant would only be used to support the provision of public transport infrastructure. It would never grant land development right to subsidize a private developer.
- (h) In railway projects, the construction of railway stations accounted for the biggest part of the total cost. Since the transport need of the TST area had been largely met by the existing MTR and KCR systems, the marginal patronage that the additional station would bring would be very minimal. As the provision of the additional station was not cost-effective, it would inevitably lead to an increase in WR fares. The Administration believed that many passengers would be unwilling to pay for the price.
- (i) Due to the lack of pertaining basic justifications and reasonable cost-effectiveness for the project, the Administration had made the decision to go ahead with the construction of KSL without the additional station. It was a conscientious decision made after taking into account passengers' convenience and prudence in investment of public funds.

29. In response to the Chairman, SETW advised that the Administration had considered the option of undertaking enabling works for the future provision of an additional station as requested by the signatories of the 18 District Councils. However, the enabling works would cost about \$500 million and it would involve increasing the size of the bored tunnel. Moreover, it was uncertain whether a suitable location for the provision of an additional station could be identified in future. Hence, no enabling works would be undertaken.

30. Mr Frankie YICK, Chief Manager – Banking & External Relations of Wharf Estates Development Limited (Wharf), referred to Wharf's submission tabled at the meeting, and highlighted the following points for members' consideration:

- (a) Wharf had mentioned its request for granting a bonus GFA as a pre-condition of the redevelopment proposal in its correspondence to KCRC as early as October 2004. It was not a last-minute request raised by Wharf.
- (b) Wharf had calculated the request for a bonus GFA of about 600 000 sq.ft. according to the relevant provisions in the "Practice Note for Authorized Persons and Registered Structural Engineers No. 233" which set out the general guidelines for granting concessions in exchange for dedication of land or area for use as public passage. This was a request made in accordance with prevailing practice. Wharf had made a number of public statements that it would not partake in any agreement which involved the "channelling of favours".

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- (c) It was KCRC which had taken the initiative to contact Wharf in 2003 on the provision of an additional station in Harbour City. Wharf, acknowledging the transport benefits to be brought by such a station, had taken on the role of a facilitator in the process.
- (d) As the Government had announced its decision not to provide the additional station, Wharf no longer had any direct relationship in this matter. Nonetheless, Wharf agreed with the general view in the community that the additional station was a transport necessity. Taking on a suggestion to construct the additional station in the Kowloon Park as raised in the last Subcommittee meeting, the Canton Road Association had provided a preliminary design (with layout plans attached to Wharf's submission) for members' consideration.
- (e) In considering the matter, the Government should also take into account the social and economic benefits to be brought by providing an additional station on Canton Road. As illustrated by the findings of a consultancy study commissioned by the Canton Road Association (which was attached to Wharf's submission), the provision of such a station would bring about positive social and economic benefits to the community.

(Post-meeting note: Wharf's submission was subsequently issued to members vide LC Paper No. CB(1)667/04-05(03).)

31. In response to point (a) raised by Wharf, Mr Samuel LAI, the Acting Chief Executive Officer of KCRC (CEO/KCRC(Acting)), said that KCRC was not involved in any of the related discussions as regards the granting of bonus GFA as it was a matter between Wharf and the Government.

32. To allow more thorough deliberation on the item, the Chairman suggested and members agreed that the following item on "Shatin to Central Link" be deferred to the next meeting scheduled for 4 March 2005.

33. Highlighting the transport benefits to be brought by the additional station, Mr WONG Kwok-hing expressed disappointment that no agreement could be reached on the provision of the station. As one of the signees of the joint submission from the 18 DCs, he called on SETW to respect and respond positively to the DCs' request. He also asked whether the Administration would give further consideration to the Kowloon Park option as proposed by the Canton Road Association.

34. SETW said that the Administration was aware of the public's desire to have an additional station in Canton Road. Nonetheless, there was a huge price to be paid for such extra convenience to be enjoyed by some people only. As controller of public expenditure, she had the responsibility to ensure the prudent use of public funds. Instead of using billions of dollars to construct an additional station, she stressed that from a transport planning point of view, it was acceptable for the travelling public to

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walk for not more than ten minutes. Under the same principle of prudent use of public funds, the Government would not consider the Kowloon Park option. She invited members to note that in past studies, KCRC and the Administration had already conducted thorough studies on possible site locations, including the Kowloon Park.

35. Mr WONG Kwok-hing was gravely dissatisfied with SETW's response. He left the meeting in protest of SETW's refusal to give positive consideration to the joint request made by the 18 DCs.

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KCRC 36. Unconvinced by SETW's response, Mr James TO requested the Administration and KCRC to provide members with a paper on their previous consideration of the Kowloon Park option. He also asked whether the Government had considered the feasibility of funding the additional station through additional fees or charges.

37. Disputing the Government's stance that the additional station was not a transport necessity, Mrs Selina CHOW pointed out that it was a planning blunder for RDS-2000 not to provide a station in that part of Canton Road under the KSL project so as to link up the eastern and western parts of the TST area. She stressed that from a transport planning point of view, railway stations should be provided in the busiest spots to facilitate access by the travelling public even though it might not be cost-effective to do so. She further said that by international standard, the distance between two stations should not be more than 500 metres. It was clearly against public interest to require the passengers to walk a long distance for daily commuting. Citing the tough stance adopted by the Administration, Mrs CHOW queried whether KCRC was given a free rein to decide on the matter.

38. Mr Abraham SHEK said that as a Member of the KCRC Managing Board, he could confirm that it was the Board's unanimous decision not to provide the additional station under KSL as the Board was mindful of the adverse impact such a station would have on the financial viability of the project.

39. Mr LAU Sau-shing considered that in terms of distance between railway stations, it would be desirable to provide a station in between WKN and ETS Stations under the KSL project. Referring to the suggestion he made at the last meeting about constructing the additional station in Kowloon Park, Mr LAU said that he was disappointed that KCRC had not provided the information he requested as regards the technical difficulties involved in the suggestion.

40. Regarding who was the first party to initiate the construction of the additional station within the Harbour City, CEO/KCRC(Acting) pointed out that in September 2002, Mr Lawrence, a director of Wharf wrote to KCRC exploring if it would be possible to construct the additional station within the Harbour City in conjunction with the redevelopment of Wharf premises. Later in 2003, when KCRC had exhausted all possible options to locate the additional station underneath Canton Road, KCRC approached Wharf to see if and how the additional station could be located within Harbour City. Regarding the technical feasibility of the Kowloon Park option,

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CEO/KCRC(Acting) drew members' attention to the remarks in the layout plan that the feasibility of tunnels through the foundation of existing buildings should be subject to further detailed study. As the existing buildings were quite old, it would pose unacceptable risks. He undertook that KCRC would provide the relevant supplementary information as requested by Mr LAU after the meeting.

41. SETW stated that generally speaking, a distance of 400 to 800 metres between railway stations was considered acceptable. She stressed that it was incumbent upon the Government to balance the considerations between convenience and cost-effectiveness in the use of public funds for the provision of transport infrastructure. It would be against public interest to subject the passengers to additional fare pressure just because a station that was "nice to have" but not necessary was built.

42. Expressing regret that KCRC and Wharf could not reach an agreement on the provision of the additional station, Mr LAU Kong-wah reiterated that it was unacceptable to require passengers to walk for more than 10 minutes from ETS Station to Canton Road for daily commuting. Considering that the strategic function of KSL was to link up WR and ER and serve more than three million population in Northwest and Northeast New Territories, he could not accept the Government's claim that the additional station was not a transport necessity. Nonetheless, he referred to the preliminary design of the Kowloon Park option tabled by Wharf, and asked whether Wharf would consider making further concessions so that the matter could be resolved satisfactorily.

43. Mr Albert CHAN said that notwithstanding the desirability of having an additional station, the KSL project should no longer be allowed to drag on as its early completion could bring substantial transport benefits to the residents in NWNT. As a DC Member, he considered that the joint submission from the 35 Chairmen and Deputy Chairmen of the 18 DCs could not be taken to represent the views of all DC Members. He personally opined that cost-effectiveness was an important consideration in the matter. Hence, he asked whether Wharf considered it possible to strike a deal with KCRC that was in accordance with its commercial principles while bringing no detriment to public interest in terms of fare pressure.

44. Mr Frankie YICK responded that Wharf had already made multiple tangible concessions in trying to facilitate the building of the additional station. Being a commercial organization, Wharf would not decline any business offer if it was profitable to do so. However, Wharf maintained that it was KCRC's responsibility as a public infrastructure corporation to build its railway and stations to meet transport need, and Wharf, being a private landowner was to demolish and rebuild its own buildings to make available the site for KCRC to build the additional station. Wharf held the view that upholding this important principle was in line with public interest.

45. Mr Jeffrey LAM asked whether the Administration had reviewed the functional need of the additional station taking into account the increasing close economic and social ties between Hong Kong and the Mainland, as well as the increasing transport

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demand generated by visitors under the Individual Visitors Scheme. The Deputy Secretary for the Environment, Transport and Works T1 confirmed that the Administration had constantly reviewed the project against the latest planning parameters.

46. Ir Dr Raymond HO considered that as the matter progressed to such a stage, the Government should not allow any further delays to the KSL project as its early completion could help improve WR's financial position. He was also against the idea of spending \$500 million for the necessary enabling works as it would create enormous fare pressure on the travelling public. Looking forward, he said that it would be most important for KCRC and the Administration to minimize disturbance on the affected shop owners and business operators during the construction period.

47. While expressing regret that no additional station would be provided, Mr CHENG Kar-foo considered that it would be useful for the Government to make clear the principles or assessment criteria it adopted when considering whether a "nice to have" station should or should not be provided.

48. SETW responded that factors such as financial viability and strategic function of any proposed station would have to be considered. At the same time, it would also be important to uphold the Government's policy of supporting the development of essential public transport infrastructure through land grant to the railway corporation concerned alone.

VII Any other business

49. There being no other business, the meeting ended at 1:05 pm.