

立法會
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Panel on Transport

Subcommittee on Matters Relating to Railways

**Minutes of meeting on
Friday, 5 January 2007, at 10:45 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Miriam LAU Kin-ye, GBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, 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 Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
- Member attending** : Hon CHAN Yuen-han, JP
- Members absent** : Hon CHEUNG Hok-ming, SBS, JP
Hon Ronny TONG Ka-wah, SC
- Public Officers attending** : **Agenda items IV and V**

Mr Philip YUNG
Deputy Secretary for the Environment, Transport and Works

Mr Henry CHAN
Principal Assistant Secretary for the Environment, Transport and Works

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

Attendance by invitation : **Agenda items IV and V**
Kowloon-Canton Railway Corporation

Mr K K LEE
Senior Director, Projects

Mr Stephen CHIK
General Manager – Capital Works Planning

Mr Raymond WONG
Senior Corporate Affairs Manager

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

Staff in attendance : Mrs Mary TANG
Senior Council Secretary (1)2

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)552/06-07 - Minutes of meeting held on
17 November 2006)

The minutes of the meeting held on 17 November 2006 were confirmed.

II Information papers issued since last meeting

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

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III Items for discussion at the next meeting scheduled for 30 March 2007

- (LC Paper No. CB(1)573/06-07(01) - List of outstanding items for discussion
LC Paper No. CB(1)573/06-07(02) - List of follow-up actions)

3. Members suggested that the following items should be discussed at the next meeting scheduled for 30 March 2007 –

- (a) South Island Line; and
(b) West Island Line.

4. The Deputy Secretary for the Environment, Transport and Works (DSETW) said that as there were technical and other issues relating to the two rail projects which had yet to be resolved, the Administration would need to examine further to see if it was ready to brief the Subcommittee on the progress of the projects at the meeting on 30 March 2007. He promised to revert back to the Subcommittee as soon as possible.

5. The Chairman said that if after reviewing the situation, the Administration had decided that it was not ready to brief the Subcommittee on the two projects on 30 March 2007, the meeting would be re-scheduled for 4 May 2007.

IV Shatin to Central Link

- (LC Paper No. CB(1)573/06-07(03) - Information paper provided by the Administration
LC Paper No. CB(1)574/06-07 - Background brief on "An update on the background of Shatin to Central Link" prepared by the Secretariat
LC Paper No. CB(1)636/06-07 - Referral from Legislative Council Members' Meeting-cum-luncheon with Shatin District Council on 23 November 2006 on provision of Hin Keng Station with the Shatin to Central Link Project)

6. DSETW briefed members on the current position of the proposed Shatin to Central Link (SCL) by highlighting the salient points of the information paper.

7. Mr WONG Kwok-hing was gravely concerned about the serious slippage in the implementation of SCL. Given the slow pace of development of the SCL project, railway service could not be timely provided to cater for the needs of residents and other planned developments in South East Kowloon. He also queried about the need for providing a new depot at Diamond Hill as the rail merger should bring about synergies for the two railway corporations.

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8. DSETW said that the planning for SCL was under progress and the Administration was well aware of residents' aspirations for the early provision of SCL. However, the implementation programme for SCL would be dependent, among other things, on the progress of the Kai Tak Planning Review in finalizing the development plan for Kai Tak and the Wan Chai Development Phase II Review in finalizing the scheme for the Central-Wan Chai Bypass. To cope with the latest planning of the Kai Tak Development, SCL would provide a station (Kai Tak Station) at the proposed Kai Tak City Centre. With the announcement of the Kai Tak Outline Zoning Plans, a public consultation exercise was being conducted to gauge public views on the future of the South East Kowloon Development (SEKD). Mr K K LEE, Senior Director, Projects (Kowloon-Canton Railway Corporation (SD/P)), explained that it was essential for the SCL to have a depot in the urban area to provide emergency repair and to meet train operating schedule for the entire railway, even after taking into account that SCL might make use of some of the depot facilities of the MTR system after the merger of the two railway corporations.

9. Mr WONG Kwok-hing was deeply concerned that implementation of the SCL project would be dependent on the progress of the Kai Tak Planning Review, the Wan Chai Development Phase II Review and the rail merger. He was dissatisfied that the Government did not have a concrete timetable for construction of SCL. He asked when the Administration would present the overall development plan for the SCL project to the Subcommittee.

10. DSETW responded that the SCL project had to take into account the planning proposals under the Kai Tak Planning Review and Wan Chai Development Phase II Review, and the Government aimed to take forward the planning for the SCL project as soon as possible.

11. Mr Andrew CHENG was concerned that the SCL project might be unduly delayed as it had to tie in with the Kai Tak development project, the Wan Chai Development Phase II project and the rail merger exercise. Regarding the funding arrangements for SCL, he was worried that the Government might need to contribute a considerable amount of money for the project or subsidise its implementation through the granting of property development rights to the railway corporations. Worse still, negotiations on the funding arrangements with the railway corporations might further delay the SCL project. Mr CHENG therefore opined that implementation of SCL should be considered in the context of the rail merger exercise and Kowloon-Canton Railway Corporation (KCRC) should be authorized to proceed with the SCL project on the basis of its original bidding proposal.

12. DSETW said that the planning of SCL had not been withheld as a result of the rail merger. The Government had been examining the proposal put forward by KCRC and was examining how SCL should accommodate the transport needs of the projects to be developed in the Kai Tak area and how SCL could best interface with the Wan Chai Development Phase II Review results, having also regard to the progress of the rail merger in particular the interchange arrangements.

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13. Mr LAU Kong-wah was gravely concerned that little progress had been made in respect of the implementation of SCL. He also commented that the paper provided by the Administration did not contain information on the progress of the automated people mover system (APM), linking the Hung Hom station with the Whampoa area, and the provision of the Hin Keng station. He pointed out that when the KCRC was awarded the SCL project, it had undertaken to wholly fund the project. Mr LAU said that the post-merger corporation should honour the undertaking of KCRC and finance the entire SCL project. He said that residents of Whampoa and Tokwawan areas had been waiting for the railway line for a long time. He opined that transport infrastructural projects, including SCL, should be implemented ahead of other development projects in Kai Tak and Wan Chai areas. He was worried that implementation of SCL might be unduly delayed as a result.

14. DSETW said that the Government fully understood the public's aspirations regarding the implementation of SCL and had continued taking the SCL project forward. He also said that allowance for a future Hin Keng station was provided for in KCRC's plan, and the proposed APM for Whampoa area was still under consideration. He said that the Administration would continue to examine with the railway corporations how the project might be implemented and the possible funding approach.

15. With reference to the bidding proposals for the SCL project from MTR Corporation Limited (MTRCL) and KCRC, Mr LEE Wing-tat remarked that MTRCL had been cautious about the funding arrangements for SCL as its clientele would duplicate with that of East Rail passengers interchanging at the Kowloon Tong Station to the MTR system for onward journeys to Central. He asked whether it was the Government's plan to complete the merger exercise first, and then negotiate with the post-merger corporation regarding the implementation of SCL, which would take time to complete.

16. DSETW said that the Government was still considering the advantages and disadvantages of various options, including the funding approach, for taking forward the SCL project. Whilst the Administration was making progress in the matter, it would be premature in giving a concrete timetable for the SCL project at this stage.

17. Mr LEE Wing-tat opined that the Government had back-tracked on the SCL issue. He said that since the Government had awarded the SCL project to KCRC, the project should be proceeded with based on KCRC's proposal. He said that the Government should honour its undertaking or it would lose its credibility.

18. DSETW reiterated that the ground work for the SCL project was still in progress with a view to making a decision on the project as soon as possible. He said that the SCL project was one of the major infrastructure projects and was still being actively pursued.

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19. Mr Albert CHAN said that the paper did not provide a detailed comparison of the original proposal for the SCL and the revised plan resulted from the various changes, including the financial implications of such changes, and the alternative transportation arrangements for areas affected by the cancellation of the stations from the SCL plan. Mr CHAN queried as to the need to review the SCL proposals with the railway companies as Government had already awarded the SCL project to KCRC which should proceed with the plan based on the original agreement. He said that whenever Government discussed with MTRCL the financial arrangements for MTRCL to undertake new railway projects, such as Airport Express Line, Disneyland Resort Line and Tung Chung Cable Car, the terms so concluded were always to the disadvantage of the general public. Mr CHAN said that he strongly objected to the plan of providing APMs in various areas without wide consultation as the proposal was a fundamental change to the existing transport policy and would have far reaching impact on the viability of other transport modes such as buses, taxis and public light buses.

20. Miss CHAN Yuen-han was concerned about the slippage of the SCL project. She opined that the SCL project should be taken forward expeditiously in accordance with the terms as agreed with KCRC in its original bidding proposal. She was also concerned about the environmental impacts of the proposed SCL depot in Diamond Hill and enquired about the details of the proposal.

21. DSETW responded that since the acceptance of the SCL tender bid of KCRC, KCRC had made changes to its Conforming Proposal. As a result, Government needed to consider in details the SCL project in respect of such amendments and the latest circumstances before deciding on the way forward for the project. Pending the result of the on-going review which would also cover whether APMs should be provided and the arrangements for the depot, an agreement would need to be reached on a draft final proposal which would then be submitted to the Executive Council for a decision.

22. Having noted members' concern about the back-tracking of the SCL project, and the Administration's response that the project was being actively pursued, Ir Dr Raymond HO said that the SCL project was extremely important for the transport link between New Territories (NT) and Central, especially in relieving the traffic congestions of the harbour-crossings. He opined that in the merger agreements for the two railway companies, consideration should be given to including the arrangements and a time-table for the construction of SCL so as to safeguard public interest. Ir Dr HO enquired whether the rail merger would facilitate the provision of an integrated interchange arrangements for SCL.

23. DSETW said that every effort would be made to expedite the merger process for the two railway companies, and Ir Dr HO's proposal would be taken into consideration. As far as the interchange arrangements for SCL were concerned, SD/P said that KCRC and MTRC had worked closely on the interchange arrangements at Diamond Hill and Admiralty stations of the SCL, and it was envisaged that 80% of the

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commuters would be able to change train at the opposite platform at Diamond Hill station and convenient interchange would also be provided at Admiralty station.

24. Mr LAU Kong-wah was deeply concerned that despite KCRC's undertaking in the original proposal to finance the whole SCL project, the latest development was that the financial arrangements for the project were under review which might result in the Government having to fund the project. Mr LAU queried why the post-merger corporation was not required to finance the whole SCL project as MTRCL, in the context of the rail merger, had been granted with the development rights of a number of development sites which were of considerable value. He was concerned that further negotiations on the financing of the SCL project would cause undue delay to the implementation of the SCL project. Mr LAU opined that it might be necessary to sort out the funding arrangements and implementation programme for the SCL project in the context of the rail merger.

25. DSETW responded that the financial arrangements for the SCL project were being considered in the light of the rail merger exercise and had yet to be finalized. He pointed out that KCRC was a company wholly owned by the Government and KCRC's undertaking to finance the SCL project was in a way also a commitment of public fund. DSETW said that the Government would report to the Subcommittee the outcome of the negotiation on the funding arrangements for the SCL project.

26. Mr LEE Wing-tat was concerned that as KCRC had already undertaken to wholly fund the SCL project, he doubted whether the Government had backtracked on the issue and was not prepared to fund the SCL project as set out in the original bidding proposal of KCRC. He said that in such circumstance, the credibility of the Government would be totally lost. He considered that the funding arrangements for the SCL project should be sorted out in the context of the rail merger.

27. DSETW said that the Government had yet to negotiate with the two rail companies on the funding arrangements for the SCL project, and had not backtracked on any commitments on the SCL project.

28. Mr Albert CHAN said that the SCL issue had highlighted the adverse effects of the rail merger proposal, as public money, in terms of millions of dollars, might need to be spent as a result of the merger. He reiterated that the Administration should provide a full report on the details of the justifications and cost-effectiveness for the re-alignment of SCL, the selection of station locations, the estimated number of passengers, etc.

Admin 29. DSETW undertook to provide detailed information on the latest proposal for SCL to the Subcommittee.

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- V Guangzhou-Shenzhen-Hong Kong Express Rail Link and Northern Link**
(LC Paper No. CB(1)573/06-07(04) - Information paper provided by the Administration
LC Paper No. CB(1)573/06-07(05) - Presentation materials provided by Kowloon-Canton Railway Corporation)

Briefing by KCRC

30. SD/P said that over the past six months, KCRC had held discussions with the Mainland railway authorities and exchanged technical information on the Guangzhou-Shenzhen-Hong Kong Express Rail Link (ERL) such as the signaling systems, the frequency of the trains etc. As a result of the discussions, it was estimated that based on the Shared Corridor Option (SCO), the journey time from West Kowloon Terminus to the boundary was 25 minutes, and to Shibi station of Guangzhou was 60 minutes. Under the Dedicated Corridor Option (DCO), the journey time from West Kowloon Terminus to the boundary was 13 minutes, and to Shibi was 48 minutes.

31. Mr Stephen CHIK, General Manager-Capital Works Planning, KCRC added that in future, ERL would link up with the railway network in the Mainland from Shibi to Wuhan, and from Longhua to Shanghai. The West Kowloon Terminus in Hong Kong, as well as the Shibi, Longhua and Futian stations in the Mainland would be provided with immigration and customs facilities. He said that recently the Mainland side had confirmed their decision to add a station at Futian of Shenzhen to serve ERL passengers travelling to and from the city centre of Shenzhen. He further elaborated on the latest progress of ERL and the locations of the various ERL stations in the Mainland linking to other railway lines. SD/P added that in future, passengers could travel from the West Kowloon Terminus in Hong Kong to Beijing direct in about ten hours through ERL. He said that KCRC continued to discuss with the Mainland side for further planning of ERL, and had embarked on a number of consultancy studies, including the technical studies on the different alignment options, the operation of ERL, patronage forecast, financial viability and economic implications, preliminary site investigation and environmental impact assessment, etc. He said that KCRC intended to submit the study report on the proposed Northern Link (NOL) and ERL to the Government in mid 2007.

Discussion

32. Mr WONG Kwok-hing said that the Mainland authorities had drawn up the overall plan and timetable for the ERL section in the Mainland whereas the progress of the project on the Hong Kong side had been extremely sluggish. With reference to Annex B of LC Paper CB(1)573/06-07(04), Mr WONG was concerned that both the SCO and DCO were financially unviable. He asked whether the Government would propose other options for ERL which were financially viable. He queried whether the projected patronage of the West Rail for 2016, i.e. an average of 600 000 passengers per day, was realistic, based on the current patronage of West Rail.

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33. DSETW responded that the fact that the two options for ERL were not financially viable in themselves only implied that the Government would have to provide part of the funds for the project. The Government would concentrate on assessing the feasibility of the two options, namely SCO and DCO, for ERL, which would have different technical, financial and time implications on the project, having taken into account the changes in the Mainland sections of ERL. SD/P added that the existing patronage of West Rail was about 200 000 to 210 000 passengers per day. He said that the 2016 passenger projection for West Rail was based on the assumptions that the Kowloon Southern Line and the NOL should have been commissioned, and further development taken place along the West Rail corridor.

34. In response to Mr WONG Kwok-hing's enquiry as to when a decision would be made on the option to be adopted for ERL, DSETW said that KCRC was carrying out studies on the various aspects of the ERL project, and was still discussing with the Mainland authorities on the projected patronage and detailed design of ERL.

35. Mr LAU Kong-wah was concerned that construction work of ERL had already been in progress on the Mainland side whereas the relevant parties in Hong Kong were still discussing which option should be adopted for the Hong Kong section of the ERL project, resulting in the work on the Hong Kong section of ERL lagging behind that of the Mainland section for six or seven years. Mr LAU said that it was imperative to expedite the construction of the Hong Kong section of ERL lest the patronage of ERL might be adversely affected by other railway lines linking up with the Mainland section of ERL, by diverting passengers to Guangzhou and Zhuhai, especially when airport facilities in these areas would be further developed. He was concerned that ERL was not designed for transportation of goods, and the additional station at Futian would become a terminus in southern China for Mainland railway lines. Mr LAU said that once the Longhua and Futian areas would have been developed as the centres of railway transportation in the Mainland, Hong Kong would be marginalized and put in a disadvantageous position. Mr LAU opined that it would only be reasonable to adopt DCO as ERL would eventually link up with other Mainland railways and the journey time in the Hong Kong section of ERL should not be unacceptably long.

36. DSETW said that the Government was assessing the impact of building an additional station at Futian on the train frequency of ERL although the additional station would facilitate passengers traveling between Hong Kong and Futian. He said that the Government aimed at completing the ERL project as soon as possible.

37. Mr Andrew CHENG opined that DCO should be adopted for the Hong Kong section of ERL. He said that with the development of the national high-speed rail network in the Mainland, the projected patronage of ERL would be higher than originally envisaged. The travelling time would be much shortened if a dedicated corridor would be adopted for ERL. Mr CHENG said that members had pointed out the disadvantages of SCO at the last meeting. For instance, if SCO was adopted, modification to the West Rail platforms would be required, and a review on the need to switch to DCO would shortly be required after its commissioning, which might lead to

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additional public expenditure. He queried why the Administration had yet to decide on whether DCO should be adopted for taking forward the project as works on the project had to be expedited to cater for the quick development in the Mainland.

38. DSETW responded that the Administration fully understood members' rationale for supporting DCO. He said that the Administration was actively working on the related matters and would brief the Subcommittee on the progress of ERL in mid 2007.

39. Ir Dr Raymond HO was of the view that as ERL would link up with the national railway network in the Mainland, it would be unreasonable that DCO was not adopted. Ir Dr HO opined that the statement that both options were not financially viable was misleading as consideration should be given to the overall benefits brought about by the ERL project to the economy of Hong Kong. The fact that under DCO, a 30 km long tunnel would have to be built, and the project would be completed about a year later than that of SCO, should not be the major considerations for decision as the associated technical difficulties could be resolved and implementation programme could be speeded up. He said that the Government should not hesitate to adopt DCO and should provide information on the overall economic benefits and financial implications of the two options.

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40. DSETW said that the economic benefits of the ERL project had been considered. He undertook to provide further information regarding the economic benefits of ERL under different development options.

41. Mr Albert CHAN opined that it would be more appropriate to locate the terminus of ERL at Chau Tau as the majority of Hong Kong's population lived in the northern and eastern parts of NT and passengers alighting at the West Kowloon terminus would have to take another trip back to NT. He pointed out that most termini of express railways were situated in suburban areas as sites in the urban area were extremely valuable. Even the terminus of the mainland section of ERL in Guangzhou was located outside the city centre. Mr CHAN was of the view that if adequate feeder transportation services were provided at Chau Tau, it would be a more suitable site as the ERL terminus. He said that if the terminus of ERL was located in West Kowloon, the construction cost of ERL would be about \$10 billion more than building the terminus at Chau Tau.

42. DSETW explained that ERL had to cater for the need of a large number of Mainland passengers, and the terminus at West Kowloon would provide a convenient transit point for the Mainland travellers, particularly business visitors. He pointed out that the environmental impact had to be considered if the terminus of ERL was to be located at Chau Tau.

43. Mr LAU Kong-wah opined that the option of building a station at Chau Tau should be considered as the frontier areas would be developed. He said that ERL could be developed by phases, e.g. the terminus at Chau Tau could be provided in 2010 to tie in with the completion of the Futian station in the Mainland, and then ERL could be extended to West Kowloon later. Mr LAU requested that the KCRC's study

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report on the ERL project should cover details of the economic benefits of the project, the railway lines and cities in the Mainland which would be linked up with ERL, the projected volume of passengers of the Mainland railway lines connected with ERL, the population in the area where the Mainland ERL stations were located. He said that the Government should work closely with KCRC, so that once KCRC study report was available in June or July 2007, a decision could be made on the Corridor Option adopted so as to expedite the project.

44. SD/P explained that the KCRC had all along been working closely with the relevant Government bureaux/departments, MTRCL and the Mainland railway authorities in taking forward the ERL project, and would continue to do so, with a view to completing the ERL project as soon as possible.

45. The Chairman requested that KCRC should complete its study report before June/July 2007 so that the Subcommittee could review the project within the current legislative session. SD/P replied that KCRC would try its best to complete the study report as soon as possible and revert to the Subcommittee in the current session.

VI Any other business

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