

立法會

Legislative Council

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Panel on Transport

Subcommittee on Matters Relating to Railways

Minutes of meeting on Thursday, 4 June 2009, at 8:30 am in the Chamber of the Legislative Council Building

- Members present** : Hon Miriam LAU Kin-ye, GBS, JP (Chairman)
Hon LAU Kong-wah, JP
Hon Andrew CHENG Kar-foo
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon LEUNG Kwok-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon KAM Nai-wai, MH
Hon WONG Sing-chi
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
- Members attending** : Hon Audrey EU Yuet-mee, SC, JP
Hon Tanya CHAN
Hon IP Kwok-him, GBS, JP
- Members absent** : Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Albert CHAN Wai-yip
Hon Ronny TONG Ka-wah, SC

- Public Officers attending** : **Agenda item I**
- Ms Eva CHENG
Secretary for Transport and Housing
- Mr Philip YUNG
Deputy Secretary for Transport & Housing
(Transport) 1
- Mr C S WAI
Director of Highways
- Mr WAN Man-lung
Principal Government Engineer/Railway
Development, Highways Department
- Attendance by invitation** : **Agenda item I**
- MTR Corporation Limited
- Mr Russell BLACK
Projects Director
- Mr Malcolm GIBSON
Head of Project Engineering
- Miss Maggie SO
Senior Manager - Projects and Property
Communications
- Clerk in attendance** : Ms Joanne MAK
Chief Council Secretary (1)2
- Staff in attendance** : Ms Julien CHU
Council Secretary (1)2
- Miss Winnie CHENG
Legislative Assistant (1)5
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Action

I. Further discussion on West Island Line (WIL) funding arrangement

- (File Ref: THB(T)CR 11/1016/99 - Administration's paper on Mass Transit Railway West Island Line Funding Arrangement (Legislative Council Brief)
- LC Paper No. CB(1)1804/08-09(01) - Administration's paper on West Island Line Ventilation Shafts
- LC Paper No. CB(1)1804/08-09(02) - Administration's paper on West Island Line Use of Explosives
- LC Paper No. CB(1)1804/08-09(03) - Administration's paper on West Island Line Checking of Cost Estimate
- LC Paper No. CB(1)1804/08-09(04) - Administration's paper on West Island Line Comparison of 2007 and 2009 Estimate
- LC Paper No. CB(1)1804/08-09(05) - Administration's paper on West Island Line Assessment of Funding Gap
- LC Paper No. CB(1)1804/08-09(06) - Submission from 寶翠園業主委員會
- LC Paper No. CB(1)1804/08-09(07) - MTR Corporation Limited's response to two submissions from Action Group for the Pursuit of MTR in the Western District
- LC Paper No. CB(1)1758/08-09(01) - Administration's paper on funding support and essential public infrastructure works of the MTR West Island Line
- LC Paper No. CB(1)1758/08-09(02) - Joint reply from the Administration and the MTR Corporation Limited to issues raised at the meeting on 31 March 2009)

The Subcommittee deliberated (index of proceedings attached at **Annex**).

2. Mr Abraham SHEK declared interests as an independent non-executive director of the Board of the MTR Corporation Limited (MTRCL).

Action

3. Further to its meeting on 1 June 2009, the Subcommittee continued discussion on the funding arrangements for WIL. Members in general expressed grave concern whether MTRCL had under-estimated the revenue of WIL and over-estimated the funding support required. The Administration explained that the revenue had been estimated based on input assumptions including projected population and employment figures, fare structure and so on. The Administration pointed out that with the Rail Merger in 2007, a series of fare reduction took effect in December 2007. When the original project cost estimate for WIL was prepared in October 2007, these fare reductions were not taken into account. Moreover, the increase in population and employment projection for 2016 according to the latest forecast would slow down, and this also had impact on the revenue from WIL.

4. Members including Mr Andrew CHENG, Mr WONG Kwok-hing and Ms LI Fung-ying expressed concern whether the projected population/employment data were on the conservative side without taking into account the development in the district brought about by WIL. Ms LI Fung-ying considered that the Rail Merger had achieved an overall staffing synergy for MTRCL, which should also be taken into account in calculating the cost estimate.

5. In response to members' concern, the Administration advised that the non-fare revenue of WIL had been checked by an independent engineering consultant whereas the fare revenue had been checked using the well-established Railway Development Study computer model. The Administration also invited members to a proposed claw-back mechanism whereby the funding gap would be re-assessed within two years after WIL had commenced operation. Any over-estimation of the contracts leading to over-assessed funding support, if any, would be returned to Government with interest. In case of overshooting in expenditure, the excess would be borne by MTRCL.

6. Members also urged the Administration to actively address the concerns expressed by the local community, particularly the air and visual impacts of proposed ventilation shafts at Hill Road and Bonham Road, and the effects of blasting. MTRCL undertook that it would explore all possible ways to minimize the size of the Hill Road ventilation shaft to address residents' concern. MTRCL would also enforce stringent risk control and measures to ensure safe delivery, use and storage of explosives.

7. Mr KAM Nai-wai moved the following motion which was seconded by Mr Andrew CHENG -

Action

本會強烈要求立即動工興建港鐵西港島線，並要求港鐵承擔更高的建造工程費用。並督促港鐵重新檢視處理通風井及爆破工程的方法，以回應居民的憂慮。

(Translation)

That this Subcommittee strongly requests the immediate implementation of the Mass Transit Railway West Island Line project and requests the MTRCL to shoulder a greater share of the project cost, and urges the MTRCL to re-examine the way it handles the issues in connection with the ventilation shafts and blasting works, so as to address the worries of the residents.

8. Mr LAU Kong-wah proposed to amend the above motion by substituting "並要求港鐵承擔更高的建造工程費用" with "政府與港鐵依據合理方程式達成財務協議，並以不影響至提高西港島線票價為宗旨" ("and the Government to reach financial agreements with the MTRCL according to a reasonable formula on the basis that its impact will not result in an increase in the fares of the West Island Line" (translation)). The proposed amendment was seconded by Mr CHEUNG Hok-ming.

9. Mrs Regina IP also proposed to amend the motion moved by Mr KAM Nai-wai by substituting "並要求港鐵承擔更高的建造工程費用" with "特區政府重新檢視與港鐵的財務安排，作為長遠工作目標". ("and the re-examination of its financial arrangement with the MTRCL by the HKSAR Government as its long-term work objectives" (translation)). The proposed amendment was seconded by Ms LI Fung-ying.

10. Mr KAM's motion as amended by Mr LAU Kong-wah was put to vote. The Chairman declared that four members voted for and six members voted against the motion. The Chairman declared that the motion was negatived.

11. Mr KAM's motion as amended by Mrs Regina IP was put to vote. The Chairman declared that seven members voted for and four members voted against the motion. The Chairman declared that the motion was carried.

Admin.

12. After discussion, the Administration was requested to -

- (a) deposit the Final Report of the Consultancy for the Checking of the Estimated Construction and Operation Costs of WIL prepared by the Independent Engineering Consultant at the LegCo Secretariat for members' perusal; and
- (b) make available a sample set of model run showing the projected patronage in 2021 for members' perusal.

Action

(Post-meeting note: the following two documents were received from the Administration on 8 June 2009 and were then deposited at the LegCo Secretariat for members' perusal: Final Report of the Consultancy for the Checking of the Estimated Construction and Operation Costs of WIL and an Executive Summary, and a sample set of model run showing the projected patronage in 2021 with an explanatory note on the computer model print-out.)

II. Any other business

13. There being no other business, the meeting ended at 10:45 am.

Council Business Division 1
Legislative Council Secretariat
21 December 2009

Panel on Transport

Subcommittee on Matters Relating to Railways

**Proceedings of the meeting
on Thursday, 4 June 2009, at 8:30 am
in the Chamber of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
<i>Agenda Item I – Further discussion on West Island Line (WIL) funding arrangement</i>			
000000 – 000737	Chairman	Opening remarks	
000738 – 003154	Administration	Briefing of the papers on blasting, ventilation shafts and funding arrangements of WIL by the Administration.	
003155 – 003918	Mr WONG Kwok-hing Administration	Mr WONG Kwok-hing's concerns on the capital grant proposed by the Administration and the Administration's response.	
003919 – 005026	Mr KAM Nai-wai Administration MTR Corporation Limited (MTRCL)	Mr KAM Nai-wai's queries on the number and size of ventilation shafts and the impacts of blasting operations. The Administration and MTRCL's response that efforts had been made to reduce the number and size of ventilation shafts.	
005027 – 010023	Mr Andrew CHENG Administration	Mr Andrew CHENG's request and the Administration's agreement to make available the Final Report of the Consultancy for the Checking of the Estimated Construction and Operation Costs of WIL prepared by the consultant and a sample set of model run showing the projected patronage in 2021 for members' perusal.	
010024 – 010656	Ms LI Fung-ying Administration	Ms LI Fung-ying's query about the increased funding support for the project proposed by the Administration. The Administration's explanation that WIL was financially infeasible without the Government's funding support, and its briefing on the proposed claw-back mechanism.	
010657 – 011352	Mrs Regina IP Administration MTRCL	Mrs Regina IP's queries on the mitigation measures on the operation of ventilation shafts and the safety measures on Bonham Road. The Administration's response that the ventilation shafts would not cause air or noise pollution. The contractor to be commissioned by the MTRCL would refine the design to address residents' concerns.	
011353 – 012056	Mr LAU Kong-wah Administration	Mr LAU Kong-wah's expression of concern about the funding mechanism for railway projects. The Administration's explanation on the computation of the project estimate.	
012057 – 012709	Mr CHEUNG Hok-ming Administration	Mr CHEUNG Hok-ming's enquiries on MTRCL's investment in the WIL, and the storage and contingency	

Time marker	Speaker	Subject(s)	Action required
		<p>plan in the use of explosives.</p> <p>The Administration's response -</p> <ol style="list-style-type: none"> a. the funding support by the Government would be capped whereas MTRCL would bear the risk of deficit operations under the proposed claw-back mechanism; and b. the storage, transportation and usage of explosives, and the risk associated were all included in the Environmental Impact Assessment report. The explosives for the WIL project would be stored in a cave adjacent to the Victoria Road and Mount Davis Road. 	
012710 – 014459	<p>Chairman Mr Abraham SHEK Mr IP Kwok-him Miss Tanya CHAN</p>	<p>Moving of motion and amendments to the motion by members.</p> <p>Mr IP Kwok-him's request for explanation of the environmental impact of the ventilation shafts and the mechanism for claiming compensation for damages caused by blasting operations.</p> <p>MTRCL's response -</p> <ol style="list-style-type: none"> a. the quality of the air taking in and emitting from the ventilation shafts would be the same as that on the road; and b. comprehensive third party insurance would be procured to cover damages caused by the project. <p>Discussion on the feasibility of alternative locations proposed by residents for establishment of the ventilation shafts.</p>	
014500 – 014824	<p>Mr KAM Nai-wai MTRCL</p>	<p>Mr KAM Nai-wai's further queries on whether the ventilation shafts could be relocated and MTRCL's response assuring members that it would continue to refine design options for the ventilation shafts to address residents' concerns.</p>	
014825 – 015228	<p>Mr Andrew CHENG Administration</p>	<p>Mr Andrew CHENG's reiteration of his suggestion to introduce a fare stabilization fund.</p>	
015229 – 015525	<p>Mr LAU Kong-wah</p>	<p>Mr LAU Kong-wah's explanation of the rationale of his proposed amendment to the motion.</p>	
015526 – 015916	<p>Mr Jeffrey LAM Administration</p>	<p>Mr Jeffrey LAM's enquiry on the number of jobs that would be created by the WIL project.</p> <p>The Administration's response that some 3 000 jobs would be created. The economic development of the districts along the WIL would also be boosted.</p>	

Time marker	Speaker	Subject(s)	Action required
015917 – 020920	Mrs Regina IP Mr LAU Kong-wah Mr LEUNG Kwok-hung Mr Andrew CHENG	Mrs Regina IP's explanation of the rationale of her proposed amendment to the motion.	
020921 – 021551	Chairman Mr Jeffrey LAM	Voting on the motion as amended by members	

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