

NOTE FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

Supplementary Information on

HEAD 706 - HIGHWAYS

58TR – Shatin to Central Link – construction of railway works - protection works

INTRODUCTION

At the Legislative Council (LegCo) Public Works Subcommittee meeting on 9 June 2010 discussing PWSC(2010-11)11 on **58TR** “Shatin to Central Link – construction of railway works – protection works”, Members requested the Administration to provide the following supplementary information –

- (a) the ballpark figure of the latest estimated capital cost of the Shatin to Central Link (SCL) project estimated on the basis of the latest information and assumptions available; and
- (b) the considerations for undertaking the planned SCL protection works at Causeway Bay Typhoon Shelter at a later stage and separately from the proposed SCL protection works in Wan Chai Development Phase II.

THE ADMINISTRATION’S RESPONSE

The estimated capital cost of the SCL project

2. There are still a number of uncertain factors in working out the estimate of the SCL project. According to the current programme, we are planning to gazette the SCL scheme in 2011. Only until then, we would be able

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to prepare a more accurate cost estimate. However, in order to address the Members' request, we have attempted a cost estimate for the SCL project based on information now available and certain assumptions in the subsequent paragraphs. We would like to stress that the figure below is our current estimate for railway works and non-railway works, and is subject to change pertaining to the evolution of detailed design and further discussion with the locals on various issues.

3. In March 2008, we announced that the MTR Corporation Limited (MTRCL) would be requested to proceed with the further planning and design of the SCL project based on the proposal jointly submitted by the MTRCL and the then Kowloon-Canton Railway Corporation in 2005. The total project cost was estimated to be about \$38.17 billion in April 2007 prices, comprising the SCL works (about \$37.4 billion) and the associated essential public infrastructure works (about \$0.77 billion).

4. The construction cost of the SCL works (including railway works and non-railway works) has increased by about 30% between 2007 and 2009, mainly due to significant increase in construction material prices. In addition, we will, having regard to the actual situation, consider incorporating suggestions and requests raised by certain stakeholders during the public consultation in the last two years, concerning the design and proposed facilities of the SCL project. These design changes may further increase the cost of the SCL project. The addition of Hin King Station, omitting the barging point near Hoi Sham Park in To Kwa Wan, further improving the pedestrian links at Tsz Wan Shan, relocating the International Mail Centre from Hung Hom to Kowloon Bay, etc. are a few examples. The estimated cost for these additional works is about \$5 billion. Furthermore, in the course of the preliminary design, MTRCL has to revise the design to cope with actual site conditions and technical requirements. Large scale traffic diversions would also need to be implemented in different areas during the SCL construction stage. The estimated cost for these changes is about \$7 billion. Based on the current assessment, the estimated cost for the entire SCL project (including railway works and non-railway works) is over \$60 billion.

5. Nonetheless, there are still a number of uncertainties that may increase the cost of the works leading to an upward adjustment to the aforesaid estimate. For example, MTRCL may have to further adjust the SCL design in the course of detailed design and further site investigations. Such adjustments in the design will affect the cost estimate. Moreover, the estimates for different components of the SCL project, e.g. electrical and mechanical works, may also be
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subject to changes upon the finalisation of detailed project plans. Furthermore, the SCL project involves a number of issues of public concern, such as the arrangements for using the Ma Chai Hang Playground for temporary works area, ventilation building and emergency exit, the design of Diamond Hill stabling sidings, the design of pedestrian links in Kowloon City, the arrangements for temporary works area and construction facilities within the Kai Tak Development, etc.. As there are different views on these issues, we shall continue to consult the public in the coming months before arriving at a more definite proposed scheme for the SCL project. Since the cost implications of different options for addressing these public concerns could be very different, we can only prepare a more accurate cost estimate when we have a better picture of the options.

The considerations for undertaking the planned protection works at Causeway Bay Typhoon Shelter at a later stage

6. **58TR** comprises the SCL protection works to be implemented within areas of the Wan Chai Development Phase II (WDII) project and the Central-Wan Chai Bypass (CWB) project at Causeway Bay Typhoon Shelter (CBTS).

7. As the relevant protection works will have to be carried out under the two large projects above, the timing of constructing the protection works will have to be properly coordinated with that of the two large projects, so as to ensure the timely completion of the protection works and avoid causing delay to the two large projects.

8. A number of water mains will need to be reprovisioned under the WDII project. The SCL protection works will have to be completed before the reprovisioning of the water mains so as to avoid adopting a cut-and-cover approach in constructing the SCL tunnels, and thus the avoiding the need to divert the newly reprovisioned water mains. To match with the works progress of the WDII project and, subject to the funding approval by the LegCo Finance Committee (FC), construction of the protection works will commence in August 2010 for completion by end 2011 so the water mains may be reprovisioned in early 2012.

9. The SCL protection works in the CBTS is located at the intersection of the proposed SCL tunnels and the CWB tunnels. Since the SCL tunnels will lie directly above the CWB tunnels in the CBTS, construction of the CWB tunnels will have to commence first. Upon the completion of that section of the CWB tunnels in 2011, construction of the SCL protection works will have to commence immediately, so as to avoid repeating the temporary reclamation in the CBTS .

10. Besides making use of the temporary reclamations under the CWB project, additional temporary reclamation of about 0.4 hectare in the CBTS is also required for the SCL project. We are now conducting an environmental impact assessment (EIA) for the temporary reclamation and shall gazette the arrangements under the Foreshore and Sea-bed (Reclamations) Ordinance. Upon approval of the EIA report and authorization of the temporary reclamation, we shall seek funding approval for the SCL protection works in the CBTS. According to the current programme, we plan to seek funding approval from the LegCo Public Works Subcommittee / FC in mid-2011, and commence the protection works in 2011 for completion in 2013 to tie in with the progress of the CWB project.

11. Since the two protection works have to match with the construction programmes of the WDII and CWB projects respectively, they will be executed separately under the respective contracts of these two projects. As such, seeking funding approval for the two SCL protection works separately will not lead to any additional cost.

Transport and Housing Bureau
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