

立法會

Legislative Council

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Panel on Transport

Subcommittee on Matters Relating to Railways

Minutes of special meeting on Monday, 16 November 2009, 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, SBS, S.B.St.J., JP
 - Hon LAU Kong-wah, JP
 - Hon Andrew CHENG Kar-foo
 - Hon Abraham SHEK Lai-him, SBS, JP
 - Hon LI Fung-ying, BBS, JP
 - Hon Albert CHAN Wai-yip
 - Hon WONG Kwok-hing, MH
 - Hon LEE Wing-tat
 - Hon Jeffrey LAM Kin-fung, SBS, JP
 - Hon LEUNG Kwok-hung
 - Hon CHEUNG Hok-ming, GBS, JP
 - Hon Ronny TONG Ka-wah, SC
 - Hon KAM Nai-wai, MH
 - Hon IP Wai-ming, MH
 - Hon Mrs Regina IP LAU Suk-ye, GBS, JP
- Members attending** :
- Hon James TO Kun-sun
 - Hon Audrey EU Yuet-mee, SC, JP
 - Hon WONG Ting-kwong, BBS, JP
 - Hon CHAN Kin-por, JP
- Member absent** :
- Hon WONG Sing-chi

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

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- I Funding arrangement of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link**
(LC Paper No. CB(1)356/09-10(01) — Administration's paper attaching a draft Public Works Subcommittee (PWSC) paper on special

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- LC Paper No. CB(1)361/09-10(01) — ex-gratia payments Administration's paper attaching two draft PWSC papers on the construction of the railway works and non-railway works respectively
- LC Paper No. CB(1)356/09-10(02) — Supplementary information on the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) provided by the Administration
- LC Paper No. CB(1)398/09-10(01) — Powerpoint presentation materials provided by the Administration on "Funding arrangement of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link"
- Legislative Council Brief — Legislative Council Brief on the Hong Kong section of XRL: Authorization of Scheme
- Legislative Council Brief — Legislative Council Brief on the Hong Kong section of XRL: Funding Arrangement and Special Rehousing Package
- LC Paper No. CB(1)2582/08-09(02) — Background brief on XRL (Hong Kong section) prepared by the Legislative Council Secretariat
- LC Paper No. CB(1)401/09-10(01) — Submission from The Professional Commons)

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

2. The Administration gave a presentation on the detailed funding arrangements of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) project. Members were informed that, as a result of construction price escalation and the latest enhancements to the designs required to be made to both the railway and non-railway works, the project estimate had surged from \$39.5 billion (2009 prices announced in April

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2008) to \$65.2 billion (September 2009 prices). The Administration explained the revised estimate, compared with that announced in April 2008, as set out below -

Figures in '\$B' (2009 prices)	Estimate in April 2008	Project enhancement	Price escalation	Estimate in September 2009
Railway works	35.4	7.7	10.6	53.7
Non-railway works	4.1	5.0	2.4	11.5

3. The Administration pointed out that global construction prices surged rapidly in the past three to four years and the Hong Kong section of XRL was no exception. For the Hong Kong section of XRL, the latest estimate reflected an overall escalation of the project cost of some 42% between 2006 and 2009, which was in line with the relevant magnitude of 48% of the MTR West Island Line project. In view of the current slightly downward trend of the relevant tender prices, the Administration considered the 42% increase reasonable.

4. Members discussed the following major issues concerning the project -

- (a) possible project cost escalation if the project was further delayed;
- (b) impact of the proposed West Kowloon Terminus (WKT) on the future traffic conditions of Yau Tsim Mong District, and the respective estimated volume/capacity ratios of the main roads in the vicinity (including Austin Road, Jordan Road, Lin Cheung Road, Nathan Road, Canton Road, Kowloon Park Drive, Ferry Street and West Kowloon Highway). The impact assessment should also take into account the traffic impact brought about by the West Kowloon Cultural District (WKCD);
- (c) pedestrian connectivity between the proposed WKT and the nearby Austin Station and Kowloon Station;
- (d) impact of the works of the Hong Kong section of XRL on the overall planning and design of WKCD and whether additional noise barriers/vibration measures would need to be installed in the cultural facilities to be constructed on top of the underground railway terminus so that users of the facilities would not be affected by the noise/vibration of running XRL trains;

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- (e) the co-location of boundary control facilities (BCF) at the proposed WKT;
- (f) project management cost of the Hong Kong section of XRL payable to the MTR Corporation Limited (MTRCL) for construction planning, management and supervision, overheads and management expenses of MTRCL; and
- (g) the feasibility of amending the alignment of the Hong Kong section of XRL in the urban area to avoid affecting area such as Tai Kok Tsui.

5. Members expressed grave concern about the impact of the proposed WKT on the traffic of the West Kowloon area (including Jordan Road/Lin Cheung Road, Jordan Road/Ferry Street/Canton Road, Lin Cheung Road/Austin Road West, etc.) and the additional traffic demand arising from WKCD. The Administration advised that, with the implementation of the essential public infrastructure works which would provide appropriate footbridges, subways, depressed road system and associated at-grade roads, as well as pedestrian linkages, the traffic pressure on major road junctions in the West Kowloon area would be relieved. The Administration assured members that the improvement works being planned should be able to cater for the traffic growth in the area up to 2031 when the major developments in the West Kowloon area should have completed.

6. Members stressed to the Administration that the co-location of BCF in WKT was highly important to realizing the benefits of the Hong Kong section of XRL. In response, the Administration explained that a task force had been set up to study the co-location arrangements and would initiate discussions with the relevant Mainland authorities when ready. The Administration advised that legal considerations involved were complicated and required careful study.

7. The Subcommittee agreed to continue discussion on the proposed funding arrangements at the next meeting on 17 November 2009. To facilitate members' deliberation, the Administration was requested to provide the following supplementary information -

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- (a) more detailed information on the initial and the final project estimates to facilitate LegCo Members' scrutiny of the costs of the railway and non-railway works;
- (b) the executive summaries of the two review reports on assessments conducted by independent engineering consultants to ascertain whether the construction cost and project management cost of the

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Hong Kong section of XRL were reasonable;

- (c) more detailed information on the basis on which the forecast of patronage of XRL was made (i.e. the methodology of the patronage forecast);
- (d) more detailed information on the direct and indirect economic benefits and the Economic Internal Rate of Return as well as environmental benefits expected from the project;
- (e) the financial arrangements between the Administration and MTRCL, and the operational viability of the Hong Kong section of XRL;
- (f) supplementary information on improvement schemes for the road and pedestrian connections at the West Kowloon area in support of WKT and WKCD;
- (g) junction improvement and traffic management measures that would be carried out to enhance the capacity of 19 critical road junctions in the West Kowloon area;
- (h) enhancement measures to improve linkage between WKT and the Kowloon Station of the Airport Express and the Austin Station of the Kowloon Southern Link;
- (i) more detailed information as to why no alternative alignment options which could avoid impacting on Tai Kok Tsui were feasible; and
- (j) assessment on the impact of the works of the Hong Kong section of XRL on the overall planning and design of WKCD.

(Post-meeting note: The following three supplementary papers provided by the Administration were issued to members vide LC Paper No. CB(1)503/09-10(01)-(03) on 27 November 2009 -

- (a) Funding Arrangement of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link: Supplementary information on the increase in costs of the railway and non-railway works;*
- (b) The Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link: Patronage Forecast, Economic Benefit and Operational Viability; and*

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- (c) *The Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link: Associated traffic facilities for the West Kowloon Terminus.*)

Date of next meeting

8. Members agreed to advance the next meeting originally scheduled for 17 November 2009 at 2:30 pm to start at 1:30 pm.

II Any other business

9. There being no other business, the meeting ended at 12:50 pm.

Council Business Division 1
Legislative Council Secretariat
10 March 2010

Panel on Transport

Subcommittee on Matters Relating to Railways

Proceedings of the special meeting on Monday, 16 November 2009, at 10:45 am in the Chamber of the Legislative Council Building

Time marker	Speaker	Subject(s)	Action required
<i>Agenda item I – Funding arrangement of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link</i>			
000000 – 000443	Chairman	Opening remarks	
000444 – 003120	Administration	Powerpoint presentation on the funding arrangement of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) (LC Paper No. CB(1)398/09-10(01)).	
003121 – 003722	Mr Jeffrey LAM Administration	<p>Mr Jeffrey LAM's queries -</p> <p>(a) whether the additional \$5 billion costs on enhancements to non-railway works could cater for needs for further developments after the commissioning of the Hong Kong section of XRL in 2015; and</p> <p>(b) the possible increase in project cost and the economic losses incurred if the project was delayed.</p> <p>The Administration's response -</p> <p>(a) with the construction of essential public infrastructure works (EPIW), the reserved capacity of major junctions at the West Kowloon would be improved to meet the traffic demand up to 2031, taking into consideration the increased traffic demand arising from the West Kowloon Terminus (WKT), the West Kowloon Cultural District (WKCD) and new developments in the vicinity; and</p> <p>(b) any delay would defer the realization of economic benefits of the project, the loss in direct economic benefits to commuters in terms of savings in journey time was estimated to be \$5 million per day of delay.</p>	
003723 – 004317	Mr Albert CHAN Administration	<p>Mr Albert CHAN's query on the drastic upsurge of the project estimate and his request for detailed breakdown on the initial and the final project estimates.</p> <p>The Administration's response -</p> <p>(a) two independent engineering consultants had been engaged to conduct assessments on the costs; and</p>	

		(b) the requested information on project estimates would be provided.	Administration to provide information. (paragraph 7 of minutes)
004318 – 004857	Mr Andrew CHENG Administration	Mr Andrew CHENG's expression of worries about the traffic conditions of the West Kowloon district. The Administration's response - (a) as pointed out in the "Hong Kong 2030: Vision and Strategy" published in 2007 by the Planning Department, the West Kowloon district would have the potential to develop into a new cluster of high grade offices, thereby help sustaining the development of the local financial and commercial service sector; and (b) the construction of EPIW would be able to cater for the traffic growth of the West Kowloon up to 2031.	
004858 – 005540	Mr LI Wing-tat Administration Chairman	Mr LI Wing-tat's concerns on the cost and acoustic impacts of the Hong Kong section of XRL on WKCD. The Administration's response that the project would not have much cost implications on WKCD. The Chairman's request and the Administration's undertaking to provide supplementary information.	Administration to provide information. (paragraph 7 of minutes)
005541 – 010054	Mr LAU Kong-wah Administration Chairman	Mr LAU Kong-wah's concerns on the improvements to the road traffic at areas in the vicinity of WKT and the adequacy of underground pedestrian connections. The Administration's response that the construction of EPIW would bring improvements to the road traffic in the vicinity of WKT. The Chairman's request for information on improvement measures to the road traffic.	Administration to provide information. (paragraph 7 of minutes)
010055 – 010532	Ms LI Fung-ying Administration	Ms LI Fung-ying's queries and the Administration's response that staging station facilities underground would allow more space at the ground level for leisure and greening purposes to meet the expectations of the public.	
010533 – 011157	Mr LEUNG Kwok-hung Administration	Mr LEUNG Kwok-hung's concern on the traffic congestion in West Kowloon and his query on the rationale for the Hong Kong section of XRL project. The Administration's explanation on the importance and the economic benefits of the project.	
011158 – 011728	Mr CHEUNG Hok-ming Administration	Mr CHEUNG Hok-ming's emphasis on the importance of co-locating boundary control facilities (BCF) at WKT, and his enquiry on the treatment of the excavated materials and the cost incurred. The Administration's response - (a) a task force had been set up to study the co-location arrangements and would initiate discussion with the	

		<p>relevant Mainland authorities when ready; despite provisions had been allowed for the co-location of BCF in WKT, the complicated legal considerations should not be underestimated; and</p> <p>(b) excavated materials would be reused in other infrastructure projects as far as possible, the rest would be delivered to the Mainland for further processing.</p>	
011729 – 012246	Ir Dr Raymond HO Administration	<p>Ir Dr Raymond HO's emphasis on the importance of comprehensive ground investigations and his queries on the grouting works.</p> <p>The Administration's response -</p> <p>(a) savings of \$3 billion were achieved by reduction of the contingency provision by 10%; and</p> <p>(b) problems with grouting works should be minimal given the extensive ground investigations conducted.</p>	
012247 – 013327	Ms Audrey EU Administration Chairman MTR Corporation Limited (MTRCL)	<p>Ms Audrey EU's queries about -</p> <p>(a) the capacity of 19 critical road junctions in the West Kowloon, both at present and upon the commissioning of WKCD and the Hong Kong section of XRL;</p> <p>(b) the use of the Airport Express platform at the Hong Kong Station that had been left idle;</p> <p>(c) the underperformance of the Airport Railway;</p> <p>(d) arrangements on co-location of BCF in WKT; and</p> <p>(e) public consultation with Tai Kok Tsui residents affected by the project.</p> <p>The Administration's response -</p> <p>(a) a consistent approach in conducting consultations had been adopted;</p> <p>(b) a task force had been set up to liaise with the relevant Mainland authorities in respect of the customs arrangements; and</p> <p>(c) the requested information on road junction capacity would be provided.</p> <p>The MTRCL's response -</p> <p>(a) the maximum operational capacity of the Airport Railway was set at 32 trains per hour as opposed to 39 as designed to meet the needs for adequate operation margin and increasing train services to Tung Chung; and</p> <p>(b) the second Airport Express platform would be put into</p>	<p>Administration to provide information. (paragraph 7 of minutes)</p>

		service when the number of train movements was increased to seven per hour.	
013328 – 013825	Mr WONG Kwok-hing Administration	Mr WONG Kwok-hing's queries on lowering the project cost and diverting the alignment to run underneath the West Kowloon Highway instead of Tai Kok Tsui. The Administration's response - (a) tenderers of the contracts would be encouraged to put forward cost-saving proposals; and (b) the Airport Express and the West Rail Line were situated along the West Kowloon Highway and hence there would be insufficient room for the XRL alignment.	
013826 – 014524	Mr James TO Administration Chairman	Mr James TO's requests for - (a) explanation on the alternative options of alignment which could avoid impacting on Tai Kok Tsui; (b) proper public consultation with the affected Tai Kok Tsui residents; and (c) coordination with the Development Bureau to explore the possibility for the Urban Renewal Authority to undertake integrated redevelopment of Tai Kok Tsui. The Administration's response that apart from the letters sent and meetings held for the affected Tai Kok Tsui residents, an information centre would also be set up. The Chairman's request for information on the feasibility of alternative options of alignment which could avoid impacting on Tai Kok Tsui.	Administration to provide detailed information. (paragraph 7 of minutes)
014525 – 015015	Mr Abraham SHEK Chairman	Mr Abraham SHEK's views on the importance of the Hong Kong section of XRL and his support for the West Kowloon Option.	
015016 – 015340	Mr LAU Kong-wah Administration Chairman	Mr LAU Kong-wah's concerns on the pedestrian connectivity and the road transport in the vicinity of WKT. The Administration's response - (a) WKT would be well-served by footbridges, subways and at-grade level walkways; and (b) the recommendations as put forward by the West Kowloon Reclamation Development Traffic Study would be implemented such that the reserved capacity of major road junctions on West Kowloon would be able to meet the traffic demand in the area up to 2031.	

		The Administration's undertaking to consider providing travelators to connect WKT with other MTR stations.	Administration to provide information on the use of travelators. (paragraph 7 of minutes)
015341 – 015827	Mr Albert CHAN Administration	Mr Albert CHAN's request and the Administration's agreement to provide detailed information in respect of the financial arrangements between the Administration and the MTRCL, and the operational viability of the Hong Kong section of XRL project.	Administration to provide information. (paragraph 7 of minutes)
015828 – 020121	Mr Jeffrey LAM Administration	Mr Jeffrey LAM's queries on the financial arrangements on the BCF, the connectivity of WKT with its surrounding developments, and the coordination of works with the West Kowloon Cultural District Authority (WKCDA). The Administration's response - (a) provisions had been allowed for co-location of BCF in WKT, the mode of operation and the manpower requirement would be subject to further planning; and (b) close liaison had been established with the WKCDA.	
020122 – 020451	Chairman Mr LAU Kong-wah Mr Albert CHAN Ms Audrey EU Ir Dr Raymond HO	Discussion on advancing the starting time of the meeting scheduled for 17 November 2009 from 2:30 pm to 1:30 pm.	