For information 9 February 2010

Legislative Council Panel on Transport Subcommittee on Matters Relating to Railways

Progress Report on the South Island Line (East)

Introduction

This paper briefs Members on the latest progress of the proposed South Island Line (SIL) (East) project.

Background

2. The SIL (East) will be a seven-kilometre long medium capacity railway, running between Admiralty and South Horizons with intermediate stations at Ocean Park, Wong Chuk Hang and Lei Tung, and its alignment is shown at Annex 1.

3. We last briefed the Subcommittee on the latest progress of the planning of the SIL (East) project on 17 September 2009 and 4 December 2009. The proposed SIL (East) railway scheme was gazetted in July 2009 for the statutory consultation process.

Latest Progress

4. Since the commencement of the preliminary design of the SIL (East) in early 2008, the Government and the MTR Corporation Limited (MTRCL) have conducted extensive consultation. The local community including the District Council was briefed on the proposed railway scheme. From early 2008 to the present, we have attended nine meetings organized by the Southern District Council (SDC) or the South Island Line Focus Group under the SDC, to exchange views on issues related to the project.

5. As mentioned above, the railway scheme has been gazetted for the statutory consultation process. The MTRCL commenced the detailed design of the SIL (East) in August 2009 and at the same time proceeded to carry out an assessment in accordance with the Environmental Impact Assessment Ordinance. The Government and the MTRCL continue to explain the proposed scheme to the SDC, concerned groups, local communities and representatives of organizations whose rights of land use are affected, as well as to listen to their views. The

Government and the MTRCL keep in close contact with the SDC and the local communities.

6. At the last Subcommittee meeting on 4 December 2009, Members requested for further information on :

- (i) the proposed temporary barging point at Telegraph Bay;
- (ii) the proposed temporary magazine at Chung Hom Shan;
- (iii) the rail alignment for the viaduct section adjacent to the Tung Wah Group Hospitals Jockey Club Rehabilitation Complex (JCRC);
- (iv) the implementation of new railway projects using the ownership approach versus concession approach; and
- (v) the funding arrangement for the SIL (East).

Proposed Temporary Barging Point at Telegraph Bay

7. The construction of the SIL (East) will inevitably generate large amounts of excavated materials. In order to minimise the associated traffic and environmental impacts, and to enable reusing those excavated materials for environmental considerations, the MTRCL proposes to set up two temporary barging facilities in the district to remove the spoils by sea. This will significantly reduce the impact on road traffic, in particular the burden on strategic routes in the district and in Central and Wan Chai, as well as the impact on the environment. Furthermore, the two temporary barging facilities will suitably channel the transport of spoils to minimise the impact on local traffic. During the preliminary design stage, two locations for the barging points, namely Lee Nam Road on Ap Lei Chau and Tin Wan Praya Road at Kellet Bay were proposed.

8. In the detailed design stage, the Government and the MTRCL re-visited the logistics of disposal of the excavated materials, and explored the feasibility with the contractor of the Drainage Services Department to co-use the existing barging facilities at Telegraph Bay. The barging point at Telegraph Bay has been in service for some time. The proposal to co-use the works area could avoid the need to set up an additional barging point elsewhere and this will be a balanced option with least impact on the nearby community. Whilst the SIL (East) project will take about four years to complete, the disposal of excavated materials will only take place in the first two years of the construction period.

9. If no suitable alternative locations for the proposed barging points could be found within the Southern District, the overall traffic impact will be greater as the excavated materials will have to be transported by trucks to dumping facilities outside the Southern District via Pokfulam Road or Aberdeen Tunnel and even the Cross Harbour Tunnel, thus putting additional traffic to the major roads in the Southern District. The progress of the works of the SIL (East) will also be affected.

10. The MTRCL is now carrying out the associated environmental impact assessment (EIA) and construction traffic impact assessment (CTIA) studies for the two proposed barging points (Lee Nam Road and Telegraph Bay) to assess the impact on the environment and propose mitigation measures, such as trucks with mechanical covers, wheel-washing bay and covered dumping areas at the barging points to ensure that the impacts on the neighbourhood will be minimised.

11. The CTIA study will review the capacity of the existing road network in the vicinity of the proposed barging points, and if necessary, suitable improvement works will be carried out beforehand to ensure that the additional traffic could be accommodated safely. Close monitoring of the construction traffic will be in place to ensure that the safety procedures are strictly adhered to and local traffic will not be affected.

12. The Government and the MTRCL have been staying in touch with the local community and will continue to listen to their views. Since November 2009, we met with the representatives of property management companies, the local community and residents several times to exchange views on the proposed sites. We are aware of the concerns of nearby residents over the impact on the environment. We will continue to maintain communication with the stakeholders and every effort will be made to explore the various options for the disposal of surplus material so as to minimise the impacts on the community and the environment during the implementation of the project.

Proposed Temporary Magazine at Chung Hom Shan

13. Since certain sections of the SIL (East) will use blasting to construct the tunnel, there is a need to set up a temporary magazine. To ensure that the SIL (East) will be completed and commissioned on time, the MTRCL has compared the feasibility of several possible locations, and proposed a remote area at Chung Hom Shan as the location for the temporary magazine.

14. At present, all the explosives used for construction works are stored at a government explosives depot at Kau Shat Wan on Lantau Island. The Government and the MTRCL have studied the feasibility of delivering explosives to various works sites of the SIL (East), twice daily, by marine transport. In order to achieve this, it is necessary to identify a suitable site for construction of a temporary pier for loading/unloading explosives along the coastline of the Southern District. The basic condition is that the temporary pier is suitable for use by the designated vessels for carrying explosives as agreed by the Mines Division, and there is an adequate distance between the pier and its nearby

buildings. We have conducted a study in light of the requirements of the SIL (East) project, but no suitable site for the construction of a temporary pier for loading/unloading explosives could be found along the coastline of the Southern District. Under the circumstances, there is a need to set up a temporary magazine for the SIL (East) project for overnight storage of small quantities of explosives which will be used in the morning blast.

15. In addition to the proposed site at Chung Hom Shan, the MTRCL is examining the feasibility of setting up a magazine for storage of explosives at the Shek O Quarry site. This site is situated at a distance from the nearby residential area, but it is farther away from the works sites and the delivery route will run along Shek O Road and Tai Tam Road, which are narrow and with sharp bends. Part of the route overlaps with that for the Chung Hom Shan site and the journey is twice in length.

16. The MTRCL is proceeding with a quantitative risk assessment for the temporary magazine for the SIL (East) and the transport and storage of explosives, including a quantitative risk assessment for the proposed sites at Chung Hom Shan and Shek O Quarry. Upon completion of the assessments, we will consider the selection factors, such as the distance between the magazine and the residential areas nearby, the availability of direct access and the distance of the transportation route, and make a balanced suggestion. The SDC will be consulted. The report will be reviewed by the Mines Division in accordance with the requirements of relevant legislation and form part of the EIA study report. Under the EIA Ordinance, the EIA report will be made available for public inspection.

17. Without the two blasts a day arrangement, the implementation programme of the SIL (East) will be delayed by one year.

The viaduct section adjacent to the JCRC

18. The proposed viaduct section of the SIL (East) will run adjacent to the JCRC at Wong Chuk Hang. The parents and representatives of the JCRC have requested for noise enclosures to be erected for the section adjacent to the JCRC, the viaduct structure to be lowered and be moved farther away from the complex.

19. We fully appreciate the concerns of the parents and representatives of the JCRC about the potential impact on the residents brought about by the railway. In order to enhance a better understanding, a visit to an existing operating railway with viaduct section was arranged by the District Council and the MTRCL. In the past few months, the Government and the MTRCL have been in close contact with the parents and representatives of the JCRC. Meetings have been held on a regular basis to explain the progress of the detailed design, and with positive response to the concerns raised by the parents and representatives of the JCRC.

20. After months of efforts to optimise the detailed design, the MTRCL has come up with revisions, which include erecting noise enclosures at the section adjacent to the JCRC, moving the viaduct structure farther away to at least 18 metres from the JCRC and lowering the viaduct structure such that the top of the noise enclosures will be about the same level as the ground level of the JCRC to reduce the visual impact of the project on the complex. We believe the suggested amendments will be able to address the concerns of most residents and representatives of the JCRC on the design of the viaduct.

21. During the meeting with the JCRC on 13 November 2009, some parents requested for further lowering of the viaduct and moving the viaduct farther away from Block A of the complex. The MTRCL then conducted careful studies and provided a detailed explanation to the parents at the meeting on 17 December 2009. Following the adjustment of the height of the viaduct, the impact on the view from various floors of Block A should be minimal. Since the gradient of the alignment is, to a certain extent, restricted by the height of Wong Chuk Hang Station and Ap Lei Chau Bridge, there are limited rooms for further downward adjustment.

22. Some parents expressed that the viaduct section to be moved as far away from Block A as possible, and suggested that the viaduct pier be moved towards the nullah adjacent to Heung Yip Road. They also suggested that we could make use of the 5 metres wide pedestrian access between the slope outside Block A and the nullah. As a matter of fact, the width of the access between the slope and the nullah is not adequate to accommodate the suggested work. Even if widening works are to be carried out at Heung Yip Road, the extent of the widening is inadequate for the construction of the viaduct pier. If the pier structure is to be built at the above location, the underground ultra high voltage cables in Heung Yip Road near the side of the nullah will have to be relocated first, which will lead to a delay of a few years in the completion of the SIL (East).

23. We have considered diverting the nullah, but this proposal involves large-scale upgrading works to be carried out to the slope adjacent to Block A. Substantial temporary and permanent slope works will then have to be implemented, including the construction of large retaining structures and removal of a large number of trees on the slope, which will have serious impact on the surrounding environment (especially on the JCRC). In addition, the railway alignment is restricted by factors such as topography, gradient and curvature. Under this proposal, the location of the viaduct pier, in the context of the whole alignment, will create a curvature that would not meet the minimum standard. Therefore, the above proposal is not practicable.

24. During the meeting on 17 December 2009, a staff member of the JCRC management said that some residents and staff were satisfied with the efforts of the Government and the MTRCL in optimising the design of the viaduct section adjacent to the complex in the past few months. He knew that some people still hoped that the viaduct section could be moved as far away from Block A as possible. He also suggested that we should maintain contact with the residents and staff, and have further discussions with them on the design of the noise enclosures. We have already arranged for a meeting with the JCRC representatives in end February 2010 to continue to exchange views on the detailed design of the viaduct.

The ownership approach versus concession approach in developing railways

25. There are two approaches for implementing new railway projects, namely the ownership approach and the concession approach. Under the ownership approach, the MTRCL will be responsible for the funding, design, construction, operation and maintenance of the railway, and ultimately own the railway. Under the concession approach, the ownership of the railway rests with the Government. Service concession payments will be paid by the MTRCL to the owner of the railway, i.e. the Government, for obtaining the right to operate it. As compared to the ownership approach, the Government bears the construction risk and shares the operational risk of the project.

26. In considering the financing arrangements for new railway projects, the Government would continue to examine carefully whether financial support should be provided having regard to the circumstances of individual cases, so as to ensure that maximum benefits for the public would be achieved from railway development. The Government would take a view on the most suitable mode of financing, including the grant of property development rights within the precinct of the railways or other measures, on a case-by-case basis.

Funding Arrangement of the Railway Project

27. The SIL (East) is not financially viable and funding support from the Government is needed. The Highways Department has engaged independent consultants to assess the financial details of the project estimate. The Government will study the planning parameters and scope of development at the railway station and depot sites, and will continue to study the proposal of granting the property development rights at the railway station and depot sites to bridge the funding gap of the project. In this respect, we propose to reserve the Wong Chuk Hang Estate site and the site to the north of the Ocean Park Station for depot/station and topside private housing development, and the MTRCL will have to pay full market land premium (the valuation will not take into account any effect the presence of the railway) to the Government. The Government is reviewing with the MTRCL the scope of development and the planning parameters for these two sites. We will consult the local community on the

development proposal in due course and submit the proposal to the Town Planning Board. In addition to bridging the funding gap, the rail plus property development model will create a convenient, quality living environment, providing better connection between the station and the neighbouring community.

28. The Government will handle the financial arrangement of the SIL (East) project prudently, and will continue to carefully consider and examine the proposals of the MTRCL. Due regard will be given to the planning requirements of the sites concerned, so that the value of the property development rights will not differ significantly from the funding gap of the railway project. This is to ensure that the support provided by the Government is fair and reasonable, without affecting the operation of railway on prudent commercial principles. We hope that the best possible balance can be achieved amongst the interests of all the stakeholders.

Project Programme

29. Detailed design and EIA for the SIL (East) are underway. The Government and the MTRCL will continue to maintain close communication and contact with the SDC and the local community. The construction of the SIL (East) is expected to commence in 2011 for commissioning in 2015.

30. Members are invited to note the contents of this paper.

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