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Panel on Transport Meeting on 15 November 2013

Background brief on Hong Kong-Zhuhai-Macao Bridge

Purpose

This paper provides background information on the Hong Kong-Zhuhai-Macao Bridge ("HZMB") and its related local infrastructure projects; as well as the staffing arrangements of these projects. It also summarizes the major concerns expressed by Legislative Council Members in past discussions.

Background

2. The HZMB is a dual three-lane carriageway in the form of bridge-cum-tunnel structure sea-crossing, linking Hong Kong, Zhuhai and Macao. The HZMB project is a major cross-boundary transport infrastructure project. According to the Administration, the construction of the HZMB will significantly reduce transportation costs and time for travelers and goods on roads. It has very important strategic value in terms of further enhancement of the economic development between Hong Kong, the Mainland and Macao. With the connection by the HZMB, the Western Pearl River Delta will fall within a reachable three-hour commuting radius of Hong Kong.

3. The construction of the Main Bridge of the HZMB commenced in 2009 and the Bridge is scheduled for commissioning in 2016. The construction cost of the HZMB Main Bridge is financed by the three governments¹. The three governments are also responsible for the construction, operation and maintenance of their own boundary crossing

¹ The Mainland will contribute a total of RMB 7 billion, whilst the Governments of the HKSAR and Macao Special Administrative Region will contribute RMB 6.75 billion and RMB 1.98 billion respectively. The total contribution of the three sides will be RMB 15.73 billion, which is about 42% of the total project cost of the HZMB Main Bridge. The remaining 58% of the funding required will be financed by bank loans.

facilities in their respective territories.

4. The key HZMB related local infrastructure projects include the Hong Kong Boundary Crossing Facilities ("HKBCF"), Hong Kong Link Road ("HKLR") and Tuen Mun-Chek Lap Kok Link ("TM-CLKL")². These projects are scheduled for completion in 2016 to tie in with the opening of the Main Bridge³. A layout plan of the HZMB and its related local infrastructure projects is in **Appendix I**.

5. At the policy briefing of the Panel on Transport ("the Panel") on 18 January 2013, the Secretary for Transport and Housing advised members that to prepare for the commissioning of the HZMB in 2016, the Administration had commenced discussion with the relevant authorities in Guangdong and Macao on the cross-boundary transport arrangements for the project. The three governments had set up the Co-ordination Group on Cross-boundary Matters to press ahead with the relevant policy studies. The Administration would, having regard to the functions and characteristics of the HZMB, formulate a comprehensive plan that would complement the local road system to bring the economic benefits of the bridge into full play.

Staffing arrangements for the HZMB Hong Kong Project Management Office ("HKPMO")

6. HKPMO is a dedicated office for overseeing the planning and implementation of the HZMB and related highway infrastructure projects. The Finance Committee ("FC") approved on 14 May 2004, vide EC(2004-05)4, the creation of two supernumerary posts (i.e. one Principal Government Engineer post (D3) ("PGE") and one Chief Engineer post (D1) ("CE")) and the redeployment of one permanent CE post in Highways Department with effect from 1 July 2004 for a period of six years for establishing the HZMB HKPMO.

7. On 13 February 2009, FC further approved vide EC(2008-09)16 the creation of one supernumerary post of CE to lead a new division in the HZMB HKPMO to undertake the planning and implementation of the HZMB

² The HKBCF is to be built on reclaimed land of about 130 hectares at the north-eastern waters off the Hong Kong International Airport. The HKLR connects the Main Bridge of the HZMB from the Guangdong-Hong Kong boundary to the HKBCF. TM-CLKL is divided into two sections. Northern section is a road section of approximately 5.5 kilometres (km) long (including approximately 5 km of sub-sea tunnel) linking Tuen Mun Area 40 and HZMB HKBCF. Southern section is a road section of approximately 3.5 km long linking the HKBCF and the road network of North Lantau.

³ The Administration originally planned to commission TM-CLKL together with the HZMB, but due to a judicial review case, the Administration will implement the project by phases. The southern section of TM-CLKL will be commissioned in 2016 to tie in with the commissioning of the HZMB. As the northern section of TM-CLKL will not affect the commissioning of the HZMB, this part of the works will be completed by end of 2018.

HKBCF for a period of five years up to 31 March 2014. An organization chart of the HZMB HKPMO provided by the Administration for the Establishment Subcommittee ("ESC") meeting in April 2010 is in **Appendix II**.

8. The Panel and ESC last examined the staffing proposals of the HZMB project at the meetings on 30 March 2010 and 28 April 2010 respectively. The Administration proposed to retain one PGE and one CE post; and extend redeployment of one CE post in the HZMB HKPMO for a period of four years with effect from 1 July 2010 to sustain the implementation of the HZMB and related highway infrastructure projects. In connection with the proposed extension, Members urged the Administration to put in more efforts on public consultation so that the concerns of the general public and environmental groups could be better attended to.

9. Members also expressed concern about the Administration's staffing plan if the HZMB and related highway infrastructure projects could not be completed within the four-year time frame. The Administration advised that the Bridge was planned for completion in 2016, and the Administration would review the staffing position in three years' time to ascertain whether there was a need to further extend these supernumerary posts. The Administration's staffing proposal was supported by the Panel and ESC, and approved by FC on 14 May 2010.

Recent discussions on the HZMB related local infrastructure projects

10. At its meeting on 26 October 2011, the Panel was consulted on the Administration's funding applications for taking forward the construction works in respect of HKBCF and HKLR, as well as the detailed design, site investigation and advance works for the TM-CLKL. The total amount of the funding proposals for the above HZMB local related projects was \$48,533.4 million (in money-of-the-day ("MOD") prices).

11. The Panel was concerned about the Administration's estimate that the overall cost increase for the HZMB related local projects due to a relevant judicial review ("JR") case⁴ was about \$6.5 billion (in MOD prices). According to the Administration, the main reasons included the need to adjust

⁴ On 22 January 2010, a Tung Chung resident filed an application to the Court of First Instance ("CFI") for leave for JR against the decisions of the Director of Environmental Protection ("DEP") as regards the approval of the Environmental Impact Assessment Reports and the granting of Environmental Permits ("EPs") relating to the HKBCF and HKLR projects. CFI handed down its judgment on 18 April 2011. EPs for the HKBCF and HKLR projects were quashed and the works could not commence. DEP then lodged an appeal against the judgment. The Court of Appeal handed down its judgment on 27 September 2011 confirming the validity of EPs issued by DEP for the HZMB related local projects. The Administration had accordingly resumed the statutory and funding procedures of the projects.

the construction method to compress the works programme such that the Bridge could be commissioned as scheduled, as well as the increase in construction prices. The Administration advised members that it had originally planned to commence the construction works of the HZMB related local projects before end 2010. However, due to the legal proceedings of the JR case, the construction commencement programme had about one year's difference with the original one. The funding applications for taking forward the relevant HZMB related local infrastructure projects were supported by the Panel and approved by FC on 18 November 2011.

12. In April 2012, the Panel was consulted on the funding application by the Administration to further increase the approved project estimate of HKLR by about \$8.86 billion due to the JR case. The Panel supported the funding application. Panel members, however, expressed concern about the measures to ensure that the compression of the construction programme would not compromise the safety of the implementation works. Some members considered that the Administration should develop "bridgehead economy" around the HZMB so as to consolidate and enhance Hong Kong's status as a trade centre. The funding application was approved by FC on 25 May 2012.

13. In April 2013, the Panel was consulted on the funding application for the construction of the TM-CLKL at a cost of \$44,798.4 million in MOD prices. Members agreed that TM-CLKL would be an important alternative route linking the Chek Lap Kok Airport with the rest of Hong Kong. In view of the high construction cost, members urged the Administration to exercise discretion in setting the toll of the TM-CLKL at an acceptable level upon its completion. The funding application was approved by FC on 7 June 2013.

Relevant motion/questions moved/raised at Council meetings

14. The Council passed a motion at its meeting on 7 February 2007 on "Expeditiously implementing the construction of cross-boundary transport infrastructures between Hong Kong and the Mainland". The wording of the motion is in **Appendix III.**

15. During the Fourth Legislative Council, four questions relating to the HZMB and its related local infrastructure projects were raised at the Council meetings of 19 May 2010, 8 June 2011, 22 June 2011 and 23 November 2011. The hyperlinks to the questions and the Administration's responses, together with other relevant papers, are in **Appendix IV**.

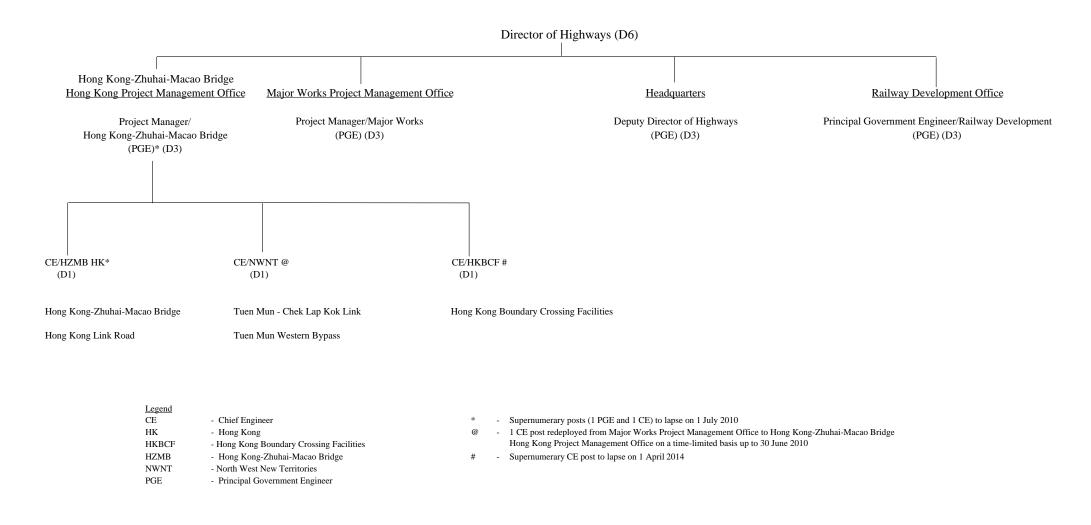
Latest development

16. The Administration plans to seek support for its application to retain/extend the redeployment of four directorate posts to sustain the implementation of the HZMB and related highway infrastructure projects at the Panel meeting to be held on 15 November 2013.

Council Business Division 1 Legislative Council Secretariat 12 November 2013



Existing Organisation Chart of Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office of Highways Department



(Translation)

Motion on "Expeditiously implementing the construction of cross-boundary transport infrastructures between Hong Kong and the Mainland" moved by Hon CHEUNG Hok-ming at the Legislative Council meeting of Wednesday, 7 February 2007

Motion as amended by Hon Albert HO Chun-yan

"That, as the Government has announced its Action Agenda to tie in with the National Eleventh Five-Year Plan and fully affirmed the importance of cross-boundary cooperation between Hong Kong and the Mainland, this Council urges the Government to expedite the construction of various cross-boundary transport such infrastructures between Hong Kong and the Mainland. as the Guangzhou-Shenzhen-Hong Kong Express Rail Link, Liantang Eastern Corridor and Hong Kong-Zhuhai-Macao Bridge, and to resume the ferry services between Shatin and Eastern Guangdong, etc; at the same time, the Government should expeditiously review and expedite the construction of ancillary facilities for cross-boundary transport infrastructures within Hong Kong's territory, including:

- (a) Route 10 (Northern Section), the Tuen Mun Western Bypass, Tuen Mun-Chek Lap Kok Link, Tuen Mun Eastern Bypass and the easterly link road connecting Deep Bay Link with Route 3, and taking proactive measures to optimize the use of Route 3; and
- (b) expeditiously completing the extension of Tuen Mun Road and widening part of its expressway section to four-lane carriageway;

to comprehensively enhance the integration with the Mainland's transport infrastructures, so as to promote sustainable and steady development of Hong Kong's economy."

Appendix IV

Hong Kong-Zhuhai-Macao Bridge

List of relevant papers

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
30.3.2010	Panel on Transport ("TP")	Administration's paper on proposed retention of two supernumerary posts and extension of redeployment of one permanent post in the Hong Kong-Zhuhai-Macao Bridge Hong Kong Project Management Office of Highways Department	CB(1)1451/09-10(08) http://www.legco.gov.hk/y r09-10/english/panels/tp/p apers/tp0330cb1-1451-8-e. pdf
		Minutes of meeting	CB(1)1996/09-10 http://www.legco.gov.hk/y r09-10/english/panels/tp/m inutes/tp20100330.pdf
28.4.2010	Establishment Subcommittee	Proposed retention of two supernumerary posts of one Principal Government Engineer (D3) and one Chief Engineer (D1); and extension of the redeployment of one permanent post of Chief Engineer (D1) of the Major Works Project Management Office; for a period of four years from 1 July 2010 to 30 June 2014 in the Hong Kong-Zhuhai-Macao Bridge Hong Kong Project	EC(2010-11)2 http://www.legco.gov.hk/y r09-10/english/fc/esc/pape rs/e10-02e.pdf

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
		Management Office of the Highways Department to sustain the implementation of the Hong Kong- Zhuhai-Macao Bridge and related highway infrastructure projects	
		Minutes of meeting	ESC26/09-10
			http://www.legco.gov.hk/y r09-10/english/fc/esc/minu tes/esc20100428.pdf
14.5.2010	Finance Committee ("FC")	Recommendations of the Establishment Subcommittee made on 28 April 2010	FCR(2010-11)10 http://www.legco.gov.hk/y r09-10/english/fc/fc/papers /f10-10e.pdf
		Minutes of meeting	FC164/09-10
			http://www.legco.gov.hk/y r09-10/english/fc/fc/minut es/fc20100514.pdf
19.5.2010	Council meeting	Hon LAU Kong-wah raised a question on Hong Kong-Zhuhai-Macao Bridge	http://www.info.gov.hk/gi a/general/201005/19/P201 005190216.htm
8.6.2011	Council meeting	Hon LAM Tai-fai raised a question regarding the judicial review of Hong Kong-Zhuhai-Macao Bridge	http://www.info.gov.hk/gi a/general/201106/08/P201 106080155.htm

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
22.6.2011	Council meeting	Hon Audrey EU Yuet-mee raised a question on impacts on projects due to judgment in respect of the EIA reports of Hong Kong-Zhuhai-Macao Bridge	http://www.info.gov.hk/gi a/general/201106/22/P201 106220185.htm
26.10.2011	TP	Administration's paper on latest progress of Hong Kong-Zhuhai-Macao Bridge infrastructure projects in Hong Kong	CB(1)126/11-12(01) http://www.legco.gov.hk/y r11-12/english/panels/tp/p apers/tp1026cb1-126-1-e.p df
		Updated background brief on Hong Kong-Zhuhai- Macao Bridge prepared by the Legislative Council Secretariat	CB(1)133/11-12 http://www.legco.gov.hk/y r11-12/english/panels/tp/p apers/tp1026cb1-133-e.pdf
		Administration's follow-up paper	CB(1)249/11-12(01) http://www.legco.gov.hk/y r11-12/english/panels/tp/p apers/tp1026cb1-249-1-e.p df
		Minutes of meeting	CB(1)475/11-12 http://www.legco.gov.hk/y r11-12/english/panels/tp/m inutes/tp20111026.pdf
8.11.2011	Public Works Subcommittee ("PWSC")	Administration's paper on 825TH Tuen Mun-Chek Lap Kok Link and Tuen Mun Western Bypass	PWSC(2011-12)32 http://www.legco.gov.hk/y r11-12/english/fc/pwsc/pa pers/p11-32e.pdf

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
		Minutes of meeting	PWSC16/11-12 <u>http://www.legco.gov.hk/y</u> <u>r11-12/english/fc/pwsc/mi</u> <u>nutes/pwsc20111108.pdf</u>
18.11.2011	FC	Recommendations of the PWSC on Public Works Programme and Capital Subvention Project	FCR(2011-12)48 http://www.legco.gov.hk/y r11-12/english/fc/fc/papers /f11-48e.pdf
		Minutes of meeting	FC74/11-12 http://www.legco.gov.hk/y r11-12/english/fc/fc/minut es/fc20111118.pdf
23.11.2011	Council meeting	Hon CHEUNG Hok-ming raised a question on commissioning of Tuen Mun-Chek Lap Kok Link and Tuen Mun Western Bypass and Tuen Mun Road Improvement Project	http://www.info.gov.hk/gi a/general/201111/23/P201 111230283.htm
25.4.2012	ТР	Administration's paper on Hong Kong-Zhuhai-Macao Bridge Hong Kong Link Road	CB(1)1624/11-12(01) http://www.legco.gov.hk/y r11-12/english/panels/tp/p apers/tp0425cb1-1624-1-e. pdf
		Administration's follow-up paper	CB(1)1754/11-12(01) http://www.legco.gov.hk/y r11-12/english/panels/tp/p apers/tp0425cb1-1754-1-e. pdf

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
		Minutes of meeting	CB(1)2628/11-12 http://www.legco.gov.hk/y r11-12/english/panels/tp/m inutes/tp20120425.pdf
7.5.2012	PWSC	Administration's paper on 844TH – Hong Kong–Zhuhai–Macao Bridge Hong Kong Link Road	PWSC(2012-13)11 http://www.legco.gov.hk/y r11-12/english/fc/pwsc/pa pers/p12-11e.pdf
		Minutes of meeting	PWSC66/11-12 http://www.legco.gov.hk/y r11-12/english/fc/pwsc/mi nutes/pwsc20120507.pdf
25.5.2012	FC	Recommendations of the PWSC on Public Works Programme and Capital Subvention Projects	FCR(2012-13)27 http://www.legco.gov.hk/y r11-12/english/fc/fc/papers /f12-27e.pdf
		Minutes of meeting	FC181/11-12 http://www.legco.gov.hk/y r11-12/english/fc/fc/minut es/fc20120525.pdf
18.1.2013	TP	Administration's paper on transport-related policy initiatives of the Transport and Housing Bureau under the 2013 Policy Address	CB(1)409/12-13(03) http://www.legco.gov.hk/y r12-13/english/panels/tp/p apers/tp0118cb1-409-3-e.p df

Date of meeting	Panel/ Committee	Minutes/Paper	LC Paper No.
19.4.2013	ТР	Administration's paper on Tuen Mun-Chek Lap Kok Link - construction works	CB(1)837/12-13(04) http://www.legco.gov.hk/y r12-13/english/panels/tp/p apers/tp0419cb1-837-4-e.p df
		Background brief on Tuen Mun-Chek Lap Kok Link prepared by the Legislative Council Secretariat	CB(1)837/12-13(05) http://www.legco.gov.hk/y r12-13/english/panels/tp/p apers/tp0419cb1-837-5-e.p df
		Administration's follow-up paper	CB(1)995/12-13(02) http://www.legco.gov.hk/y r12-13/english/panels/tp/p apers/tp0419cb1-995-2-e.p df
		Minutes of meeting	CB(1)1813/12-13 http://www.legco.gov.hk/y r12-13/english/panels/tp/m inutes/tp20130419.pdf
8.5.2013	PWSC	Administration's paper on 825TH –Tuen Mun - Chek Lap Kok Link and Tuen Mun Western Bypass	PWSC(2013-14)3 http://www.legco.gov.hk/y r12-13/english/fc/pwsc/pa pers/p13-03e.pdf
		Minutes of meeting	PWSC65/12-13 http://www.legco.gov.hk/y r12-13/english/fc/pwsc/mi nutes/pwsc20130508.pdf

Dat mee		Panel/ Committee	Minutes/Paper	LC Paper No.
7.6.2	2013	FC	Recommendations of the PWSC on Public Works Programme and Capital Subvention Project	FCR(2013-14)13 http://www.legco.gov.hk/y r12-13/english/fc/fc/papers /f13-13e.pdf

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