

立法會

Legislative Council

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Panel on Transport

Subcommittee on Matters Relating to Railways

Minutes of special meeting on Tuesday, 17 June 2014, at 10:45 am in Conference Room 2A of the Legislative Council Complex

- Members present :** Hon Michael TIEN Puk-sun, BBS, JP (Chairman)
Hon CHAN Han-pan (Deputy Chairman)
Hon CHAN Kam-lam, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Hon Paul TSE Wai-chun, JP
Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Dr Hon Elizabeth QUAT, JP
Hon TANG Ka-piu
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen
- Members attending :** Hon Abraham SHEK Lai-him, GBS, JP
Hon KWOK Wai-keung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
- Members absent :** Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon Ronny TONG Ka-wah, SC
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Hon LEUNG Kwok-hung
Hon Gary FAN Kwok-wai

**Public officers
attending** : **Agenda item I**

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Ms Rebecca PUN Ting-ting, JP
Deputy Secretary for Transport and Housing
(Transport)1

Mr Raymond CHENG Nim-tai
Principal Assistant Secretary for Transport and
Housing (Transport)7

Mr Peter LAU Ka-keung, JP
Director of Highways

Mr Henry CHAN Chi-yan, JP
Principal Government Engineer/Railway
Development

**Attendance by
invitation** : **Agenda item I**

Mr Jay H WALDER
Chief Executive Officer
MTR Corporation Limited

Mr CHEW Tai-chong
Projects Director
MTR Corporation Limited

Mr Mark CUZNER
General Manager-WIL/SIL
MTR Corporation Limited

Mr James CHOW
General Manager-KTE
MTR Corporation Limited

Ms Maggie SO
Deputy General Manager-Projects and
Property Communications
MTR Corporation Limited

Mr Francis LI
Head of Operating
MTR Corporation Limited

Clerk in attendance : Ms Sophie LAU
Chief Council Secretary (1)2

Staff in attendance : Miss Katherine CHAN
Council Secretary (1)2

Ms Emily LIU
Legislative Assistant (1)2

Action

- I Progress update of the construction of the West Island Line, South Island Line (East) and Kwun Tong Line Extension**
- (LC Paper No. CB(1)1604/13-14(01) - Administration's paper on the progress update of the construction of the West Island Line, South Island Line (East) and Kwun Tong Line Extension
- LC Paper No. CB(1)1604/13-14(02) - Paper on the construction of the West Island Line, South Island Line (East) and Kwun Tong Line Extension prepared by the Legislative Council Secretariat (background brief)
- LC Paper No. CB(1)1490/13-14(01) - Joint letter from Hon WU Chi-wai and Hon SIN Chung-kai on the progress update of the construction of the South Island Line (East)

Action

LC Papers Nos. CB(1)1529/13-14(01) - Letter from Hon Michael
and CB(1)1631/13-14(01) TIEN Puk-sun to the
Administration on the
progress of the five new
railway projects under
construction and
Administration's response)

At the invitation of the Chairman, the Administration and the MTR Corporation Limited ("MTRCL") briefed members on the progress update of the construction of the West Island Line ("WIL"), South Island Line (East) ("SIL(E)") and Kwun Tong Line Extension ("KTE").

2. The Subcommittee on Matters Relating to Railways deliberated (Index of proceedings attached at **Annex**).

Admin / 3. After deliberation, the Administration and MTRCL were requested
MTRCL to –

- a) in view of the delay in the construction of the new railway lines, provide information on the actual increase in project costs; the compensation plans, if any, for businesses in the respective district; loss suffered by the economy of Hong Kong; and any change in the cost recovery period for these railway projects; and
- b) provide information on whether the operation and maintenance of WIL, SIL(E) and KTE would be carried out by in-house staff or staff of contractors; and the mix of the in-house staff and outsourced staff, if any.

II Any other business

4. There being no other business, the meeting ended at 12:43 pm.

Council Business Division 1
Legislative Council Secretariat
13 October 2014

Panel on Transport

Subcommittee on Matters Relating to Railways

**Proceedings of the special meeting
on Tuesday, 17 June 2014, at 10:45 am
in Conference Room 2A of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<i>Agenda Item I – Progress update of the construction of the West Island Line, South Island Line (East) and Kwun Tong Line Extension</i>			
001000 – 001309	Chairman	Opening remarks.	
001310 – 001638	Chairman Administration	The Administration briefed members on the progress update of the construction of the West Island Line ("WIL"), South Island Line (East) ("SIL(E)") and Kwun Tong Line Extension ("KTE").	
001639 – 003519	Chairman MTR Corporation Limited ("MTRCL")	With the aid of a powerpoint presentation [LC Papers Nos. CB(1)1635/13-14(01), (02) and (03)], MTRCL gave a briefing on the progress update of the construction of WIL, SIL(E) and KTE.	
003520 – 004126	Chairman Mr WONG Kwok-hing Administration MTRCL	<p>Mr WONG Kwok-hing raised the following views and enquiries:</p> <p>(a) both the Administration and MTRCL should review the underlying reasons for the delay in implementing the five railway projects, say, over-estimation of MTRCL's capability in managing so many railway projects simultaneously or over-expansion of MTRCL's overseas business;</p> <p>(b) the extra costs incurred by the delay of the railway projects should be borne by MTRCL, instead of the public;</p> <p>(c) whether it was possible not to open all the entrances at Sai Ying Pun Station when WIL commenced operation; and</p> <p>(d) as suggested by the Central and Western District Council and the Southern District Council, bus services should not be reduced within six months after the commissioning of WIL and SIL(E).</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>In response, MTRCL explained that:</p> <ul style="list-style-type: none"> (a) at the planning stage of each railway project, MTRCL had given careful consideration and conducted comprehensive review of the Corporation's capability in managing the new projects; (b) as only a handful of staff were deployed for overseas business, MTRCL's performance in implementing new railway projects would not be affected; (c) under the ownership approach, MTRCL would bear the risk of implementing the railway projects; and (d) in view of safety considerations, the possibility of opening some of the available entrances at Sai Ying Pun Station when WIL commenced operation was ruled out. <p>The Administration supplemented that the Highways Department ("HyD") had set up dedicated teams to coordinate the construction and monitor the progress of each new railway project. The dedicated teams carried out the monitoring role by holding monthly progress meetings with MTRCL, examining their monthly reports and conducting site inspections to check the progress of the railway projects under construction.</p>	
004127 – 004810	Chairman Mr TANG Ka-piu Administration	<p>Mr TANG Ka-piu enquired when the Administration would brief the Subcommittee on railway development blueprint, which was originally scheduled for discussion at the meeting to be held in mid-2014. He expressed worries that the new railway development might be shelved due to the delay in implementing the existing railway projects.</p> <p>The Administration made the following response:</p> <ul style="list-style-type: none"> (a) because of the delay in implementing the existing railway projects, the Administration would respond to the concerns of the Legislative Council and the public on the implementation of existing railway projects before putting forth any railway development blueprint; 	

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		<p>(b) the Administration would learn lessons from the delay in the construction of the current railway projects, such as better assessment of the potential risks and challenges in developing new railway lines;</p> <p>(c) the new railway development blueprint were almost ready for the discussion, save for some refinements; and</p> <p>(d) the Subcommittee meeting to discuss the railway development blueprint was tentatively scheduled for late September 2014.</p>	
004811 – 005333	Chairman Mr WU Chi-wai Administration	<p>Mr WU Chi-wai questioned:</p> <p>(a) when did HyD realize that MTRCL was experiencing delay in implementing the existing railway projects;</p> <p>(b) whether HyD was incapable of monitoring MTRCL in implementing the five railway projects, e.g. lack of experienced professionals to carry out the monitoring role; and</p> <p>(c) whether MTRCL was able to manage so many railway projects simultaneously.</p> <p>In response, the Administration explained the difference between the ownership approach and the concession approach adopted for new railway projects and the difference in HyD's monitoring role in each of the two approaches. When planning each railway project, the Administration had examined MTRCL's proposal and made assessment of various aspects, including the Corporation's capability in managing the projects.</p>	
005334 – 005906	Chairman Dr Elizabeth QUAT Administration MTRCL	<p>Dr Elizabeth QUAT enquired:</p> <p>(a) whether punishment would be imposed on MTRCL's substandard performance in implementing the railway projects, such as reduction of benefits in senior management staff's remuneration packages and bonuses; and</p> <p>(b) whether the Administration or MTRCL would bear the extra cost to be incurred by the delay in the five new railway projects.</p>	

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		<p>MTRCL made the following response:</p> <ul style="list-style-type: none"> (a) apologized for falling short of the public's expectations and would spare no effort to improve MTRCL's performance; and (b) the Remuneration Committee set up under the Board of MTRCL would review whether the senior management staff's remuneration packages should be linked to MTRCL's performance. <p>In response, the Administration advised that:</p> <ul style="list-style-type: none"> (a) among the five railway projects, three of them were under the ownership approach whereas the remaining were under the concession approach. The Administration was responsible for the construction costs under the concession approach and MTRCL was responsible for the construction costs under the ownership approach; (b) according to the project agreements signed by the Administration and MTRCL, the Corporation should try its best endeavours to complete the railway projects in accordance with the baseline programme. In view of the delay in the construction of the new railway lines, the Administration would follow it up with legal advisers; and (c) the Administration noted Dr QUAT's request to provide information on the actual increase in project costs; the compensation plans, if any, for businesses in the respective district; loss suffered by the economy of Hong Kong; and any change in the cost recovery period for these railway projects. <p>The Chairman remarked that the Government, being the majority shareholder of MTRCL, would indeed have to share the extra costs imposed by the delay in implementing the railway projects under the ownership approach.</p>	<p>Administration / MTRCL to provide information / response (paragraph 3 of minutes)</p>
005907 – 010522	Chairman Mr CHAN Han-pan Administration MTRCL	Mr CHAN Han-pan enquired about the relationship between the Administration and MTRCL in the construction of new railway lines and cast doubt on:	

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		<p>(a) whether HyD was capable of carrying out its monitoring role over MTRCL in implementing the railway projects; and</p> <p>(b) whether MTRCL paid due regard to HyD's as the overseer, e.g. MTRCL's late response to HyD's enquiries on the progress of SIL(E).</p> <p>MTRCL made the following response:</p> <p>(a) MTRCL regarded the Administration as a partner in implementing the railway projects; and</p> <p>(b) MTRCL collaborated with HyD to solve the problems encountered during the course of construction and responded to HyD's enquiries at the monthly progress meetings.</p> <p>The Administration explained that MTRCL had updated HyD on the progress of implementing the railway projects at the monthly progress meetings, although formal replies to HyD's enquiries were yet to be submitted.</p>	
010523 – 011116	Chairman Administration MTRCL	<p>The Chairman raised the following questions:</p> <p>(a) as MTRCL announced that the construction of SIL(E) and KTE would experience a delay of about six months, whether it represented the best or the worst estimate; and</p> <p>(b) whether the Administration played a monitoring role or a role of partner, as MTRCL mentioned earlier, in the implementation of the railway projects.</p> <p>MTRCL advised that:</p> <p>(a) the estimated time of delay was based on the assessment and review of the progress of the railway projects at the present moment and MTRCL would update the community on the latest progress in late 2014; and</p> <p>(b) MTRCL would spare no effort to devise remedial measures to recover the delay as far as possible for the commissioning of the railway lines.</p>	

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		<p>The Administration reiterated that:</p> <ul style="list-style-type: none"> (a) there was a difference between the ownership approach and the concession approach adopted for the new railway projects as well as HyD's monitoring role in each of the two approaches; and (b) according to the project agreements signed by the Administration and MTRCL, the Corporation should try its best endeavours to complete the railway projects in accordance with the baseline programme. 	
011117 – 011622	Chairman Mr KWOK Wai-keung Administration	<p>Mr KWOK Wai-keung expressed concern that the delay in the construction of the railway lines did not only disappoint the community, but might also affect their livelihood, in particular the shops near the stations under construction. He therefore suggested that the Administration should proactively compensate those people affected by the delay of the completion of works.</p> <p>In response, the Administration advised that:</p> <ul style="list-style-type: none"> (a) under the Railways Ordinance, any persons affected by the construction of railways might claim compensation from the Administration in accordance with the established procedures; and (b) the Administration and MTRCL would spare no effort to minimize the impact of the delay in the construction of railway lines on the community. 	
011623 – 012151	Chairman Ir Dr LO Wai-kwok MTRCL	<p>Ir Dr LO Wai-kwok raised the following questions and views:</p> <ul style="list-style-type: none"> (a) whether MTRCL foresaw any manpower constraint during the course of railway construction, such as in the electrical and mechanical trade; (b) as regards SIL(E), whether the cracks found at Admiralty Station posed safety problem as reported by the media; (c) viewed that safety should be of paramount importance; and 	

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		<p>(d) showed support to the back-up plan to open WIL in December 2014 with trains not stopping at Sai Ying Pun Station.</p> <p>In response, MTRCL explained that:</p> <p>(a) MTRCL attached great importance to safety in railway construction;</p> <p>(b) the cracks found on concrete supports of train tracks at Admiralty Station would not pose threat to safety;</p> <p>(c) lacking about 4 000 workers for the construction of five railway lines in mid-2014, MTRCL was tackling the labour shortage problem by various means, say, stepping up efforts in recruitment and training; and</p> <p>(d) the target completion date of WIL remained to be 2014.</p>	
012152 – 012702	Chairman Mr SIN Chung-kai Administration MTRCL	<p>Mr SIN Chung-kai expressed the following views and concerns:</p> <p>(a) despite experiencing delay in railway construction, MTRCL should accord high priority to safety;</p> <p>(b) echoing Mr WONG Kwok-hing's views, Mr SIN suggested that feeder services provided by buses and light buses should be rationalized by phases after the commissioning of WIL and SIL(E); and</p> <p>(c) whether it was possible not to open all the entrances at Sai Ying Pun Station when WIL commenced operation.</p> <p>In response, the Administration advised that they would rationalize the public transport services by phases after the commissioning of WIL and SIL(E). In addition, the Transport Department would closely monitor the situation and continue to communicate with relevant stakeholders.</p> <p>MTRCL made the following response:</p> <p>(a) MTRCL attached great importance to construction safety; and</p>	

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		(b) at Sai Ying Pun Station, all three entrances should be open simultaneously owing to safety considerations, such as evacuating passengers safely in emergency and meeting ventilation requirements.	
012703 – 013256	Chairman Mr Tony TSE Administration	<p>Mr Tony TSE enquired:</p> <p>(a) whether MTRCL lacked confidence so that it decided to update the community on the progress of railway construction only two months before the planned commissioning of WIL; and</p> <p>(b) whether HyD would conduct an independent review and provide professional advice on MTRCL's latest assessment of the expected completion date of the railway projects.</p> <p>MTRCL explained that the target completion date of WIL remained to be 2014 because all the works were in good progress except Sai Ying Pun Station. Given the uncertainties at Sai Ying Pun Station, MTRCL considered that the opening arrangement of WIL might be confirmed in October 2014.</p> <p>After receiving MTRCL's detailed report on their revised schedule of the railway projects, the Administration would conduct an independent review and provide professional advice on it.</p>	
013257 – 013856	Chairman Dr Helena WONG MTRCL	<p>Dr Helena WONG raised the following questions:</p> <p>(a) whether the target commissioning date of KTE would experience a six-month delay only or longer;</p> <p>(b) why MTRCL failed to detect the unfavourable ground conditions at Whampoa Dock during the preparatory works of KTE project (e.g. site investigation stage); and</p> <p>(c) whether the poor state and conditions of the underground utilities in Whampoa district caused the delay in KTE project.</p> <p>In response, MTRCL explained that:</p> <p>(a) the most challenging part of KTE project was the works at Whampoa Station. As the</p>	

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		<p>excavation for the platform tunnel between the East and West Concourses of Whampoa Station would commence in the third quarter of 2014, the target completion date of KTE would be updated in late 2014;</p> <p>(b) given the close proximity of Whampoa Station to the densely populated community, the preparatory works of KTE project such as ground investigations were subject to serious constraints; and</p> <p>(c) MTRCL indeed encountered various difficulties and challenges at Whampoa Station, including dense population, heavy traffic, congested and uncharted underground utilities, and varying geological conditions.</p>	
013857 – 014140	Chairman Mr WONG Kwok-hing Administration	<p>Mr WONG Kwok-hing enquired about the Administration's role played in MTRCL's assessment and review of the progress of WIL.</p> <p>The Administration made the following response:</p> <p>(a) HyD was responsible for coordinating the construction and monitoring the progress of railway projects. As regards WIL, HyD on the one hand requested MTRCL to submit weekly reports and conducted site inspections to check the progress of WIL. On the other hand, HyD took up the coordination works, such as expediting the Buildings Department's processing of MTRCL's application for certain construction works at Entrance B1/B2 of Sai Ying Pun Station; and</p> <p>(b) the Administration would conduct an independent review and provide professional advice on MTRCL's revised schedule of WIL project in due course.</p>	
014141 – 014451	Chairman Mr WU Chi-wai	<p>Mr WU Chi-wai urged the Administration to:</p> <p>(a) closely monitor the progress of the construction of the railway lines, regardless of whether the ownership approach or the concession approach was adopted for the railway projects. All the railway projects involved substantial public money and resources like land granted to MTRCL for</p>	

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		<p>property development at the ex-Wong Chuk Hang Estate site and ex-Valley Road Estate Phase 1 for developing SIL(E) and KTE projects respectively; and</p> <p>(b) review the mechanism for railway project supervision because huge amounts of public money were spent on HyD's dedicated teams that were responsible for coordinating the construction and monitoring the progress of each new railway project.</p>	
014452 – 014833	Mr CHAN Han-pan Administration	<p>Mr CHAN Han-pan further enquired about the relationship between the Administration and MTRCL in the construction of new railway lines, including HyD's monitoring role.</p> <p>In response, the Administration explained that:</p> <p>(a) HyD played both a monitoring and coordinating role in all railway construction projects, no matter whether the ownership approach or the concession approach was adopted; and</p> <p>(b) the Administration agreed to revisit the supervision mechanism for future railway projects.</p>	
014834 – 015222	Chairman MTRCL	<p>The Chairman enquired why MTRCL decided to inform the community in June 2014, but not in earlier times, that WIL, SIL(E) and KTE failed to meet the target completion dates.</p> <p>MTRCL responded that after conducting a comprehensive review of the progress of the railway projects, they estimated that the delay in railway construction would make the Corporation unable to meet the project completion dates. As such, MTRCL decided to inform the community as soon as possible the latest progress of the railway projects in an open and transparent manner.</p> <p>The Administration added that it was appropriate to inform the Legislative Council and the public as early as practicable the delays and the expected completion dates of the railway lines.</p>	

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015223 – 015455	Chairman Dr Helena WONG MTRCL	<p>Dr Helena WONG expressed concern about whether the poor state and conditions of the underground utilities in Whampoa district was the major cause of the delay in the construction of KTE.</p> <p>MTRCL advised that:</p> <p>(a) tackling the problem of congested underground utilities was one of the challenges at Whampoa Station whilst MTRCL was striving to complete the construction works at Whampoa as soon as possible; and</p> <p>(b) as the latest review of the progress of KTE project found that the target completion date was not achievable, MTRCL informed the community on the delay as early as practicable.</p>	
015456 – 015852	Chairman Mr TANG Ka-piu MTRCL	<p>Mr TANG Ka-piu showed concern over the supervision mechanism for future railway projects and deployment of maintenance staff on WIL, SIL(E) and KTE.</p> <p>The Administration explained that they would gain experience from the delay in the construction of the railway lines and revisit the supervision mechanism for future railway projects.</p> <p>Upon Mr TANG's request, MTRCL would provide information on whether the operation and maintenance of WIL, SIL(E) and KTE would be carried out by in-house staff or staff of contractors; and the mix of the in-house staff and outsourced staff, if any, in due course.</p>	Administration / MTRCL to provide information / response (paragraph 3 of minutes)