

立法會

Legislative Council

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Panel on Transport

Subcommittee on Matters Relating to Railways

**Minutes of special meeting on
Monday, 14 December 2015, at 10:45 am
in Conference Room 1 of the Legislative Council Complex**

- Members present :** Hon CHAN Han-pan, JP (Chairman)
Hon WONG Kwok-hing, BBS, MH (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon WONG Yuk-man
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Gary FAN Kwok-wai
Hon Charles Peter MOK, JP
Dr Hon KWOK Ka-ki
Dr Hon Elizabeth QUAT, JP
Hon TANG Ka-piu, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS
- Members attending :** Hon Cyd HO Sau-lan, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon Alan LEONG Kah-kit, SC
Hon Steven HO Chun-yin, BBS
Hon Dennis KWOK
Dr Hon Helena WONG Pik-wan

Member absent : Hon LEUNG Kwok-hung

**Public Officers
attending** : **Agenda item I**

Mr Rimsky YUEN, SC, JP
Secretary for Justice

Professor Anthony CHEUNG, GBS, JP
Secretary for Transport and Housing
Transport and Housing Bureau

Mr Joseph LAI, JP
Permanent Secretary for Transport and
Housing (Transport)
Transport and Housing Bureau

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

Miss Winnie WONG Ming-wai
Principal Assistant Secretary for Transport and
Housing (Transport)³
Transport and Housing Bureau

Mr Peter LAU Ka-keung, JP
Director of Highways
Highways Department

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

Mr TAM Hon Choi
Government Engineer / Railway
Development 2
Highways Department

Mr Llewellyn MUI
Senior Assistant Solicitor General
Department of Justice

Agenda item II

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

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

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

Mr Peter LAU Ka-keung, JP
Director of Highways
Highways Department

Mr Jonathan LEUNG Man-ho
Government Engineer / Railway
Development 1
Highways Department

Agenda item III

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

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

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

Mr Peter LAU Ka-keung, JP
Director of Highways
Highways Department

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

Mr Jonathan LEUNG Man-ho
Government Engineer / Railway
Development 1
Highways Department

**Attendance by
invitation** :

Agenda item I

Mr Lincoln LEONG
Chief Executive Officer
MTR Corporation Limited

Dr Philco WONG
Projects Director
MTR Corporation Limited

Ms Linda SO
Corporate Affairs Director
MTR Corporation Limited

Mr LEUNG Chi-lap
General Manager – XRL E&M
MTR Corporation Limited

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

Agenda item III

Dr Philco WONG
Projects Director
MTR Corporation Limited

Mr TM LEE
General Manager – SCL and Head of E&M
Construction
MTR Corporation Limited

Mr Jason WONG
General Manager – SCL Civil (East West
Line)
MTR Corporation Limited

Ms Prudence CHAN
Senior Manager – Projects and Property
Communications
MTR Corporation Limited

Clerk in attendance : Mr Anthony CHU
Chief Council Secretary (4)1

Staff in attendance : Ms Angela CHU
Senior Council Secretary (4)1

Ms Margie LI
Senior Legislative Assistant (4)3

Mr Griffin FUNG
Legislative Assistant (4)8

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I. Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link

- (LC Paper No. CB(4)280/15-16(01) - Administration's paper on the progress and financial situation of the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (for the period ending 30 September 2015)
- LC Paper No. CB(4)280/15-16(02) - Administration's paper on the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link
- LC Paper No. CB(4)280/15-16(03) - MTR Corporation Limited's paper on the proposed arrangements for taking forward the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link
- LC Paper No. CB(4)286/15-16(03) - Paper on the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link prepared by the Legislative Council Secretariat (updated background brief)
- LC Paper No. CB(4)333/15-16(01) - Press release on the Administration's reply to an oral question at the Legislative Council meeting of 9 December 2015

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LC Paper No. CB(4)333/15-16(02) - Administration's paper on the economic benefits of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and cost incurred due to suspension and termination

Other relevant papers

LC Paper No. CB(4)1412/14-15(02) - Administration's paper on the progress and financial situation of the construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (for the period ending 30 June 2015)

LC Paper No. CB(4)312/15-16(01) - Speaking notes for the Secretary for Transport and Housing (Chinese version only)

LC Paper No. CB(4)312/15-16(02) - Speaking notes for the Chairman of MTR Corporation Limited (Chinese version only)

LC Paper No. CB(4)312/15-16(03) - Speaking notes for the Chief Executive Officer of MTR Corporation Limited (Chinese version only)

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

Declaration of interests

2. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subjects under discussion at the meeting before they spoke on the subjects.

The Chairman declared that he was a shareholder of the MTR Corporation Limited ("MTRCL").

Opening statement by Secretary for Justice

3. At the invitation of the Chairman, Secretary for Justice ("SJ") made an opening statement regarding the intention to implement co-location of customs, immigration and quarantine ("CIQ") facilities at the West Kowloon Terminus ("WKT") of the Hong Kong Section ("HKS") of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("co-location arrangements"). A summary of the opening statement is as follows:

- (a) implementing the co-location arrangements could unleash the maximum potentials of HKS of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL"). It was the common goal of both the Hong Kong Special Administrative Region ("HKSAR") Government and the Central Government to ensure the maximum economic and social effectiveness of XRL and to implement the co-location arrangements for HKS of XRL, which was expected to start operation in the third quarter of 2018;
- (b) even though the co-location arrangements involved complex legal and practical operational issues, the implementation of co-location arrangements was not unprecedented. Both the HKSAR Government and the Central Government fully recognized that the co-location arrangements would have to be implemented in full compliance with the Basic Law ("BL") and the "one-country, two systems" principle;
- (c) the Administration and the relevant Mainland authorities were studying all feasible options in implementing the co-location arrangements, including (among others) the option of adding the relevant national laws relating to CIQ to Annex III of BL. In assessing its feasibility, authorities of both sides would look into whether this option would be in compliance with the provisions of BL, in particular the provisions in Article 18 of BL; and
- (d) the delay and cost overrun of HKS of XRL and the co-location arrangements were two different issues. Additional funding applications should be considered and dealt with separately from the co-location arrangements.

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Discussion

Implementing the co-location arrangements at WKT

4. Dr KWOK Ka-ki, Ms Claudia MO and Mr LEE Cheuk-yan expressed grave concern that implementation of the co-location arrangements would involve the enforcement of relevant national laws relating to CIQ at WKT of HKS of XRL, which, in their view, would contravene BL and undermine the rule of law in Hong Kong. They were dissatisfied that the Administration could not provide any details on the co-location arrangements in five years after the XRL project was approved in 2010 and the original commissioning date of XRL was 2015. Mr Alan LEONG and Mr Dennis KWOK said that when the Administration submitted the funding proposal of HKS of XRL to the Finance Committee ("FC") of LegCo for approval in 2009, the then Secretary for Transport and Housing ("STH") had made a remark that the co-location arrangements was not the only option for XRL. Under alternative arrangements, such as the separate-location model of CIQ facilities, XRL would still generate economic benefits for Hong Kong. Mr LEONG, Mr KWOK and Ms Cyd HO urged the Administration to abandon implementing the co-location arrangements and consider other options, such as a separate-location model of CIQ facilities in Hong Kong and the Mainland, in particular the Longhua and Futian in Shenzhen, so as to safeguard the rule of law in Hong Kong and the principle of "one country, two systems". Mr WU Chi-wai supported that the separate-location model could be adopted as an interim arrangement before the co-location arrangements which were acceptable by LegCo and Hong Kong people could be implemented.

5. STH replied that it was the goal of both the previous and current-term Government to implement the co-location arrangements at WKT of HKS of XRL in order to maximize the benefits to be brought about by XRL. The remark of the then STH as quoted by members was made when the funding proposal of HKS of XRL was discussed in LegCo in 2009 to suggest possible interim measures if HKS of XRL was commissioned before the co-location arrangements had been finalized. At present, the Administration and the relevant Mainland authorities were studying options of taking forward the co-location arrangements and had not considered the separate-location model for XRL. SJ reiterated that authorities of both sides would ensure that the co-location arrangements would be in full compliance with BL and the "one country, two systems" principle. Given the complexities of the issues involved, the discussion between the two sides would take time. The Administration envisaged that the co-location arrangements could be finalized before XRL commenced operation in the third quarter of 2018.

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6. Mr TANG Ka-piu enquired whether the Administration would consider adopting a separate-location model (i.e. with separate CIQ facilities in Hong Kong and Shenzhen) if the co-location arrangements could not be finalized by the time when HKS of XRL commenced operation. Mr Michael TIEN expressed the view that a separate-location model could be a possible interim measure in view of the projection that a majority of passengers would travel short-haul from Hong Kong to Shenzhen or vice versa during the initial operation of HKS of XRL. Moreover, if co-location arrangements were to be implemented through local legislation, it would take time. In the long-run, co-location arrangements would be the most desirable mode for XRL.

7. STH responded that it was the Administration's aim to finalize the co-location arrangements by the third quarter of 2018 when HKS of XRL commenced operation. The Administration at present had no plan to consider a separate-location model of CIQ facilities in Hong Kong and Shenzhen.

8. Mr WU Chi-wai requested the Administration to provide a comparison of the economic benefits to be brought about by the co-location arrangement and the adoption of a separate-location model of CIQ facilities in Hong Kong and the Mainland.

9. Mr CHAN Kam-lam pointed out that the implementation of the co-location arrangements was not unprecedented. The Shenzhen Bay Control Port also adopted co-location arrangements in that a portion of the border control point was leased to Hong Kong by the Guangdong Province for conducting the CIQ clearances. The place which was part of the Guangdong Province was administered by HKSAR which exercised full jurisdiction within the area. Mr YIU Si-wing also supported that the co-location arrangements should be implemented for XRL in order to maximize its full potentials.

10. Ms Claudia MO maintained the view that the co-location arrangements contravened BL, and might be subject to legal challenge such as judicial review. She enquired whether the Administration would still proceed with the co-location arrangements in view of the possible legal risks involved. SJ replied that the Administration and the Mainland authorities would carefully assess the legal practicality of different options in taking forward the co-location arrangements with a view to minimizing the legal risks involved. In the event of judicial review, the Administration would look into the issues raised in the review in deciding on the appropriate actions.

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11. Mr LEE Cheuk-yan expressed worry that relevant Mainland law enforcement officials would be empowered to perform law enforcement actions, such as the exercising of the power of arrest, within WKT under the co-location arrangements. Mr Michael TIEN also asked whether the relevant powers of the Mainland law enforcement officials would only be restricted to matters relating to CIQ clearances and they would not have the power of arrest under the co-location arrangements. In response, SJ pointed out that the present direction of discussion was for the Mainland officials to have the powers relating to CIQ clearances only under the co-location arrangements. Mr LEE requested SJ to provide information in this regard after the meeting.

Adding relevant national laws relating to CIQ to Annex III of BL

12. Dr KWOK Ka-ki, Ms Claudia MO, Mr LEE Cheuk-yan, Mr James TO, Mr Dennis KWOK and Dr Helena WONG expressed grave concern that, in an attempt to implement the co-location arrangements, both the Administration and the Mainland authorities might seek to add relevant national laws relating to CIQ to Annex III of BL so that these national laws would be applied in Hong Kong by virtue of Article 18 of BL. They argued that CIQ clearances to be conducted at WKT of HKS of XRL did not constitute matters of defence or foreign affairs, nor should they be regarded as matters outside the limits of the autonomy of HKSAR. They opined that adding the relevant national laws relating to CIQ to Annex III of BL would contravene Article 18 of BL. In addition, they expressed worry that other national laws, such as those related to national security, would be introduced into Hong Kong in the same vein.

13. Mr Michael TIEN said that, according to views of some legal experts, CIQ clearances undertaken by the Mainland at WKT might be regarded as matters outside the limits of the autonomy of HKSAR, thus the addition of national laws relating to these aspects to Annex III of BL could be one of the possible options for implementing the co-location arrangements. However, in putting forward the co-location arrangements which would be more acceptable to Hong Kong people, he suggested that the Administration should consider implementing the arrangements through local legislation in Hong Kong as well as in the Mainland, so as to enhance transparency and enable public participation during the law-making process. In addition, he did not agree that national security laws could be introduced to Hong Kong by virtue of Article 18 of BL, as there were clear provisions in BL that HKSAR should enact laws in this respect through local legislation.

14. SJ responded that Article 18 of BL stated clearly that only those national laws listed in Annex III to BL should be applied to Hong Kong. He

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explained to members that Article 18 of BL clearly stipulated the categories of national laws that could be added to Annex III, and that national security laws were not within those categories. Whether adding the relevant national laws relating to CIQ to Annex III of BL constituted matters outside the limits of the autonomy of Hong Kong was one of the issues to be studied by authorities of both sides. He reiterated that in assessing the feasibility of different options, the Administration would not lose sight of the need to ensure full compliance with BL. As regards the need for implementing the co-location arrangements through local legislation, the issue would need further study by the Administration.

15. Mr James TO, Mr LEE Cheuk-yan and Mr WU Chi-wai maintained the view that CIQ clearances to be carried out at WKT of HKS of XRL should not be regarded as matters outside the limits of the autonomy of HKSAR as these duties were to be conducted within the geographical boundary of HKSAR, which was approved by the State Council and clearly set out in BL. Unless the relevant authorities had plans to carve out part of WKT from the HKSAR's territory to the Mainland, no relevant national laws relating to CIQ should be applied in Hong Kong pursuant to Article 18 of BL.

16. SJ explained that the legal concepts of the geographical boundary and the high degree of autonomy of HKSAR as provided in BL were different. Even if the co-location arrangements were to be implemented at WKT, no area within WKT would be carved out of HKSAR's territory. Mr LEE Cheuk-yan requested SJ to provide information regarding the differences between the geographical boundary and the high degree of autonomy of HKSAR after the meeting.

Discussions with the Mainland authorities regarding the implementation of the co-location arrangements

17. The Chairman enquired about the progress of the discussions between the Administration and the relevant Mainland authorities regarding the implementation of co-location arrangements. Mr WONG Kwok-hing and Mr YIU Si-wing suggested that the Administration should devise a timetable in taking forward the co-location arrangements with the aim for its implementation by third quarter of 2018 to tie in with the commissioning of XRL. Mr YIU opined that the Administration should inform the public about the progress of the discussion on the subject by stages so as to enhance transparency and facilitate public discussion. Mr CHAN Kam-lam urged the Administration to finalize the co-location arrangements with relevant Mainland authorities and inform the public regarding the details of implementation as early as practicable.

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18. Ms Cyd HO, Ms Claudia MO, Dr Helena WONG and Mr WONG Yuk-man opined that the Administration should disclose details of the discussions with the Mainland authorities on the co-location arrangements and to conduct public consultation on the feasible options.

19. SJ stressed that various options for implementing the co-location arrangements were still under study and discussion between the Administration and the relevant Mainland authorities. The Administration would meet with the relevant Mainland authorities again in early 2016 to further discuss issues relating to the co-location arrangements. As the discussion was still underway, it was inappropriate to disclose any details of the discussion at the present stage before any concrete plan had been drawn up. The Administration would provide information to the public and consult LegCo on this subject in due course.

Progress of the XRL project

20. Mr WONG Yuk-man opined that in view of project delay and cost overrun of the XRL project as well as uncertainty related to the implementation of the co-location arrangements, the Administration should terminate the XRL project. The Chairman, Mr CHAN Kam-lam, Mr WONG Kwok-hing and Mr TANG Ka-piu held a different view and opined that as about 75% of the XRL project had already been completed, it would be a waste of public resources if the project was to be suspended at this stage. Also, they opined that construction of the XRL project and implementation of the co-location arrangements were two separate issues, and hence they should be addressed separately. Termination of the XRL project would have a serious impact on Hong Kong's economic development. They enquired about the consequences if applications for additional funding for the XRL project could not be approved by the FC of LegCo before depletion of the entrustment fee, and the costs of suspension or even termination of the XRL project.

21. STH replied that if the XRL project were suspended, huge expenditure would need to be incurred for settling contractors' claims, upkeeping of essential staff and plants on site, maintaining and protecting the unfinished works, compensation of terminated contracts and agreements, etc. MTRCL estimated that the suspension cost would be about \$4.8 billion for a six-month period. If the suspended project was to be resumed, the Monitoring and Verification ("M&V") Consultant estimated that the resumption cost could be up to \$28.2 billion for re-tendering and engaging new contractors. However, if the project was eventually terminated, not only would the entrustment fee of \$65 billion be wasted, the Administration would also need to complete the remaining essential works of the project and the M&V Consultant estimated

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that the expenditure for such works would be no less than \$10.6 billion. The above costs had not taken into account the foregone opportunity cost and the expected benefits to be brought by XRL to Hong Kong's economic development. Therefore, it was imperative for additional funding to be approved by the FC of LegCo timely so as to ensure that the project could be completed by third quarter of 2018 in accordance with the revised programme.

22. Mr WONG Kwok-hing suggested that the Administration should publicize the consequences of suspending or terminating the XRL project, and to exhibit the model of WKT of HKS of XRL at prominent places in MTR station so as to solicit public support for the additional funding proposal.

23. Noting the supplementary information provided by the Administration on the projected economic benefits to be brought about by HKS of XRL to Hong Kong (LC Paper No. CB(4)333/15-16(02)), Mr YIU Si-wing requested the Administration to provide statistics to further substantiate its assessment on the growth in economic benefits brought by and employment opportunities arising from the commissioning of HKS of XRL.

24. In reply to Mr Michael TIEN's enquiry of whether the projected suspension and termination costs had included the costs of restoring the construction sites and tunnels back to their original states, STH clarified that the estimation only included costs related to settlement of claims, protection and completion of unfinished works and upkeeping of essential staff and plants.

25. Mr TANG Ka-piu enquired about the progress of the negotiation with contractors of critical contracts regarding the settlement of contractual claims and whether the termination of XRL project would affect the liabilities of MTRCL and the Administration on these claims. Dr Philco WONG, Projects Director of MTRCL ("Projects Director of MTRCL") replied that MTRCL had a clear and robust procedures and mechanism in assessing and monitoring contractors' claims, which was in compliance to the industry's practice in general. Nevertheless, suspension or even termination of XRL project would lead to enormous contractors' claims due to termination of contracts, which included the removal of the works plants from works site, as well as protection for unfinished works and temporary traffic management schemes. As a result, the overall benefits from the project would be impacted.

Submission to the Public Works Subcommittee

26. The Chairman enquired whether members supported the Administration's additional funding proposals be submitted to the Public

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Works Subcommittee of the FC. Mr LEE Cheuk-yan requested a division. Seven members voted for while two members voted against. The voting result was as follows:

For

Mr WONG Kwok-hing (the Deputy Chairman), Mr CHAN Kam-lam, Mr Frankie YICK, Mr YIU Si-wing, Dr Elizabeth QUAT, Ir Dr LO Wai-kwok and Mr Christopher CHUNG (7 members)

Against

Mr LEE Cheuk-yan and Mr WU Chi-wai (2 members)

The Chairman concluded that the Subcommittee supported the submission of the additional funding proposals to the Public Works Subcommittee for consideration.

Follow-up actions

27. The Administration was requested to:

- (a) provide statistics to further substantiate its assessment provided to the Subcommittee vide LC Paper No. CB(4)333/15-16(02) on 11 December 2015 regarding the growth in economic benefits brought by and employment opportunities arising from the commissioning of HKS of XRL;
- (b) provide an updated assessment on the patronage forecast, economic benefit and operational viability of the HKS of XRL based on the information in the paper LC Paper No. CB(1)503/09-10(02) previously submitted to the Subcommittee in November 2009;
- (c) provide a comparison of the economic benefits brought about by the co-location of CIQ facilities at WKT of HKS of XRL and the adoption of a separate-location model of such facilities in Hong Kong and the Mainland respectively;
- (d) explain and elaborate: (i) whether national laws relating to CIQ to be adopted at WKT under the co-location arrangement were matters outside the limits of the autonomy of HKSAR in the context of Article 18 of BL; and (ii) if yes, whether such

interpretation might be in conflict with the "geographical boundary of HKSAR" as defined in BL; and

- (e) explain whether, under the proposed co-location arrangement at WKT, the relevant Mainland law enforcement officials would be empowered to perform law enforcement actions, such as the exercising of the power of arrest, within WKT.

(Post-meeting note: supplementary information provided by the Administration was issued to members vide LC Paper No. CB(4)394/15-16(01) on 18 December 2015.)

II. Staffing proposal relating to the Shatin to Central Link and Kwun Tong Line Extension projects

(LC Paper No. CB(4)333/15-16(03) - Administration's paper on the staffing proposal relating to the Shatin to Central Link and Kwun Tong Line Extension projects

LC Paper No. CB(4)333/15-16(04) - Paper on the staffing proposal relating to the Shatin to Central Link and Kwun Tong Line Extension projects prepared by the Legislative Council Secretariat (background brief)

Other relevant papers

LC Paper No. CB(4)298/15-16(01) - Administration's paper on the progress update of the construction of the Shatin to Central Link (as at 30 September 2015)

LC Paper No. CB(4)298/15-16(02) - Administration's paper on the progress update of the construction of the West Island Line, South Island

Line (East) and Kwun Tong
Line Extension (as at
30 September 2015))

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

29. The Chairman sought members' views on whether the Subcommittee should proceed with the discussion on this agenda item "Staffing proposal relating to the Shatin to Central Link and Kwun Tong Line Extension projects" as the Administration could not provide the relevant paper for the item at least two clear days before the meeting. Members agreed that the Subcommittee should continue with the discussion.

30. At the invitation of the Chairman, Under Secretary for Transport and Housing ("USTH") briefed members on the Administration's proposal to retain a supernumerary post at the rank of Chief Engineer ("CE") for a maximum period of six years commencing from 1 April 2016 or with immediate effect upon approval of the FC (whichever is the later) to 31 March 2022 in the Railway Development Office ("RDO") of the Highways Department to continue to provide support for monitoring MTRCL to complete the Shatin to Central Link ("SCL") project and the Kwun Tong Line Extension project.

31. Mr CHAN Kam-lam questioned the justifications for retaining the post of CE in RDO until March 2022 given that the Tai Wai to Hung Hom Section and Hung Hom to Admiralty Section of SCL were planned to be commissioned in 2019 and 2021 respectively.

32. Director of Highways ("D of Hy") explained that as the contractors of SCL project had submitted a spate of contractual claims to the Government, it would be necessary, with reference to the experience of projects of similar scale, to retain the post of CE until 31 March 2022 when most of the construction contracts and financial claims should have been settled and finalized.

33. In conclusion, the Chairman concluded that members did not raise objection to the Administration's submission of the proposal to the Establishment Subcommittee of FC for consideration.

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III. Progress update of the construction of the Shatin to Central Link

(LC Paper No. CB(4)298/15-16(01) - Administration's paper on the progress update of the construction of the Shatin to Central Link (as at 30 September 2015)

LC Paper No. CB(4)317/15-16(01) - Paper on the construction of the Shatin to Central Link prepared by the Legislative Council Secretariat (updated background brief)

Other relevant paper

LC Paper No. CB(4)1412/14-15(03) - Administration's paper on the progress and financial situation of the construction of the Shatin to Central Link (for the period ending 30 June 2015))

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

Discussion

Construction progress

35. Since the construction progress of SCL was delayed by various factors, including manpower shortage, complicated underground conditions and the archaeological features discovered, Dr Elizabeth QUAT, Mr TANG Ka-piu and Ir Dr LO Wai-kwok expressed concerns on the overall works progress of the SCL project, in particular the Cross Harbour Section (Section of the tunnel across Victoria Harbour) of Hung Hom to Admiralty Section ("Cross Harbour Section").

36. Projects Director of MTRCL replied that less than 25% of awarded major civil contracts under the SCL project did not catch up with the progress as originally planned and no critical contracts that would affect the overall progress of the project were among these contracts. The construction works were progressing well for the target commissioning dates for the Tai Wai to Hung Hom Section and Hung Hom to Admiralty Section of the SCL project in

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2019 and 2021 respectively. He further advised that the main construction works of the Cross Harbour Section had commenced progressively, and the installation of the immersed tube tunnel units would be completed in 2018. In this connection, MTRCL and relevant government departments would endeavour to catch up with the progress in order to meet the current target commissioning dates. When asked about the challenges of the project, Projects Director of MTRCL explained that some of the construction works for the SCL, interfacing with the existing railway network, would be carried out during non-traffic hours at night in order to avoid interrupting the existing railway service.

Manpower situation

37. Dr Elizabeth QUAT was concerned about the effectiveness of the measures taken by MTRCL to prevent further delay of the SCL project due to shortage in manpower. She also enquired whether the target commissioning dates had already taken into account the manpower shortage.

38. Projects Director of MTRCL responded that in addition to the importation of about 20 technical staff under the Supplementary Labour Scheme for the SCL project, MTRCL had initiated a SCL Contractors Cooperative Training Scheme to provide training and internship programmes for different construction trades so as to tackle the problem of manpower shortage. So far, the Scheme had provided training to about 400 trainees, with some 200 having completed the training programme and continuing their careers in the construction industry.

Geological conditions

39. Mr YIU Si-wing queried why the difficult ground conditions had not been detected earlier despite that site investigations had already been conducted. He also asked about the estimated delay in time and additional cost to SCL arising from the unforeseeable and complicated ground conditions.

40. Projects Director of MTRCL explained that preliminary site investigations were sometimes unable to reveal the actual site conditions and precise information on the geological conditions could only be ascertained during excavation. USTH supplemented that the unforeseen geological conditions, which had led to delays in the tunnelling works, could only be revealed when excavation works were carried out. As such and in view of other factors, such as the archeological works at the site of To Kwa Wan Station, the commissioning of the "East-West Corridor" and "North-South

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Corridor" would be deferred to 2019 and 2021 respectively. He further advised that the cost review of the entire SCL project conducted by MTRCL was expected to be completed by the first quarter of 2016.

Archaeological work and discovery

41. In response to members' enquiries on the progress relating to the archaeological works and conservation plans for the archaeological features discovered at To Kwa Wan Station of the SCL project and Wan Chai seabed, USTH, D of Hy and Projects Director of MTRCL informed members that:

- (a) the archaeological works at To Kwa Wan Station had been completed;
- (b) the archaeological and conservation works at To Kwa Wan Station had led to construction delays, modification in station design and construction method and cost overrun; and
- (c) the large metal object discovered on the seabed within the reclamation area under Wan Chai Development Phase II of the Civil Engineering and Development Department, which might be part of the wreck of a ship, was relocated to a neighbouring seabed area of the reclamation site for further study after consulting the Antiquities and Monuments Office. Before a comprehensive conservation plan for the metal object had been drawn up, the metal object should remain in the sea to avoid damage done to the object when it was lifted up.

Admin 42. At the request of Mr WONG Kwok-hing, the Administration was requested to ask the Civil Engineering and Development Department, and the Antiquities and Monuments Office to provide an update on the progress of the investigation of the large metal object discovered on the seabed in the vicinity of the old Wan Chai Ferry Pier, and the related conservation work.

IV. Any other business

43. There being no other business, the meeting ended at 1:33 pm.

Panel on Transport

Subcommittee on Matters Relating to Railways

**Proceedings of the special meeting
on Monday, 14 December 2015, at 10:45 am
in Conference Room 1 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<i>Agenda Item I – Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link</i>			
000228 – 000329	Chairman	Opening remarks.	
000330 – 001652	Chairman Administration	Opening remarks by Secretary for Justice ("SJ") [LC Paper No. CB(4)355/15-16(01)].	
001653 – 002252	Chairman Dr KWOK Ka-ki Administration	Dr KWOK's views on the implementation of the co-location arrangements at the West Kowloon Terminus ("WKT") of the Hong Kong Section ("HKS") of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") and the Administration's response.	
002253 – 002806	Chairman Ms Claudia MO Administration	Ms MO's views on the implementation of the co-location arrangements at WKT of HKS of XRL and the Administration's response.	
002807 – 003358	Chairman Mr Alan LEONG Administration	Mr LEONG's views on the implementation of the co-location arrangements at WKT of HKS of XRL and the Administration's response.	
003359 – 003906	Chairman Mr Michael TIEN Administration	Mr TIEN's views on the inclusion of relevant national laws relating to customs, immigration and quarantine ("CIQ") to Annex III of the Basic Law ("BL") and the Administration's response.	
003907 – 004417	Chairman Mr James TO Administration	Mr TO's views on the inclusion of relevant national laws relating to CIQ to Annex III of BL and the Administration's response.	
004418 – 004931	Chairman Mr CHAN Kam-lam Administration	Mr CHAN's enquiry on the additional cost incurred if the XRL project was to suspend or terminate, and the Administration's response.	
004932 – 005436	Chairman Mr WONG Kwok-hing Administration	Mr WONG's views on the suspension or termination of the XRL project and the Administration's response.	
005437 – 010005	Chairman Mr LEE Cheuk-yan	Mr LEE's views on the inclusion of relevant national laws relating to CIQ to Annex III of BL	The Administration

Time marker	Speaker	Subject(s)	Action required
	Administration	and the Administration's response.	to follow up as per paragraph 27 of the minutes.
010006 – 010516	Chairman Mr Dennis KWOK Administration	Mr KWOK's views on the inclusion of relevant national laws relating to CIQ to Annex III of BL and the implementation of co-location arrangements and the Administration's response.	
010517 – 011035	Chairman Mr TANG Ka-piu Administration	Mr TANG's views on the progress of construction of the XRL project and the implementation of the co-location arrangements and the Administration's response.	
011036 – 011540	Chairman Ms Cyd HO Administration	Ms HO's views on the discussions on the implementation of the co-location arrangements between the Administration and the relevant Mainland authorities and the Administration's response.	
011541 – 012046	Chairman Mr WONG Yuk-man	Mr WONG's views on the inclusion of relevant national laws relating to CIQ to Annex III of BL.	
012047 – 012548	Chairman Mr YIU Si-wing Administration	Mr YIU's request on the provision of statistics to further substantiate the assessment of the growth in economic benefits brought by and employment opportunities arising from the commissioning of HKS of XRL.	The Administration to follow up as per paragraph 27 of the minutes.
012549 – 012952	Chairman Administration	The Chairman's views on the progress of construction of the HKS of XRL and the Administration's response.	
012953 – 013418	Chairman Mr LEE Cheuk-yan Administration	Mr LEE's views on the interpretation of geographical boundary and limits of autonomy of the Hong Kong Special Administration Region as provided in BL and the Administration's response.	The Administration to follow up as per paragraph 27 of the minutes.
013419 – 013959	Chairman Mr WU Chi-wai Administration	Mr WU's views on the implementation of co-location arrangements as compared to a separate-location model of CIQ facilities at WKT of HKS of XRL and the Administration's response.	The Administration to follow up as per paragraph 27 of the minutes.
014000 – 014434	Chairman Mr Michael TIEN Administration	Mr TIEN's enquiry on the implementation of the co-location arrangements and the Administration's response.	

Time marker	Speaker	Subject(s)	Action required
014435 – 014821	Chairman Mr CHAN Kam-lam Administration	Mr CHAN's views on the implementation of the co-location arrangements and the Administration's response.	
014822 – 015225	Chairman Ms Claudia MO Administration	Ms MO's views on the discussions of the implementation of the co-location arrangements between the Administration and relevant Mainland authorities and the Administration's response.	
015226 – 015630	Chairman Mr TANG Ka-piu MTRCL	Mr TANG's enquiry on contractors' claim arising from the termination of XRL project and MTRCL's response.	
015631 – 020037	Chairman Mr WONG Yuk-man Administration	Mr WONG's views on the termination of the XRL project and the Administration's response.	
020038 – 020620	Chairman Dr Helena WONG Administration	Dr WONG's views on the implementation of the co-location arrangements and the Administration's response.	
020621 – 021033	Chairman Mr WONG Kwok-hing Administration MTRCL	Mr WONG's views on the progress of the XRL project and the Administration/MTRCL's responses.	
021034 – 021446	Chairman Mr WU Chi-wai Administration	Mr WU's views on the implementation of the co-location arrangements and the Administration's response.	
021447 – 021704	Chairman Mr LEE Cheuk-yan	Members' views on whether to support the submission of the Administration's proposals to the Public Works Subcommittee.	
<i>Agenda Item II – Staffing proposal relating to the Shatin to Central Link and Kwun Tong Line Extension projects</i>			
021705 – 021800	Chairman	Members agreed to proceed with the discussion on the agenda item "Staffing proposal relating to the Shatin to Central Link and Kwun Tong Line Extension projects".	
021801 – 022030	Chairman Administration	Briefing by the Administration on the staffing proposal relating to the Shatin to Central Link ("SCL") and Kwun Tong Line Extension projects.	
022031 – 022221	Chairman Mr CHAN Kam-lam Administration	Justifications for retaining the post of Chief Engineer in the Railway Development Office of the Highways Department until March 2022.	

Time marker	Speaker	Subject(s)	Action required
022222 – 022234	Chairman	Members did not raise objection to the Administration's submission of the proposal to the Establishment Subcommittee of the Finance Committee for consideration.	
<i>Agenda Item III – Progress update of the construction of the Shatin to Central Link</i>			
022235 – 022756	Chairman Administration	Briefing by the Administration on the progress update of the construction of SCL.	
022757 – 023202	Chairman Dr Elizabeth QUAT MTRCL	Manpower situation and the construction progress of the section of the tunnel across Victoria Harbour of Hung Hom to Admiralty Section ("Cross Harbour Section").	
023203 – 023611	Chairman Mr YIU Si-wing Administration MTRCL	Difficult geological conditions and the estimated delay and additional cost incurred.	
023612 – 024056	Chairman Mr WONG Kwok-hing Administration MTRCL	Archaeological works at To Kwa Wan Station and the large metal object found on the seabed within the reclamation area under Wan Chai Development Phase II. The Administration was requested to ask the Civil Engineering and Development Department, and the Antiquities and Monuments Office to provide an update on the progress of the investigation of the large metal object discovered on the seabed in the vicinity of the old Wan Chai Ferry Pier, and the related conservation work.	The Administration to follow up as per paragraph 42 of the minutes.
024057 – 024507	Chairman Mr TANG Ka-piu MTRCL	Overall works progress of SCL.	
024508 – 024821	Chairman Ir Dr LO Wai-kwok MTRCL	Construction progress of To Kwa Wan Station, Cross Harbour Section and the entire SCL project.	
<i>Agenda Item IV – Any other business</i>			
024822 – 024826	Chairman	Concluding remarks.	