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Panel on Transport

Subcommittee on Matters Relating to Railways
Special meeting on 14 December 2015

Updated background brief on the construction of
the Shatin to Central Link

Purpose

This paper provides updated background information on the construction of the Shatin to Central Link ("SCL"). It also summarizes the major views and concerns expressed by members of the Subcommittee on Matters Relating to Railways ("the Subcommittee") during previous discussions on this subject.

Background

2. SCL, with a total length of 17 kilometres, consists of two sections –

(a) Tai Wai to Hung Hom Section:

This is the extension of Ma On Shan Line from Tai Wai to Hung Hom, via Southeast Kowloon and connects to the West Rail Line. It will increase the Shatin-Kowloon rail capacity and provide railway service to the new developments in Southeast Kowloon; and

(b) Hung Hom to Admiralty Section:

This is an extension of the existing East Rail Line ("ERL") from Hung Hom across the Harbour to Hong Kong Island.

It can interchange with Tai Wai to Hung Hom Section at Hung Hom. It will increase the cross-harbour rail capacity and enhance the connectivity between the New Territories and Hong Kong Island.

The proposed alignment plan for SCL is in **Appendix I**.

3. The approved estimate for the entire SCL project is \$79.8 billion (in money-of-the-day prices) and the project is funded by the Government under the concession approach¹. On 11 May 2012, the Finance Committee of the Legislative Council ("LegCo") approved the funding application for "61TR – Shatin to Central Link – construction of railway works – remaining works"² and "62TR – Shatin to Central Link – construction of non-railway works – remaining works"³. Thereafter, the Government and MTRCL entered into an agreement for entrusting construction, testing and commissioning of SCL, as well as project management and monitoring services, to the latter. The main works commenced in July 2012. According to the agreement, the target commissioning date for the Tai Wai to Hung Hom Section is December 2018 and the target commissioning date for the Hung Hom to Admiralty Section is December 2020.

Delay of SCL project

4. According to the information provided by the Administration in August 2015⁴, it is estimated that the Tai Wai to Hung Hom Section of SCL will have a delay of at least 11 months arising from the archaeological work, archaeological discoveries and conservation options for archaeological features at To Kwa Wan Station. The Highways Department ("HyD") will co-ordinate and oversee the construction of SCL so that MTRCL could try to recover some of the delay to the Tai Wai to Hung Hom Section, with a view to commissioning the Tai Wai to Hung Hom Section in 2019 as far as possible.

¹ Under the concession approach, the Administration is responsible for the construction costs of SCL whilst the MTR Corporation Limited ("MTRCL") is entrusted with the planning and design of the project.

² Please see LC Paper No. FCR(2012-13)20.

³ Ditto.

⁴ LC Paper No.CB(4)1412/14-15(03)

5. As regards the Hung Hom to Admiralty Section, the commissioning date will be deferred to 2021 to allow flexibility for the topside development of the convention centre at Exhibition Station⁵, and to cater for the reclamation works under Wan Chai Development Phase II ("WDII") and the construction of Central-Wan Chai Bypass tunnel thereof. Regarding the large metal object found on the seabed within the reclamation area under WDII of the Civil Engineering Development Department ("CEDD")⁶, as the progress of reclamation works there has been affected, the hand-over date of the works area would likely be deferred and this would in turn have an impact on the SCL Exhibition Station works. HyD will continue to liaise with CEDD closely and take feasible measures in a timely manner to minimize the impacts on the Hung Hom to Admiralty Section due to the issue.

6. According to the progress update submitted by MTRCL⁷, the overall works for SCL are 37% completed compared to the planned completion rate of 44% against the original project completion target in 2018 for the Tai Wai to Hung Hom Section and 2020 for the Hung Hom to Admiralty Section.

Latest cost to complete of SCL project

7. As at the end of January 2015, MTRCL estimated that there would be an additional cost of at least \$4.1 billion for the Tai Wai to Hung Hom Section of SCL. The eventual implication would be subject to the final assessment of MTRCL and the scrutiny of HyD. According to the information provided by the Administration in August 2015⁸, MTRCL is conducting a cost review of the entire SCL in phases, including the cost increases at Admiralty Station⁹ and Ho Man Tin Station, and the additional costs arising from the archaeological and conservation works, enabling works to cater for the topside development,

⁵ MTRCL advised that to allow flexibility for the construction of new convention facilities above Exhibition Station, a certain part of the enabling works for the topside development would be incorporated into the underground structure of Exhibition Station. Based on the currently available information on the geological condition, it is initially estimated that this would result in a delay of at least 5 months to the construction of Exhibition Station and an increase in construction cost.

⁶ On 27 March 2015, CEDD announced that a large metal object was found on the seabed in the vicinity of the old Wan Chai Ferry Pier. As the pier is within the project area of WDII, CEDD is conducting an investigation of the discovery.

⁷ Annex 2 to LC Paper No.CB(4)1412/14-15(03).

⁸ LC Paper No.CB(4)1412/14-15(03)

⁹ MTRCL advised HyD on 12 August 2015 that the recently completed cost estimate review of the expansion works of Admiralty Station of South Island Extension (East) indicated an upward adjustment of the relevant cost to be shared by SCL.

as well as the deferred site handover¹⁰. The review is expected to be completed by the first quarter of 2016. MTRCL will then submit the cost review to HyD for scrutiny. As the current contingency of SCL project will not be sufficient to meet the additional cost, the Transport and Housing Bureau will seek additional funding from LegCo in due course in order to proceed with the works.

Major concerns expressed by Subcommittee members

Delay of SCL project

8. Members expressed grave concern about the delay of the Tai Wai to Hung Hom Section and the Hung Hom to Admiralty Section of SCL project, which were originally scheduled for completion in 2018 and 2020 respectively. In particular, archaeological work and manpower shortage problem would further delay the construction progress of SCL. The Administration advised that due to archaeological discoveries at To Kwa Wan Station, MTRCL estimated that there would be a minimum delay of about 11 months and the expected completion date of the Tai Wai to Hung Hom Section would need to be deferred from 2018 to 2019. Given the late handover of sites because of the need to cater for the reclamation works under WDII as well as the tunnel works of Central-Wan Chai Bypass, the commissioning of the Hung Hom to Admiralty Section would be deferred from 2020 to 2021.

9. Noting the discovery of a large metal object on the seabed in the vicinity of the old Wan Chai Ferry Pier, members at the Subcommittee meeting on 19 May 2015 enquired about the progress of investigation on the aforesaid object, and actions to be taken by the Administration to prevent further delay of the project. The Administration advised that CEDD and other relevant departments were conducting an investigation of the metal object. According to preliminary survey and assessment, the object might be part of a wreck ship that sank in the Victoria Harbour in the past. As the metal object might have an impact on the progress of SCL, the Administration would closely monitor the progress of the investigation and would provide further details to the public in due course.

¹⁰ MTRCL estimated that the handover date of the associated critical site areas adjoining the junction of Expo Drive East and Convention Avenue has a delay of 6 months as compared to the original programme because of the need to cater for the reclamation works under WDII as well as the tunnel works of Central-Wan Chai Bypass. The deferred handover of work sites may lead to additional construction cost.

10. In reply to members' enquiry on the monitoring role of the Administration over MTRCL's management of SCL project and the provision of contingency over unexpected project delay, the Administration advised that it monitored the progress of SCL by various means, such as through regular meetings with MTRCL and monthly reports submitted by MTRCL. HyD also employed an external consultant to assist in the monitoring and verification work. As regards contingency period, MTRCL explained that the estimated completion date of SCL had provided for a contingency, and depending on factors such as nature of works, the contingency period of each works activity would vary. For critical activities, they would have no contingency period.

Cost overrun

11. At the Subcommittee meetings on 24 November 2014 and 19 May 2015, members expressed concern about the increase in cost arising from archaeological works and discoveries. Some members opined that the Administration should be responsible for such additional cost as heritage conservation should be borne by the community as a whole. However, cost arising from delays caused by MTRCL's project mismanagement should be borne by MTRCL.

12. The Administration advised that the additional cost in respect of archaeological works and discoveries at To Kwa Wan Station would be at least \$4.1 billion. MTRCL responded that there were often unforeseeable situations in construction works, such as unforeseen geological conditions. It would try to implement recovery measures to catch up with the progress arising from such delay.

13. Members enquired about the proposed additional funding to be sought from LegCo and timetable for the funding application. The Administration advised that at the current stage, it was too early to provide details of the additional funding to be sought as MTRCL was still reviewing the revised cost for the entire project.

Archaeological features discovered at To Kwa Wan Station

14. Members enquired about the arrangements for the monuments and antiques unearthed from SCL construction sites, such as whether an independent archaeological expert group would be set up to protect the monuments and antiques. They opined that the conservation proposals

should facilitate preservation of archaeological features for future display, such as setting up a museum to display monuments and antiques unearthed in the course of construction of SCL.

Manpower situation

15. Members at the Subcommittee meeting on 4 July 2014 expressed grave concern about labour shortage problem, which might further delay the construction progress. In this connection, members urged the Administration to formulate remedial measures, such as expediting applications under the Supplementary Labour Scheme, to ease the problem. Also, they suggested that relevant bureaux should jointly discuss and review the construction industry's capacity to implement the five railway projects simultaneously. In December 2014, the Administration provided supplementary information¹¹ updating the Subcommittee that there was a shortfall of 1 521 construction workers for SCL project.

Other issues

16. Members have also expressed the following views and concerns at previous Subcommittee meetings:

- (a) the reduction in train capacity for ERL after the replacement of 12-car trains with 9-car trains;
- (b) the provision of station facilities, such as platform screen doors or automatic platform gates, toilet facilities, lifts and escalators, barrier-free access facilities and digital broadcasting systems at SCL stations; and
- (c) setting aside a proportion of public areas for art display with reference to overseas infrastructural projects. MTRCL should formulate a policy to replenish the art pieces on display regularly, and to reduce the number of advertising light boxes to give more space for art display.

¹¹ Source: The Administration's supplementary information paper on the number of construction personnel short for each of the five new railway projects under construction [LC Paper No. CB(4)307/14-15(01)] issued in December 2014

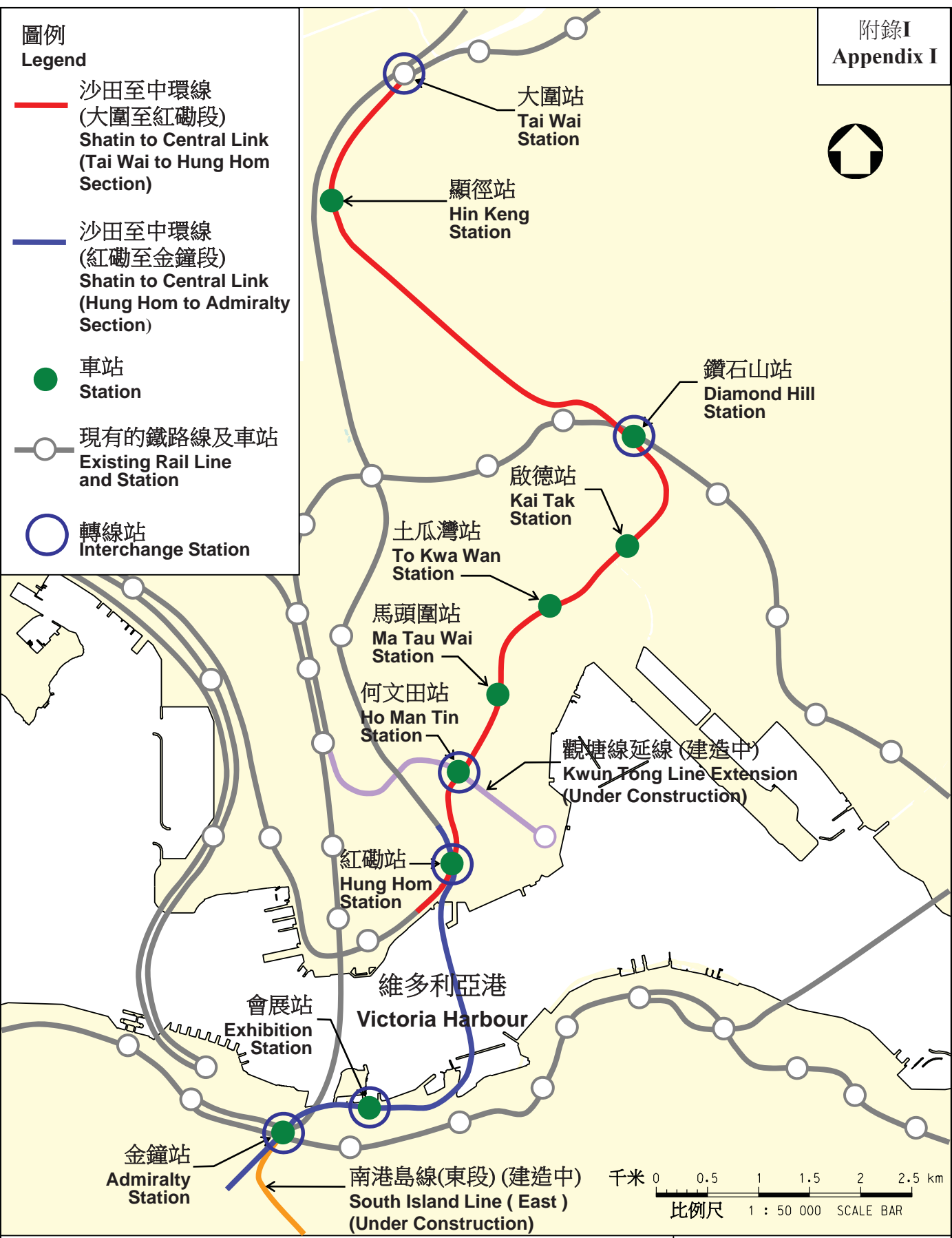
Latest developments

17. The Administration plans to update the Subcommittee on the progress of the construction of SCL at the meeting to be held on 4 December 2015.

Relevant papers

18. A list of relevant papers is in **Appendix II**.

Council Business Division 4
Legislative Council Secretariat
8 December 2015



圖例
Legend

- 沙田至中環線
(大圍至紅磡段)
Shatin to Central Link
(Tai Wai to Hung Hom Section)
- 沙田至中環線
(紅磡至金鐘段)
Shatin to Central Link
(Hung Hom to Admiralty Section)
- 車站
Station
- 現有的鐵路線及車站
Existing Rail Line and Station
- 轉線站
Interchange Station

圖則名稱 drawing title
沙田至中環線的走線
Alignment of the Shatin to Central Link

圖號 drawing no.
HRWSCL003-SK0437
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鐵路拓展處 RAILWAY DEVELOPMENT OFFICE
 路政署
HIGHWAYS DEPARTMENT

Appendix II

Shatin to Central Link

List of relevant papers

Committee	Date of meeting	Paper / Minutes
Subcommittee on Matters Relating to Railways	16.7.2007	Administration's paper Minutes
Subcommittee on Matters Relating to Railways	27.3.2008	Legislative Council Brief Administration's paper Minutes
Council meeting	11.3.2009	<u>Hon Starry LEE raised a question on the impact of infrastructural projects in To Kwa Wan and Ma Tau Kok districts</u>
Subcommittee on Matters Relating to Railways	31.3.2009	Administration's paper Minutes
Council meeting	28.10.2009	<u>Hon James TO raised a question on the construction of Shatin to Central Link railway in the Kai Tak Development Area</u>
Council meeting	18.11.2009	<u>Hon Mrs Regina IP raised a question on the temporary supporting facilities of Shatin to Central Link</u>
Council meeting	20.1.2010	<u>Hon Starry LEE raised a question on the temporary works area of Shatin to Central Link</u>
Subcommittee on Matters Relating to Railways	4.6.2010	Administration's paper Minutes

Committee	Date of meeting	Paper / Minutes
Subcommittee on Matters Relating to Railways	4.11.2010	Administration's paper Minutes
Subcommittee on Matters Relating to Railways	6.12.2010	Administration's paper Minutes
Subcommittee on Matters Relating to Railways	7.1.2011	Administration's supplementary information paper Minutes
Council meeting	18.5.2011	Hon Starry LEE raised a question on the impact on various railway projects due to recent court judgement on environmental impact assessment
Council meeting	6.7.2011	Hon CHAN Hak-kan raised a question on the programme for Shatin to Central Link project
Subcommittee on Matters Relating to Railways	2.3.2012	Administration's paper Administration's supplementary information paper Minutes
Subcommittee on Matters Relating to Railways	23.3.2012	Administration's paper Administration's supplementary information paper Minutes
Subcommittee on Matters Relating to Railways	30.3.2012	Legislative Council Brief Administration's supplementary information paper Minutes

Committee	Date of meeting	Paper / Minutes
Public Works Subcommittee	18.4.2012	Administration's paper on "61TR – Shatin to Central Link – construction of railway works – remaining Administration's paper on "62TR – Shatin to Central Link – construction of non-railway works – remaining Minutes
Finance Committee	11.5.2012	Minutes
Council Meeting	21.5.2014	Hon CHAN Hak-kan raised a question on monuments and antiques unearthed at railway construction
Council Meeting	4.6.2014	Dr Hon CHIANG Lai-wan raised a question on construction works of Shatin to Central Link
Council Meeting	18.6.2014	Hon Christopher CHUNG raised a question on Antiquities and monuments excavated from works site of MTR Shatin to Central Link
Subcommittee on Matters Relating to Railways	4.7.2014	Administration's paper Administration's supplementary information paper Minutes
Subcommittee on Matters Relating to Railways	24.11.2014	Administration's paper Administration's paper Administration's supplementary information paper Minutes

Committee	Date of meeting	Paper / Minutes
Council Meeting	3.12.2014	<u>Dr Hon LAM Tai-fai raised a question on cost overruns and delay of major infrastructure projects</u>
Council Meeting	17.12.2014	<u>Hon James TO raised a question on archaeological excavation at To Kwa Wan Station of Shatin to Central Link</u>
Subcommittee on Matters Relating to Railways	6.3.2015	<u>Administration's paper</u> <u>Minutes</u>
Subcommittee on Matters Relating to Railways	19.5.2015	<u>Administration's paper</u> <u>Minutes</u>

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