

立法會

Legislative Council

LC Paper No. CB (2)1960/18-19

Ref: CB2/T/16

Paper for the House Committee meeting on 11 October 2019

Proposed extension of period of work of subcommittees on policy issues and the timeline for activation of subcommittees on the waiting list

Purpose

This paper invites Members to consider the proposals of two subcommittees on policy issues ("policy subcommittees") for extension of period of work, namely the Subcommittee on Matters Relating to Railways ("the Railways Subcommittee") and the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project ("the WKCD Subcommittee"), and note the timeline for activation of policy subcommittees on the waiting list.

Background

2. Under rules 26(a) and (b) of the House Rules ("HR"), the maximum number of policy subcommittees appointed by the House Committee ("HC") and Panels that may be in operation at any one time is 10 ("the quota"). Where the number of policy subcommittees has reached the quota, a queuing system will automatically be activated with a waiting list formed. The order of policy subcommittees on the waiting list is in the order of their appointment.¹

¹ According to the broad principles for the activation, operation and extension of period of work of policy subcommittees agreed at the HC meeting on 15 November 2013, the number of subcommittees under each Panel operating at the same time should not exceed two. For this purpose, a joint subcommittee will be counted as one subcommittee for each of the Panels concerned. The broad principles also provide that HC can decide the order of activation/re-activation of policy subcommittees on the waiting list.

3. Under HR 26(c), a policy subcommittee should complete its work within 12 months of its commencement and report to HC or the relevant Panel(s). Should such a subcommittee consider it necessary for it to work beyond that 12 months, the subcommittee should, after obtaining the endorsement of the relevant Panel(s) if it is appointed by a Panel(s), report to HC and give justifications for an extension of the 12-month period.²

4. At the HC meeting on 7 July 2017, Members agreed to adopt the following arrangements for extension of period of work of policy subcommittees in the Sixth Legislative Council: upon completion of the 12-month period, a policy subcommittee in operation will vacate its slot for activation of a subcommittee on the waiting list. If the subcommittee considers it necessary for it to work beyond the 12-month period, upon obtaining endorsement of HC, it will be put on the waiting list for re-activation. It was also agreed that five policy subcommittees (including the Railways Subcommittee and the WKCD Subcommittee) were permitted to continue to work for a specified period of time as agreed by HC.³ Details of the policy subcommittees in operation (including the expiry date of the 12-month work period) and policy subcommittees on the waiting list are in **Appendices I and II** respectively.

Proposals of two policy subcommittees for extension of period of work

5. The proposal of the Railways Subcommittee and the WKCD Subcommittee for further continuation of work in the 2018-2019 session was endorsed by HC at its meeting on 6 July 2018. The Railways Subcommittee and the WKCD Subcommittee have reviewed their work progress and consider it necessary for them to continue to work in the 2019-2020 session. Details of their work progress and their proposals for extension of period of work are set out in **Appendices III and IV** respectively.

² It is the established practice to determine duration of the 12-month period on the basis of the date of the first meeting of the subcommittee.

³ At this HC meeting, the Railways Subcommittee and the WKCD Subcommittee which have been given priority for activation in the 2016-2017 session were given permission for continuation of work in the 2017-2018 session.

Timeline for activation of policy subcommittees on the waiting list

6. Should the Railways Subcommittee and the WKCD Subcommittee be given permission to continue to work in the 2019-2020 session, two vacant slots will arise in mid-December 2019 for activation of the first two policy subcommittees currently on the waiting list (i.e. Subcommittee on Issues Relating to Policy on Industrial Buildings and Subcommittee on Issues Relating to the Development of Chinese Medicine). The third policy subcommittee currently on the waiting list (i.e. Subcommittee to Study Issues Relating to the Development of Electric Vehicles) can be activated once any one of the two investigation committees ("ICs")⁴ can wrap up its work.

Advice sought

7. Members are invited to:
- (a) consider and endorse the proposals of the Railways Subcommittee and the WKCD Subcommittee for continuation of work in the 2019-2020 session; and
 - (b) note the timeline for activation of policy subcommittees on the waiting list.

Council Business Division 2
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9 October 2019

⁴ The two ICs currently in operation are as follows: (a) the Investigation Committee established under Rule 49B(2A) of the Rules of Procedure in respect of the motion to censure Hon Holden CHOW Ho-ding; and (b) the Investigation Committee established under Rule 49B(2A) of the Rules of Procedure in respect of the motion to censure Hon HUI Chi-fung.

Appendix I

Subcommittees on policy issues in operation (as at 8 October 2019)

Subcommittees on policy issues	Date of first meeting	Latest position
1. Subcommittee on Matters Relating to Railways under the Panel on Transport	18 November 2016	Permission has been obtained for continuation of work in the 2018-2019 session
2. Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project under the Panel on Development and the Panel on Home Affairs	23 November 2016	
3. Subcommittee to Follow Up Issues Related to Inadequate Housing and Relevant Housing Policies under the Panel on Housing	14 December 2018	12-month period of work will end by 13 December 2019
4. Joint Subcommittee on Issues Relating to the Regulation of Devices and Development of the Beauty Industry under the Panel on Health Services and the Panel on Commerce and Industry	14 December 2018	12-month period of work will end by 13 December 2019
5. Subcommittee on Issues Relating to the Support for Cancer Patients under the Panel on Health Services	22 March 2019	12-month period of work will end by 21 March 2020
6. Subcommittee on Hillside Escalator Links and Elevator Systems under the Panel on Transport	26 March 2019	12-month period of work will end by 25 March 2020
7. Joint Subcommittee to Follow Up Issues Relating to the Redevelopment, Maintenance and Management of Aged Buildings under the Panel on Development and the Panel on Home Affairs	22 March 2019	12-month period of work will end by 21 March 2020

Appendix II

Subcommittees on policy issues on the waiting list[#] (as at 8 October 2019)

1.	Subcommittee on Issues Relating to Policy on Industrial Buildings under the House Committee
2.	Subcommittee on Issues Relating to the Development of Chinese Medicine under the Panel on Health Services
3.	Subcommittee to Study Issues Relating to the Development of Electric Vehicles under the Panel on Environmental Affairs
4.	Joint Subcommittee on Long-term Care Policy under the Panel on Welfare Services and the Panel on Health Services*
5.	Subcommittee to Study Issues Relating to Animal Rights under the Panel on Food Safety and Environmental Hygiene*

To ensure that all the policy subcommittees currently on the waiting list which have not yet commenced work since appointment can have the opportunity to activate and commence work before the end of the Sixth Legislative Council, Members agreed at the House Committee meeting on 6 July 2018 that priority be accorded to these subcommittees over those subcommittees awaiting re-activation of work.

* Since their 12-month period of work completed on 15 December 2017, these two subcommittees have been put on the waiting list for re-activation of work when a vacant slot arises.

立法會
Legislative Council

LC Paper No. CB(4)1100/18-19

Ref : CB4/PS/1/16

Paper for the House Committee

**Continuation of work of the
Subcommittee on Matters Relating to Railways**

Purpose

This paper reports on the progress of work of the Subcommittee on Matters Relating to Railways ("the Subcommittee") formed under the Panel on Transport and the need for the Subcommittee to continue its work in the 2019-2020 legislative session.

Background

2. Since the Second Term of the Legislative Council, a subcommittee was set up under the Panel on Transport to monitor issues relating to the planning and implementation of new railway projects, and the operation of existing railways.

3. Following previous practices, the Panel on Transport agreed at its meeting on 28 October 2016 to appoint a subcommittee to follow up relevant matters. The Subcommittee held its first meeting on 18 November 2016. At the House Committee meeting on 6 July 2018, Members agreed that permission be given for the Subcommittee to continue to work in the 2018-2019 session, i.e. up to the end of September 2019. The terms of reference and membership list of the Subcommittee are set out in **Annexes I and II** respectively.

Work of the Subcommittee

4. Under the chairmanship of Hon Frankie YICK Chi-ming, the Subcommittee has held four meetings since October 2018¹ and studied the following major issues:

(a) Operation of existing railways

- (i) Operation of the Hong Kong Section ("HKS") of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL");
- (ii) upgrading of signalling system for railway lines; and
- (iii) causes of major railway incidents, and contingency arrangements;

(b) Implementation of new railway project

progress update and financial situation of the implementation of the Shatin to Central Link ("SCL"), key information of which is set out in **Annex III**; and

Need for continuation of work in the 2019-2020 session

Implementation of the Shatin to Central Link

5. The Subcommittee has examined regularly the progress of construction of the SCL and received updates on the subject by the Administration at its meetings held on 7 December 2018 and 1 February 2019. Additionally, the Subcommittee was briefed on the interim report of the Commission of Inquiry into the construction works at and near the Hung Hom Station Extension under the SCL project at its meeting on 29 March 2019. Members of the Subcommittee also noted that on 19 February 2019, the Chief Executive in Council approved the expansion of the Commission's Terms of Reference to investigate the steel reinforcement fixing or concreting works at three locations under contract

¹ The Subcommittee also held three special meetings in July and August 2018 under the chairmanship of Hon Michael TIEN Puk-sun, Chairman of the Subcommittee for the 2017-2018 session, to discuss incidents relating to the quality of construction works of the Shatin to Central Link project.

No. 1112 of SCL, as well as an extension of time for the Commission to submit its report to the Chief Executive by 30 August 2019.² Having regard to the missing Request for Inspection and Survey Checks Forms (i.e. RISC Forms) for the steelworks at North Approach Tunnels ("NAT"), the South Approach Tunnels and the Hung Hom Stabling Sidings, as well as the insufficient documentation for NAT regarding a design change of some connections between reinforcement bars during construction, members expressed strong disappointment at the monitoring system of MTR Corporation Limited ("MTRCL") in implementing the SCL project. Some members also queried the role of the Monitoring and Verification Consultant appointed by the Highways Department and considered that the Consultant had failed to perform its duties.

6. In view of the fact that the target commissioning date of the Tai Wai to Hung Hom section of SCL (scheduled to be commissioned in mid-2019) would need to be further reviewed due to the series of incidents relating to works at the Hung Hom Station Extension and the associated investigation works, members urged the Administration and MTRCL to complete as soon as practicable the feasibility study on the partial opening of some stations and sections of the Tai Wai to Hung Hom Section. Members were also concerned about the settlement issues of the construction of SCL and the cost overrun of the main works of the SCL project. In view of the above concerns, the Subcommittee may need to continue to oversee the mechanism of both the Administration and MTRCL in monitoring the implementation of construction works and the financial situation of SCL.

Planning of new railway projects

7. In October 2014, the Subcommittee members were briefed by the Administration on the Railway Development Strategy 2014 ("RDS-2014"), which recommended that seven railway projects be completed in the planning horizon up to the year 2031 having regard to transport demand, cost-effectiveness and the development needs of New Development Areas and other new developments. The proposed indicative implementation window for planning purpose (i.e. between 2018 and 2026) of the seven projects and the preliminary cost estimates for the individual railway projects are given in **Annex IV**.

² The Chief Executive in Council approved on 10 September 2019 an extension of time for the Commission to submit its final report to the Chief Executive to 31 March 2020.

8. Members noted that the Administration had evaluated the proposals and requested MTRCL to supplement details for five railway lines recommended in RDS-2014, i.e. Tuen Mun South Extension, Northern Link (and Kwu Tung Station), East Kowloon Line, Tung Chung West Extension (and Tung Chung East Station) and North Island Line. It is therefore envisaged that the Subcommittee may need to provide views and inputs concerning the implementation of the abovementioned five railway projects, and to continue to monitor the planning progress of the remaining two railway projects recommended in RDS-2014.

Operation of existing railways

Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link

9. The HKS of the XRL formally commenced operation on 23 September 2018. The Subcommittee was briefed on the operation of the HKS of the XRL at its meeting on 7 December 2018. Expressing concern on the patronage of the HKS of the XRL, some members called on the Administration and MTRCL to offer fare discount to Hong Kong residents and to provide interchange discounts for XRL passengers, so as to boost the patronage of the XRL. Some members opined that the details of the financial situation of the HKS of the XRL project, including information on the situation of claims, should continue to be submitted regularly to the Subcommittee for members' reference after the commissioning of the HKS of XRL. Members were advised that the Administration had been pressing ahead the enhancement of the Mainland ticketing system with the China Railway Corporation and would work in tandem with MTRCL to roll out more facilitation arrangements such as introducing e-tickets to cater for the needs of different passenger groups. Given that the HKS of XRL is an important cross-boundary transport infrastructure, it is proposed that the Subcommittee should continue to monitor the operation of the HKS of the XRL.

Upgrading signalling system for railway lines

10. Noting that signalling system is the heart of railway operation, members in general were concerned about the progress of the upgrading of signalling system for railway lines. At the meeting on 1 February 2019, members noted with serious concern that the expected completion of the upgrading of the new signalling systems for Tsuen Wan Line and Island Line would be delayed for one year and two years respectively. They worried that the retrofitting of Automatic Platform Gates along the East Rail Line would be further postponed and the congestion situation of railway lines would be aggravated as a result of the delay in the upgrading programme. The progress of the upgrading of signalling system for railway lines would continue to be the key focus of the Subcommittee in the coming session.

Major railway incidents

11. In the 2018-2019 session, the Subcommittee had followed up on two major railway incidents pertinent to signalling fault, namely service disruption of four MTR lines on 16 October 2018 and the incident of the new signalling system testing on Tsuen Wan Line on 18 March 2019. Expressing dissatisfaction with the deteriorating service performance of MTRCL, some members urged the Administration to conduct a comprehensive review on the Service Performance Arrangement, which was considered not effective to achieve its intended effect. Apart from seeking explanation from MTRCL on the causes of individual incidents, members also urged the Administration to step up monitoring of MTRCL, and requested MTRCL to take measures to ascertain the safety of the existing signalling system and affirm that incident of similar nature would not occur again in future. Members further noted that MTRCL had been reviewing its existing contingency plan, including the provision of free shuttle buses serving the affected MTR stations.

Proposed extension of period of work

12. Rule 26(c) of the House Rules provides that a subcommittee should complete its work within 12 months of its commencement and report to the relevant Panel(s). If it is necessary for a subcommittee to work beyond that 12 months, the subcommittee should, after obtaining the endorsement of the relevant Panel(s), report to the House Committee and give justifications for an extension of the 12-month period.

13. The Subcommittee has played a significant role in monitoring the Administration and MTRCL in the implementation of new railway projects under construction or planning and the various issues arising from railway operations like service disruption or safety operation. Having regard to the matters which require more focused discussion and follow-up by the Subcommittee as set out in paragraphs 5 to 11 above, the Panel on Transport has endorsed the proposal for the Subcommittee to continue its work in the 2019-2020 session.

Advice sought

14. Pursuant to Rule 26(c) of the House Rules, Members are invited to note the progress of work of the Subcommittee and approve the proposal for the Subcommittee to continue its work in the 2019-2020 session.

Council Business Division 4
Legislative Council Secretariat
9 October 2019

Annex I

Panel on Transport

Subcommittee on matters relating to railways

Terms of Reference

To follow up various issues relating to the planning and implementation of new railway projects, and the operation of existing railways as follows:

Planning and implementation of new railway projects

- (a) planning and financing of new railway projects;
- (b) environmental impact assessment of new railway projects;
- (c) resumption of land arising from the implementation of new railway projects under the Railways Ordinance (Cap. 519);
- (d) progress update on the implementation of new railway projects;
- (e) provision of supporting public infrastructure for new railway projects; and
- (f) co-ordination of public transport services arising from the commissioning of new railway lines.

Railway operation

- (a) performance of existing railway lines including train service performance and safety management;
- (b) maintenance programme; and
- (c) train service disruptions and breakdowns, and arrangements for handling emergency situations.

Matters relating to corporate governance of the post-merger corporation and fares, including review of the fare adjustment mechanism, should be dealt with by the Panel on Transport.

Panel on Transport
Subcommittee on Matters Relating to Railways

Membership list for 2018-2019 session

Chairman	Hon Frankie YICK Chi-ming, SBS, JP
Deputy Chairman	Hon LUK Chung-hung, JP
Members	Hon Tommy CHEUNG Yu-yan, GBS, JP Dr Hon Priscilla LEUNG Mei-fun, SBS, JP Hon Mrs Regina IP LAU Suk-yee, GBS, JP Hon Claudia MO Hon Michael TIEN Puk-sun, BBS, JP Hon YIU Si-wing, BBS Hon CHAN Han-pan, BBS, JP Hon LEUNG Che-cheung, SBS, MH, JP Dr Hon KWOK Ka-ki Dr Hon Helena WONG Pik-wan Hon POON Siu-ping, BBS, MH Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon Alvin YEUNG Hon CHU Hoi-dick Dr Hon Junius HO Kwan-yiu, JP Hon HO Kai-ming Hon LAM Cheuk-ting Hon Wilson OR Chong-shing, MH Hon Tanya CHAN Hon LAU Kwok-fan, MH Dr Hon CHENG Chung-tai Hon Jeremy TAM Man-ho Hon Gary FAN Kwok-wai Hon AU Nok-hin Hon Tony TSE Wai-chuen, BBS

(Total: 27 members)

Clerk	Ms Sophie LAU
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Legal Adviser	Mr Alvin CHUI
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* Changes in membership are set out in Enclosure to Annex II

Enclosure to Annex II

Panel on Transport

Subcommittee on Matters Relating to Railways

Changes in membership

Member	Relevant date
Hon SHIU Ka-fai	Up to 4 January 2019
Hon CHUNG Kwok-pan	Up to 31 January 2019

Key information of the Shatin to Central Link

(updated as at June 2019)

	Shatin to Central Link
<i>Length of the rail line</i>	17 km
<i>Estimated construction cost</i>	\$79.8 billion (in MOD prices)
<i>The MTR Corporation Limited's latest estimated construction cost</i>	\$80.7 billion (the latest cost estimate of the main works submitted by MTRCL is now \$87.3 billion, representing an increase of \$16.5 billion over the original entrustment cost of the main works of \$70.8 billion. The Administration is conducting a detailed review of the MTRCL's latest cost estimate)
<i>Funding arrangement</i>	Implemented under the concession approach Protection works: \$695 million Advance works: \$8.6 billion Construction of: - railway works – main works: \$65.4 billion - non-railway works – main works: \$5.98 billion
<i>Works commenced in</i>	2012
<i>Original target commissioning dates</i>	Tai Wai to Hung Hom Section: December 2018 Hung Hom to Admiralty Section: December 2020
<i>Target commissioning date</i>	Tai Wai to Hung Hom Section: need to be further reviewed due to the series of incidents at the Hung Hom Station Extension Hung Hom to Admiralty Section: 2021

Proposed indicative implementation window for planning purpose and the preliminary cost estimates for railway projects under planning

Railway projects under planning	Indicative implementation window for planning purpose	Preliminary cost estimate (\$ billion, in 2013 prices)
(a) Northern Link and Kwu Tung Station	2018 – 2023*	23
(b) Tuen Mun South Extension	2019 – 2022	5.5
(c) East Kowloon Line	2019 – 2025*	27.5
(d) Tung Chung West Extension	2020 – 2024*	6
(e) Hung Shui Kiu Station	2021 – 2024*	3
(f) South Island Line (West)	2021 – 2026*	25
(g) North Island Line	2021 – 2026	20
Total		110

* Implementation of the schemes will be contingent upon the progress of the residential developments in the vicinity.

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Legislative Council

LC Paper No. CB(1)1367/18-19

Ref : CB1/PS/2/16

Paper for the House Committee meeting on 11 October 2019

**Proposed extension of period of work of
the Joint Subcommittee to Monitor the Implementation of
the West Kowloon Cultural District Project
under the Panel on Development and the Panel on Home Affairs**

Purpose

This paper reports on the progress of work of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project ("the Joint Subcommittee") and seeks Members' approval of the proposal of the Joint Subcommittee to extend the period of its work and continue to operate in the 2019-2020 session.

Background

2. The Joint Subcommittee was appointed by the Panel on Development ("DEV Panel") and the Panel on Home Affairs ("HA Panel") in November 2016 to monitor issues relating to the implementation of the West Kowloon Cultural District ("WKCD") project, including the work of the West Kowloon Cultural District Authority ("WKCDA"), the project's interface with arts and cultural development, and other related matters. The terms of reference and membership list of the Joint Subcommittee are set out in **Annexes I** and **II** respectively. According to its work plan, the Joint Subcommittee will follow up the recommendations of the former Joint Subcommittee formed in the Fifth Legislative Council ("LegCo") and focus its work on the following areas:

- (a) the taking forward of the Development Plan for WKCD;
- (b) planning and development of the core arts and cultural facilities and other associated facilities;

- (c) strategy for the development of cultural software, such as the artistic positioning and mode of governance of and management strategy for the performing arts facilities;
- (d) financial management and procurement procedures; and
- (e) governance and work of WKCDA.

3. The Joint Subcommittee was given permission by the House Committee ("HC") for continuation of its work in the 2017-2018 session and in the 2018-2019 session at the HC meetings on 7 July 2017 and 6 July 2018 respectively.

Work of the Joint Subcommittee in the 2018-2019 session

4. The Joint Subcommittee has held five meetings since November 2018. Major issues studied by the Joint Subcommittee in this session include:

- (a) update on the progress of the WKCD development;
- (b) update on the development of Xiqu Centre (which was opened in January 2019), Art Park, Freespace, Lyric Theatre Complex ("LTC"), M+, as well as the Art, Commerce and Exhibitions ("ACE") development package;
- (c) cultural software development for WKCD;
- (d) update on the development of Zone 2 of WKCD, and the funding proposal for the construction of Zone 2 of the Integrated Basement ("IB");
- (e) integration and connectivity of WKCD with its neighbouring districts; and
- (f) update on the financial situation of WKCD.

Issues that may be followed up by the Joint Subcommittee if continuation of work is approved

Hardware and software development for the West Kowloon Cultural District

Implementation of core arts and cultural facilities

5. Pursuant to the pragmatic approach adopted by the Government and WKCD since June 2013 to implement the WKCD project in the face of financial challenges, the development of WKCD facilities have been taken forward in three batches (a table showing the batching, status and target completion dates of major WKCD facilities, and a schematic plan of these facilities are in **Annexes III** and **IV** respectively).

6. Of the major facilities in WKCD, Xiqu Centre is the first one opened (in January 2019). Meanwhile, a number of construction projects for other facilities are still ongoing. According to WKCD, the Art Park has been opening in phases with the final Phase 3 to be opened by the end of 2019, the Freespace will be in use in June 2019, the M+ Building is expected to secure the occupation permit ("OP") in the first quarter of 2020 for the opening of the Museum about a year later, the main works of LTC commenced in November 2018 and is expected to secure OP in 2023, and the construction of the superstructure of the Hong Kong Palace Museum commenced in April 2019 and is expected to secure OP in mid-2021 for opening a year later.

7. Having regard to the above development progress, the Joint Subcommittee may wish to continue to monitor the implementation progress of the facilities of WKCD, and WKCD's work on the cultural software development to dovetail with the gradual commissioning of the various arts and cultural facilities in WKCD. In parallel, the Joint Subcommittee may also wish to continue to examine the mode of governance and management, as well as the hiring policy and arrangements of the WKCD facilities.

Implementation of the Integrated Basement

8. IB is an integral component of the "City Park" conceptual plan forming the basis for the Development Plan for WKCD. The design enables traffic to be put underground thereby freeing up the site for cultural use and public enjoyment. Since IB had not been envisaged when the upfront endowment was granted to WKCD in 2008,¹ the Government announced in July 2013 that it would fully fund the capital works of the main IB as general

¹ In July 2008, the Finance Committee approved a one-off upfront endowment of \$21.6 billion in money-of-the-day prices for WKCD to implement the WKCD development covering arts and cultural facilities, retail/dining/entertainment facilities, public open space and certain transport facilities.

enabling works to facilitate the development of the WKCD project subject to the Finance Committee ("FC")'s funding approval, and would implement IB in phases to tie in with the phased development of WKCD. IB is divided into Zones 2A and 2BC (collectively referred to as "IBZ2"), and Zones 3A and 3B. The latest IB zoning plan cum topside development plan is in **Annex V**.

9. The Joint Subcommittee (in the former and current terms of LegCo) has scrutinized proposals for implementing the works of the development of IB. At its meeting on 14 January 2019, the Joint Subcommittee considered the funding proposal for carrying out the remaining works of IB in IBZ2, being the largest basement section in between Xiqu Centre to the east and LTC to the west. On top of the basement are the remaining arts and cultural facilities including the Music Centre, Musical Theatre, Great Theatre and Medium Theatre I and the hotel, office and residential ("HOR") developments.

10. According to WKCDA, subject to the funding approval of FC,² the construction of Zone 2A including an underground road will commence in phases from mid-2019 for completion to dovetail with the implementation of the topside development in around 2025. The detailed design and site investigation for Zone 2BC will commence in the second half of 2019, and the construction of which will commence in phases from 2020 to dovetail with the implementation of the topside development from 2027 and beyond.

11. Given that the timely implementation of the topside development will be contingent upon the on-time completion of IB, the Joint Subcommittee may wish to continue to monitor the progress of the IB construction works.

Implementation of public infrastructure projects

12. The Joint Subcommittee has all along been concerned about issues relating to the integration and connectivity of WKCD with its neighbouring districts, including the implementation progress of the public infrastructure works projects for WKCD. With the gradual commissioning of more WKCD facilities that will bring an increasing number of visitors to the district, the Joint Subcommittee may wish to keep on monitoring the implementation progress of the network of at-grade walkways, footbridges and subways connecting WKCD to the adjoining areas, including the Artist Square Bridge and the Austin Road Pedestrian Linkage System; the provision of public transport services including possible marine transport service; the provision of car and coach parking spaces; and the means for enhancing pedestrian accessibility within the district, such as SmartBike and the trial of an electric autonomous vehicle, etc.

² The funding proposal for the remaining works of IB was endorsed by the Public Works Subcommittee at its meeting on 14 May 2019.

Financial situation of the West Kowloon Cultural District Project

13. Since 2013, WKCDA has reported to the Joint Subcommittee from time to time that it has been facing financial challenges. The Joint Subcommittee has noted with grave concerns that the one-off upfront endowment of \$21.6 billion approved by FC in 2008 for WKCDA to implement the WKCD project and its investment income would only be sufficient to cover the costs of the design and construction costs of Batch 1 and most of Batch 2 facilities, while the implementation of Batch 3 facilities would have to be reviewed. According to WKCDA, upon the commissioning of more arts and cultural facilities in WKCD, the Authority is facing a prolonged and increasing structural operating deficit primarily attributable to the associated running cost. Based on the latest estimates of WKCDA reported to the Joint Subcommittee in April 2019, after the opening of Xiqu Centre and phased opening of Art Park including Freespace, WKCDA's overall operating deficit before depreciation will be around \$847 million in 2019-2020.

14. The arrangements decided to be adopted by the Government/WKCDA to meet the financial challenges of WKCDA included the followings:

- (a) Enhanced Financial Arrangement ("EFA")—the Government will grant the development rights of the entire HOR portion of WKCD to WKCDA at nominal premium for development under the Build-Operate-Transfer ("BOT") model; and
- (b) external borrowing—WKCDA will engage a financial consultant to draw up an external borrowing plan, with the options of issuing bonds and/or raising loans in several tranches in the coming years.

15. Members of the Joint Subcommittee expressed various concerns over EFA, including the details of the BOT arrangements for the HOR development, duration of BOT and the income sharing between WKCDA and private developers, etc. As regards the external borrowing plan of WKCDA, members were keenly concerned about the cost of engaging the financial consultant, the timetable of implementing the plan, the total amount of funding that WKCDA sought to raise, and how the loans would be repaid, etc.

16. According to WKCDA in April 2019, it would soon take forward the first BOT project, i.e. the ACE development package. WKCDA was finalizing the invitation for expression of interest for the ACE project for issue in the second quarter of 2019, to be followed with issuing the tendering document to the shortlisted tenderers in the third/fourth quarter of 2019. WKCDA also advised that it would soon commence consultancy to provide

financial advisory services in the second quarter of 2019 to review its budget and to draw up an external borrowing plan. It was estimated that the external borrowing plan would be completed in the third/fourth quarter of 2019. WKCDA would update the Joint Subcommittee on the progress in due course.

17. In the above connection, the Joint Subcommittee may find it necessary to continue to follow up with the Government/WKCDA on the implementation of EFA and the external borrowing plan.

Procedure for extension of period of work

18. Rule 26(c) of the House Rules provides that a subcommittee should complete its work within 12 months of its commencement and report to the relevant Panel(s). If it is necessary for a subcommittee to work beyond 12 months, it should, after obtaining the endorsement of the relevant Panel(s), report to HC and give justifications for an extension of the period of work.

19. At the meeting of the Joint Subcommittee on 10 June 2019, members agreed to seek the endorsement of DEV Panel and HA Panel on the proposal to extend its work period in the 2019-2020 session. The Joint Subcommittee's proposal has been endorsed by DEV Panel and HA Panel by circulation of papers.

Advice sought

20. Members are invited to note the progress of work of the Joint Subcommittee and endorse the Joint Subcommittee's proposal to extend the period of its work and continue to operate in the 2019-2020 session.

Panel on Development and Panel on Home Affairs

**Joint Subcommittee to Monitor the Implementation of
the West Kowloon Cultural District Project**

Terms of Reference

To monitor issues relating to the implementation of the West Kowloon Cultural District project, including the work of the West Kowloon Cultural District Authority, the project's interface with arts and cultural development, and other related matters.

Panel on Development and Panel on Home Affairs

**Joint Subcommittee to Monitor the Implementation of
the West Kowloon Cultural District Project**

Membership list

Chairman Hon Jeffrey LAM Kin-fung, GBS, JP

Deputy Chairman Hon Jimmy NG Wing-ka, BBS, JP

Members Hon Abraham SHEK Lai-him, GBS, JP
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Dr Hon Helena WONG Pik-wan
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon Holden CHOW Ho-ding
Hon Tanya CHAN
Hon LAU Kwok-fan, MH (up to 1 January 2019)
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho (since 10 June 2019)
Hon Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS

(Total: 18 members) (as at 30 September 2019)

Clerk Ms Doris LO

Legal Adviser Miss Evelyn LEE

Annex III

Status and target completion dates of major West Kowloon Cultural District ("WKCD") facilities

Facilities	Status and target completion date
Batch 1	
Temporary Nursery Park	Opened in July 2015
M+ Pavilion (previously called Arts Pavilion)	Opened in July 2016
Xiqu Centre (including Tea House)	Opened in January 2019
Art Park	Phase 1 of the Art Park and a section of the waterfront promenade was opened in early 2018. Phases 2A and 2B of the Art Park were opened in March 2019. The remaining Phase 3 will be opened by the end of 2019.
Freespace	Construction works in progress Target to be in use in June 2019
M+ Building	Main works in progress Target to secure the occupation permit ("OP") in Q1 2020, with opening of the Museum approximately a year later
Batch 2	
Lyric Theatre Complex ("LTC") (including a Lyric Theatre, a Medium Theatre and a Studio Theatre) ^(note)	Main works in progress Target to secure OP in 2023
Centre for Contemporary Performance ("CCP") (including two black box theatres)	Mode of development of the remaining two black box theatres to be reviewed as one of the three black box theatres in CCP has been incorporated into LTC
Medium Theatre II ^(note)	Incorporated into LTC

Facilities	Status and target completion date
<i>Batch 3</i>	
Music Centre <i>(including Concert Hall and Recital Hall)</i>	High priority under the enhanced financial arrangement
Musical Theatre	To be developed through public-private partnership subject to private sector funding
Great Theatre	To be reviewed and delivered gradually having regard to demand in line with the organic growth approach of WKCD
Medium Theatre I	
<i>Others</i>	
Exhibition Centre	To be developed through Build-operate-transfer arrangement packaged with hotel/rental offices of the adjacent U-shaped site (Art, Commerce and Exhibitions Project)
Hong Kong Palace Museum <i>(Developed under the donation of The Hong Kong Jockey Club Charities Trust)</i>	Construction of superstructure commenced in April 2019, with OP targeted to be granted in mid-2021, with opening one year later
M+ Phase II	To be reviewed and delivered gradually having regard to demand in line with the organic growth approach of WKCD
Xiqu Small Theatre	

Note:

The originally proposed Medium Theatre II and one black box theatre (now called Studio Theatre) of the CCP were incorporated into the building of the original Lyric Theatre to form LTC to advance their provision.

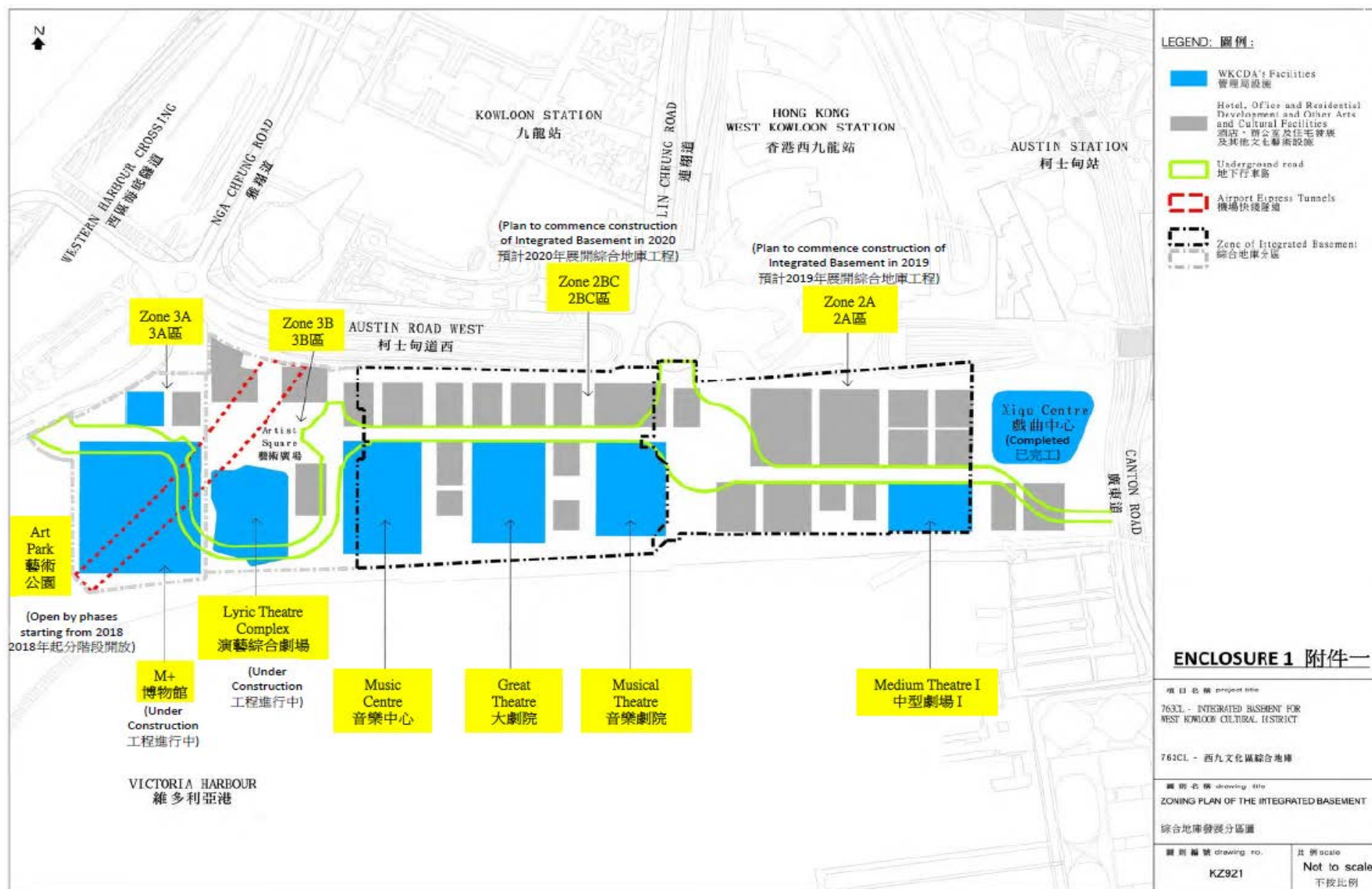
(Source: Annex 2 to [LC Paper No. CB\(1\)914/18-19\(01\)](#))

西九文化區主要設施示意圖
Schematic plan of major West Kowloon Cultural District facilities



資料來源： [立法會 CB\(1\)115/18-19\(03\)號文件的附件](#)
Source: Annex to [LC Paper No. CB\(1\)115/18-19\(03\)](#)

附件 V Annex V



資料來源: [立法會 CB\(1\)418/18-19\(03\)號文件的附件一](#)

Source: Enclosure 1 to [LC Paper No. CB\(1\)418/18-19\(03\)](#)