

立法會
Legislative Council

LC Paper No. CB(1)1147/01-02
(These minutes have been seen
by the Administration)

Ref: CB1/BC/2/01

**Bills Committee on
Kowloon-Canton Railway Corporation (Amendment) Bill 2001**

**Minutes of meeting held on
Friday, 23 November 2001, at 8:30 am
in the Chamber of the Legislative Council Building**

Members present : Hon Miriam LAU Kin-ye, JP (Chairman)
Hon Cyd HO Sau-lan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Eric LI Ka-cheung, JP
Hon LAU Chin-shek, JP
Hon LAU Kong-wah
Hon Andrew CHENG Kar-foo
Dr Hon TANG Siu-tong, JP
Hon LI Fung-ying, JP
Hon Abraham SHEK Lai-him, JP
Hon Audrey EU Yuet-mee, SC, JP

**Non-Bills Committee
member attending** : Hon James TO Kun-sun

Member absent : Hon Emily LAU Wai-hing, JP

**Public officers
attending** : Transport Bureau
Mr Arthur HO
Deputy Secretary for Transport

Mr Roy TANG
Principal Assistant Secretary for Transport

Mr Clement CHAN
Assistant Secretary for Transport

Department of Justice

Ms Lonnie NG
Senior Government Counsel

Clerk in attendance : Mr Andy LAU
Chief Assistant Secretary (1)2

Staff in attendance : Ms Bernice WONG
Assistant Legal Adviser 1

Ms Alice AU
Senior Assistant Secretary (1)5

Action

I Confirmation of minutes of meeting

(LC Paper No. CB(1)388/01-02 - Minutes of meeting held on
15 November 2001)

The minutes of meeting held on 15 November 2001 were confirmed.

II Meeting with the Administration

(LC Paper No. CB(3)12/01-02

Ref: TBCR 3/1015/98 Pt. 3

LC Paper No. LS2/01-02

Appendix III to LC Paper No. CB(1)286/01-02

LC Paper No. CB(1)389/01-02(01)

- The Bill;
- LegCo Brief;
- Legal Service Division Report;
- Mark-up copy of the Bill; and
- an information paper provided by the Administration on the issues raised by members at the meeting held on 15 November 2001)

2. The Committee deliberated (Index of proceedings attached at **Annex A**).

Admin. 3. The Committee requested the Administration to provide further information on the following to facilitate their consideration:

- (a) The delineation of roles and responsibilities between Government and KCRC in formulating and implementing railway policy. In the event of a serious policy failure or mismanagement, which person should be personally held responsible for the incident.
- (b) The membership of the Audit Committee of the KCRC Board for the past five years.
- (c) Whether the reports on the work of the Audit Committee could be released to the Bills Committee.
- (d) Whether the Government would consider increasing the number of KCRC Board Members and appointing individuals from Green Groups, grass root organizations and Legislative Council to ensure a balanced composition of the KCRC Board to handle its activities.
- (e) Whether the Government would consider adding a new provision in the Bill to require the KCRC Board Chairman and the new Chief Executive Officer (CEO) to attend meetings of the committees and sub-committees of Legislative Council upon request.
- (f) The appointment criteria for the KCRC Board Chairman.
- (g) Whether the Government would consider disclosing the amount of the new CEO's remuneration.

(Post-meeting note: An information paper provided by the Kowloon-Canton Railway Corporation on "Property development plan at the northern part of KCRC Hung Hom Station" was tabled at the meeting and circulated to members vide LC Paper No. CB(1)389/01-02(02) on 26 November 2001.)

4. The Committee agreed to hold the next meeting on Thursday, 29 November 2001, at 8:30 am to continue discussion with the Administration.

III Any other business

5. There being no other business, the meeting ended at 10:00 am.

Legislative Council Secretariat
22 February 2001

**Proceedings of the meeting of the
Bills Committee on
Kowloon-Canton Railway Corporation (Amendment) Bill 2001
on Friday, 23 November 2001, at 8:30 am
in the Chamber of the Legislative Council Building**

Time	Speaker	Subject(s)	Action required
<i>Agenda Item I - Confirmation of minutes of meeting</i>			
000000 - 000243	Chairman	- Confirmation of minutes of meeting held on 15 November 2001	
<i>Agenda Item II - Meeting with the Administration</i>			
000244 - 000538	Admin	- Introduction on Admin's response to issues raised by members at the previous meeting and the Kowloon-Canton Railway Corporation (KCRC)'s paper on property development plan at the Millennia site	
000539 - 000559	Chairman	- Legislative timetable	
000600 - 000700	Admin	- ditto -	
000701 - 001039	Mr Andrew CHENG	- Soliciting Admin's view on KCRC's problematic handling of the Millennia site incident and whether the proposed separation was prompted by the failure to achieve optimal results in this incident - Government's loss in the Millennia site incident	
001040 - 001544	Admin	- ditto -	
001545 - 001553	Chairman	- Knowledge and involvement of Admin's representatives on KCRC Board in the incident	
001554 - 001619	Admin	- ditto -	
001620 - 001749	Mr Andrew CHENG	- Government's loss in the Millennia site incident and its relationship with Admin's proposal to separate the functions and duties of the KCRC Board Chairman and the chief executive of KCRC	
001750 - 001930	Admin	- ditto -	

Time	Speaker	Subject(s)	Action required
001931 - 002057	Mr Abraham SHEK	<ul style="list-style-type: none"> - Ambit of the Bill - Effect of proposed separation in strengthening corporate governance 	
002058 - 002142	Admin	<ul style="list-style-type: none"> - Response to Mr CHENG's questions 	
002143 - 002353	Mr Eric LI	<ul style="list-style-type: none"> - Delineation of roles and responsibilities between Government and KCRC in formulating and implementing railway policy, and the stakeholder to be held personally responsible in the event of a serious policy failure or mismanagement 	
002354 - 002534	Admin	- ditto -	
002535 - 002648	Mr Eric LI	<ul style="list-style-type: none"> - Request for supplementary information on the delineation of roles and responsibilities between Government and KCRC in formulating and implementing railway policy, and the stakeholder to be held personally responsible in the event of a serious policy failure or mismanagement 	Admin to provide information
002649 - 002716	Admin	- ditto -	
002717 - 002956	Mr Abraham SHEK	<ul style="list-style-type: none"> - Relationship between Government and KCRC in implementing railway policy 	
002957 - 003015	Admin	- ditto -	
003016 - 003119	Mr Eric LI	<ul style="list-style-type: none"> - Reflection of KCRC's status as a corporation wholly-owned by Government in KCRC's corporate governance structure 	
003120 - 003141	Admin	- ditto -	
003142 - 003212	Mr Abraham SHEK	<ul style="list-style-type: none"> - Checks and balance achieved by proposed separation 	
003213 - 003301	Mr LAU Chin-shek	<ul style="list-style-type: none"> - Benefits of proposed separation in terms of supervision and transparency, especially in safeguarding against the Corporation's extravagant spending 	

Time	Speaker	Subject(s)	Action required
003302 - 003448	Admin	- ditto -	
003449 - 003609	Mr LAU Chin-shek	<ul style="list-style-type: none"> - Request for additional information on the effects the proposed change in corporate governance structure will have in terms of enhancing supervision and transparency, such as disclosure of information to the public - Availability of time on the part of the KCRC Board Chairman in handling the corporation's affairs - Appointment of additional Board Members to increase representativeness 	Admin to provide information and response
003610 - 003822	Admin	- ditto -	
003823 - 003940	Ms Audrey EU	<ul style="list-style-type: none"> - Review of the KCRC Board's composition in the light of the proposed change in corporate governance structure - Appointment of additional Board Members from green groups 	Admin to response
003941 - 004137	Mr LAU Kong-wah	<ul style="list-style-type: none"> - Expression of support for the proposed separation - Appointment criteria for the KCRC Board Chairman - Attendance at meetings of the Legislative Council (LegCo) by the new KCRC Board Chairman to increase accountability 	
004138 - 004509	Admin	- ditto -	
004510 - 004635	Mr LAU Kong-wah	<ul style="list-style-type: none"> - Requirement for the KCRC Board Chairman to attend LegCo meetings upon request - Secretary for the Treasury's previous involvement in the work of the Audit Committee formed under the Board; disclosure of reports on the Audit Committee's work 	
004636 - 004838	Admin	- ditto -	
004839 - 004859	Mr LAU Kong-wah	- ditto -	
004900 - 004952	Admin	- ditto -	

Time	Speaker	Subject(s)	Action required
004953 - 005055	Mr LAU Kong-wah	- Disclosure of reports on the Audit Committee's work through the Secretary for the Treasury upon LegCo's request for the purpose of monitoring public expenditures	
005056 - 005217	Admin	- ditto -	
005218 - 005303	Mr LAU Kong-wah	- Request for information on the appointment criteria for the KCRC Board Chairman; adding a new provision to require the KCRC Board Chairman to attend LegCo meetings; and the disclosure of reports on the Audit Committee's work	Admin to provide information
005304 - 005615	Mr James TO	- Express provision in the Bill to require the KCRC Board Chairman and the Chief Executive Officer (CEO) to attend LegCo meetings upon request, by making reference to the Urban Renewal Authority Ordinance	Admin to response
005616 - 005709	Admin	- ditto -	
005710 - 005748	Mr James TO	- Admin's stance on separating the functions and duties of the Chairman and chief executive of public corporations	
005749 - 005838	Admin	- ditto -	
005839 - 005847	Mr James TO	- Composition of the committees formed under the KCRC Board - The incumbent KCRC Chairman's membership in these committees	
005848 - 005929	Admin	- ditto -	
005930 - 010041	Miss LI Fung-ying	- Request for information on the membership of the Audit Committee of the KCRC Board for the past five years	Admin to provide information
010042 - 010126	Admin	- ditto -	
010127 - 010227	Miss LI Fung-ying	- Disclosure of the new CEO's remuneration, taking into account the practice of similar public organizations	Admin to response

Time	Speaker	Subject(s)	Action required
010228 - 010320	Admin	- ditto -	
010321 - 010357	Miss LI Fung-ying	- ditto -	
010358 - 010739	Mr Andrew CHENG	- Government's loss in the Millennia site incident - Effect of the proposed separation in avoiding recurrence of similar incidents in future	
010740 - 010858	Admin	- ditto -	
010859 - 010933	Mr Andrew CHENG	- ditto -	
010934 - 011011	Admin	- ditto -	
011012 - 011039	Chairman	- Effecting through the Bill improvements in corporate governance, such as increasing checks and balance, transparency and accountability	
011040 - 011059	Admin	- ditto -	
011100 - 011134	Mr LAU Chin-shek	- New CEO's membership in the KCRC Board - Disclosure of the new CEO's remuneration package - Appointment of additional Board Members from grass root organizations and LegCo	Admin to response
011135 - 011219	Admin	- ditto -	
011220 - 011249	Mr LAU Chin-shek	- ditto -	
011250 - 011328	Admin	- ditto -	
011329 - 011458	Ms Audrey EU	- Appointment of additional Board Members to handle the corporation's challenges ahead	
011459 - 011551	Admin	- ditto -	
011552 - 011631	Ms Audrey EU	- ditto -	
011632 - 011647	Mr James TO	- Soliciting advice on Committee Stage amendments (CSA) proposed by members to increase the number of KCRC Board Members and require attendance of the KCRC Board Chairman and CEO at LegCo meetings upon request	
011648 - 011722	ALA3	- ditto -	
011723 - 012047	Mr James TO	- Knowledge and responsibility of the KCRC Board in the corporation's handling of the Millennia site incident	

Time	Speaker	Subject(s)	Action required
012048 - 012410	Admin	- ditto -	
012411 - 012458	Mr James TO	- ditto -	
012459 - 012514	Mr Abraham SHEK	- Appointment of additional Board Members	
012515 - 012807	Chairman	- Date of next meeting	

Note: The audio records of the above proceedings are kept at the LegCo Library.

Legislative Council Secretariat
22 February 2002