

立法會
Legislative Council

LC Paper No. CB(1)954/07-08
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by the Administration)

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Panel on Transport

Subcommittee on Matters Relating to Railways

**Minutes of meeting on
Friday, 11 January 2008, at 8:30 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Miriam LAU Kin-yee, GBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon LAU Kong-wah, JP
Hon Andrew CHENG Kar-foo
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Albert CHAN Wai-yip
Hon WONG Kwok-hing, MH
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon TAM Heung-man
- Members absent** : Hon Albert HO Chun-yan
Hon LEE Wing-tat
Hon CHEUNG Hok-ming, SBS, JP
- Member attending** : Hon CHAN Yuen-han, SBS, JP
- Public Officers attending** : **Agenda item IV**
Ms Eva CHENG
Secretary for Transport and Housing

Mr Philip YUNG
Deputy Secretary for Transport and Housing
(Transport) 1

Mr WAN Man-lung
Principal Government Engineer/Railway Development
Highways Department

Mr Anthony KWAN
Assistant Director of Planning/Metro
Planning Department

Miss Alice AU YEUNG
Principal Transport Officer/Bus & Railway
Transport Department

Attendance by invitation : **Agenda item IV**

MTR Corporation Limited

Mr Malcolm GIBSON
Head of Project Engineering

Ms Maggie SO
Senior Manager (Projects and Property Communications)

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

Staff in attendance : Mr Noel SUNG
Senior Council Secretary (1)4

Miss Winnie CHENG
Legislative Assistant (1)5

Action

I Confirmation of minutes of meeting and matters arising
(LC Paper No. CB(1)301/07-08 - Minutes of meeting held on
9 November 2007)

The minutes of the meeting held on 9 November 2007 were confirmed.

Action

II Information paper issued since last meeting

- (LC Paper No. CB(1)545/07-08(01) - Administration's letter on progress update on matters arising from the Rail Merger Bill, including a progress update on Shatin to Central Link provided by the Administration (Annex 1) and a paper from MTR Corporation Limited on the progress of the related matters (Annex 2))

2. Members noted the information paper issued since last meeting.

III Items for discussion at the next meeting scheduled for 7 March 2008

- (LC Paper No. CB(1)520/07-08(01) - List of outstanding items for discussion
LC Paper No. CB(1)520/07-08(02) - List of follow-up actions)

3. Members agreed to discuss the following items at the meeting scheduled for 7 March 2008:

- (a) Follow-up on matters raised by the Bills Committee on Rail Merger Bill; and
(b) Shatin to Central Link.

IV South Island Line

- (File Ref.: THB(T)CR 17/1016/99 - Administration's paper on the Mass Transit Railway South Island Line (Legislative Council Brief)
LC Paper No. CB(1)520/07-08(03) - Administration's paper on land use planning in Southern District and projected patronage of South Island Line (East) and assessment of impact of South Island Line (East) on other public transport modes
LC Paper No. CB(1)521/07-08 - Paper on Mass Transit Railway – South Island Line prepared by the Legislative Council Secretariat (Background brief))

4. With regard to the South Island Line (SIL) project, Members generally considered that there was an urgent need to proceed with the implementation of SIL (East). They called on the Administration and MTR Corporation Limited (MTRCL) to fully consult the local communities and expedite the works programme. However,

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Mr LAU Kong-wah was concerned that the proposed granting of property development rights to MTRCL to bridge the funding gap of the project might not be in the best interest of the general public as MTRCL might accrue extra revenue from the property developments which would be much higher than the actual amount of the funding gap. Therefore the Administration should consider using direct capital grant instead. On the other hand, Mr Andrew CHENG had expressed the view that as MTRCL could gain substantial benefits from the property developments, the company should be required to implement the SIL(West) in one go without additional Government funding support. A fare stabilization fund should also be established to mitigate the level of fare increases. Mr WONG Kwok-hing also called on the Administration to implement the SIL(West) project. With regard to the feasibility of providing a station at Happy Valley, Mr LAU Kong-wah, Mr WONG Kwok-hing, and Mrs Selina CHOW took the view that the Government should take the lead to steer the discussion, having due regard to local views. On station facilities, Mr Albert CHAN called on the Administration and MTRCL to ensure that public toilets were provided at SIL stations. Mr Albert CHAN was also concerned about the policy considerations and planning parameters for the provision of railway lines and stations in a district. He was of the view that the MTRCL had ignored the transport needs of residents in North West New Territories and only focused on building railway lines which could accrue significant revenues from property development.

5. Ir Dr Raymond HO also raised concern about the train interchanging arrangements of SIL and the impact of the railway line on the traffic condition on Hong Kong Island.

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6. After deliberations, the Administration was requested to:
- (a) provide a progress update on the SIL project in May 2008 for discussion by the Subcommittee;
 - (b) provide information regarding the policy considerations and planning parameters in the provision of railway stations in a district;
 - (c) consult the relevant District Councils and local communities in the planning and implementation of the SIL project;
 - (d) ensure that public toilets were provided inside the SIL railway stations;
and
 - (e) expedite the planning and design of the SIL project.

Action

V Any other business

7. There being no other business, the meeting ended at 9:50 am.

Council Business Division 1
Legislative Council Secretariat
29 February 2008

Panel on Transport

Subcommittee on Matters Relating to Railways

**Proceedings of the meeting
on Friday, 11 January 2008, at 8:30 am
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
<i>Agenda Item I – Confirmation of minutes and matters arising</i>			
000000 – 000058	Chairman	- Confirmation of minutes of the meeting held on 9 November 2007 (LC Paper No. CB(1)301/07-08)	
<i>Agenda Item II – Information paper issued since last meeting</i>			
000059 – 000130	Mr WONG Kwok-hing	- <u>Mr WONG</u> suggested that the paper on "Matters arising from the Rail Merger Bill" should be discussed at the next meeting.	
<i>Agenda Item III – Items for discussion at the next meeting scheduled for 7 March 2008</i>			
000130 – 000245	Chairman	- <u>The Chairman</u> suggested and <u>members</u> agreed that the following two items should be discussed at the next meeting scheduled for 7 March 2008: (a) Follow-up on matters raised by the Bills Committee on Rail Merger Bill; and (b) Shatin to Central Link (SCL).	
<i>Agenda Item IV – South Island Line</i>			
000246 – 000527	Chairman Administration	- <u>The Chairman</u> welcomed the Administration and MTRCL's representatives to the meeting. - <u>The Secretary for Transport and Housing (STH)</u> remarked that the South Island Line (SIL) was one of the ten major infrastructure projects announced in the Chief Executive's 2007-2008 Policy Address to boost economic activities and improve the living environment of Hong Kong. In response to public's demand for the early construction of SIL, the Administration aimed to complete the project as soon as possible.	
000528 – 001417	MTR Corporation Limited (MTRCL)	- <u>MTRCL</u> explained, through a Powerpoint presentation, the planning and design of SIL, and its impact on the development of the Southern District.	

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001418 – 002122	Mr LAU Kong-wah Administration	<ul style="list-style-type: none"> - <u>Mr LAU</u> commented that despite the fact that Government had in the past mainly relied on granting property development rights as the means for providing funding support to bridge the funding gap for most of the railway projects, the public perception to the rail-plus-property model had changed in that the public now doubted whether MTRCL would accrue more profits than the actual amount of funding gap as a result of the proposed granting of property development rights to the company. As such, it would seem to be more appropriate to provide a capital grant as financial support instead. <u>Mr LAU</u> asked, based on past experience, whether MTRCL gained a surplus, balanced the account or suffered from a deficit when it was granted property development rights to fill the funding gap of a railway project. As far as the Happy Valley Station was concerned, <u>Mr LAU</u> said that the local community had demanded for the station, pointing out that traffic was extremely congested during the horse racing days. <u>Mr LAU</u> was concerned that in negotiation with the Hong Kong Jockey Club (HKJC), the provision of a railway station in Happy Valley might not materialize if the Government did not provide funding support for the construction of the station. - <u>STH</u> responded that the Government would ensure that funding support for the SIL project, either in the form of property development rights or a capital grant, would be commensurate with the funding gap of the project, which would be subject to an independent and objective assessment and agreement with the MTRCL. At this stage, it was too early to determine the value of the property development right of the site at Wong Chuk Hang as the details of the development parameters had yet to be worked out. As regards the Happy Valley Station, apart from funding consideration, the location of the station, if provided, was also an issue to be addressed. If the station was to be located at Fung Fai Terrace, it would pose technical difficulties as the station 	

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		<p>had to be placed at 70 metres below ground due to the soil condition in the area. The quiet environment of Fung Fai Terrace might not suit well with an MTR station which would bring in more pedestrian traffic. If the station was built near the tram terminus in Wong Nai Chung Road, it would cause undue disruption to the residents nearby for three to four years during the construction period. Road diversions were also required. If the station was located near the race course, residents might opt for other modes of transport as the station might be more than 500 metres away from the residential area. In any case there were only about thirty race days at Happy Valley in a year, and the provision of a railway station at the race course might not be fully justified from the transport angle. Since the SIL was at its preliminary design stage, and public consultation was still in progress, MTRCL was asked to explore with HKJC within six months the feasibility of provision of a station at the Happy Valley race course.</p>	

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002123 – 002709	Mr WONG Kwok-hing Administration	<ul style="list-style-type: none"> - <u>Mr WONG</u> was of the view that for the long term development of Happy Valley and in order to relieve the traffic congestion during horse racing days, a station should be provided at Happy Valley. He opined that the issue should be decided by the relevant Government policy bureau having taken into account the views of the local community, rather than by MTRCL and HKJC. - STH explained that having considered the tranquil environment and the small population (about 19 000 residents) of Happy Valley, the enormous disruption and the high cost (about \$1.3 billion) involved, the lengthened travelling time and road diversions necessary during the construction period, the Government had accepted MTRCL's preliminary proposal which did not include a station at Happy Valley. Indeed, SIL should help relieve the traffic congestion at the vicinity of the Aberdeen Tunnel which would in turn speed up the traffic flow in Happy Valley. <u>The Deputy Secretary for Transport and Housing (Transport)1 (DS/T1)</u> supplemented that the current proposal concerned with the construction of SIL(East) and the Government would keep in view the traffic situation in the Southern District and consider building SIL(West) as and when appropriate. Indeed, West Island Line (WIL) and SIL(East) should be able to relieve the traffic situation in Aberdeen, Wah Fu and Cyberport and the Government would ensure that adequate public transport services would be provided to residents in the areas, including the provision of feeder services between SIL(East) and Aberdeen, Wah Fu and Cyberport. 	
002710 – 003414	Mr Andrew CHENG Administration	<ul style="list-style-type: none"> - <u>Mr Andrew CHENG</u> opined that it would be more cost-effective if the proposed SIL could be extended to link WIL in one go with stations at Aberdeen, Wah Fu and Cyberport, bearing in mind the substantial benefits that MTRCL could accrue from the granting of property development rights.. <u>Mr CHENG</u> was of the view that in negotiating with MTRCL on the granting of property development rights 	

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		<p>at Wong Chuk Hang, the Government should request MTRCL to build three more stations in the SIL project, namely Aberdeen, Wah Fu and Cyberport, and to set up a "Fare Stabilization Fund" using proceeds from the property developments.</p> <p>- <u>STH</u> responded that the Government funding support, either in the form of property development rights or a capital grant, would be commensurate with the funding gap for construction of SIL (East). A proper mechanism would be in place to ensure that the estimated profit to be derived from the granting of property development rights to the company would be comparable to the estimated amount of the funding gap of the project. At present, MTRCL would require an appropriate commercial rate of return, which would ordinarily be between 1% and 3% above Weighted Average Cost of Capital of MTRCL, on its investment in any new railway project. As regards the value of the Wong Chuk Hang site, it had yet to be independently assessed and evaluated, taking into account planning parameters like plot ratio and height restriction, etc. <u>DS/T1</u> reiterated that with the construction of WIL and SIL(East), the traffic condition in the western part of Southern District should have improved, and other public transport modes should be able to provide adequate transport services to residents in the areas like Aberdeen, Wah Fu and Cyberport.</p>	
003415 – 003928	Ir Dr Raymond HO Administration	<p>- <u>Ir Dr Raymond HO</u> asked why it would take four years to plan and design SIL before construction could commence in 2011, despite preliminary planning work already in progress for some time. He enquired as to the estimated travelling time from New Territories (NT) North to Ocean Park, and the interchanging stations. <u>Ir Dr HO</u> further asked about the impact of SIL on the traffic condition in the northern part of Hong Kong Island as many residents in Southern District might opt for MTR rather than drive to Central or Wan Chai themselves. He was concerned that the</p>	

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		<p>traffic congestion between Central and Wan Chai was serious which adversely affect business and the living condition of citizens.</p> <p>- <u>STH</u> responded that passengers of SIL could conveniently interchange at Admiralty Station for onward journeys to other MTR Lines. The overall impact of SIL on the traffic condition of Central and Wan Chai had yet to be assessed. She pointed out that the SIL project had to go through public consultation and various statutory procedures before construction could commence, including the handling and resolution of objections from the public. The Government would aim to complete the planning and design of SIL as soon as possible. <u>STH</u> added that the Transport Department would at a later stage assess in greater detail the impact of SIL on other public transport modes with a view to coming up with a re-organization plan to provide an efficient transport network on Hong Kong Island, including Central and Wan Chai. Separately, the Central and Wan Chai Bypass project would be actively pursued in order to improve the traffic situation on the northern part of Hong Kong Island. <u>The Principal Transport Officer, Bus & Railways, Transport Department (PTO/B&R)</u> supplemented that currently there were bus routes linking NT North with cross-harbour railway lines to Central and Wan Chai.</p>	
003929 – 004659	Mrs Selina CHOW Administration MTRCL	<p>- <u>Mrs Selina CHOW</u> commented that although residents in Happy Valley held divergent views regarding the provision of a railway station in the area, many residents considered that SIL would provide a convenient public transport service for residents in Happy Valley. Since MTRCL and the Government were reluctant to include the Happy Valley Station in SIL, HKJC was asked to consider providing the funding for the station and associated works, which, however, would certainly facilitate the race goes only. As such, the station design and railway service so provided might not be so convenient to residents.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p><u>Mrs CHOW</u> enquired as to the progress of the negotiation with HKJC and the impact of SIL on the traffic condition of Happy Valley.</p> <ul style="list-style-type: none"> - <u>STH</u> responded that the traffic congestion in Happy Valley was partly due to the congested roads in its vicinity like Aberdeen Tunnel. When the SIL(East) was in operation, motorists might opt for MTR instead, and hence SIL would help improve the traffic in Happy Valley. On one hand, the population of Happy Valley did not justify the provision of a railway station, and on the other hand, the selection of the location of the Happy Valley Station, if provided, was difficult in view of the disruption to the environment and the technical difficulties involved. If the station was situated far from the residential area, commuters would find it inconvenient and opt for other modes of public transport instead. - <u>MTRCL</u> supplemented that during the feasibility study of SIL, the possibility of providing a station in Happy Valley near Fung Fai Terrace had been considered. Owing to the relatively small population in Happy Valley, the divergent views among the residents, the technical difficulties involved and the undue disruption caused to the environment, it was concluded that it was unjustified, on transportation grounds, to build a station at Happy Valley, which could be served by other modes of public transport. Attempts, however, had been made to negotiate with HKJC on the possibility of providing a railway station in Happy Valley, with the existing tram terminus as a possible option. <u>STH</u> stressed that the discussion with HKJC was still at a very preliminary stage and so far there had not been detailed discussion on the location of Happy Valley Station. 	
004700 – 005308	Mr Albert CHAN Administration	<ul style="list-style-type: none"> - <u>Mr Albert CHAN</u> queried about the policy considerations and planning parameters for construction of railway lines and provision of railway stations in a district. Citing Tin Shui Wai and Tuen Mun as examples, the districts had 	The Administration should provide information regarding the policy considerations and planning parameters

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		<p>a population of over 300 000 and 600 000 respectively, yet only one railway station was provided for Tin Shui Wai and two stations for Tuen Mun; whereas many railway stations were provided on Hong Kong Island. He opined that the building of railway lines was considered based on whether MTRCL could earn significant revenue from the line, including the award of property development rights from the Government, rather than the actual transport need of the residents in the district. To be fair to residents in different districts, the Government should draw up priority lists for provision of railway service based on the transport needs of different districts. <u>Mr CHAN</u> opined that MTRCL had ignored the transport needs of residents in the NT.</p> <p>- <u>STH</u> responded that the development of the various railway lines was based on the Railway Development Strategy 2000, and population was only one of the factors taken into consideration in the provision of railway service. Citing WIL as an example, there was no property development along the railway line from which the Government could rely on to fill the funding gap for the project. <u>DS/T1</u> supplemented that feeder public transport services were provided in Tin Shui Wai and Tuen Mun linking with the railway stations, and the provision of railway stations had to take into account the travelling pattern in the area.</p>	<p>for provision of railway lines and stations in districts.</p>
005309 – 005818	Mr WONG Kwok-hing Administration	<p>- <u>Mr WONG</u> opined that SIL should cater for the long term need of Southern District, and hence the Wan Chai and Southern District Councils should be consulted on the project. He was of the view that the Subcommittee should hold a public hearing to receive views from the public, including the relevant District Councils, on the SIL project, such as the provision of a railway station at Happy Valley.</p> <p>- <u>STH</u> responded that the Government would consult the relevant District</p>	<p>The Administration was requested to conduct public consultation on the SIL project.</p>

Time marker	Speaker	Subject(s)	Action required
		<p>Councils on the SIL project, even at the preliminary planning and design stage; and would continue the public consultation process at various stages of the project.</p>	
005819 – 010403	Mrs Selina CHOW Administration	<ul style="list-style-type: none"> - <u>Mrs Selina CHOW</u> opined that whilst public consultation was important, it should not be repetitive and should not lead to changes on the basic design of the railway line which would have an impact on the implementation timetable. With regard to the Happy Valley Station, <u>Mrs CHOW</u> enquired as to the deadline for negotiation with HKJC. She commented that the Administration should ensure that the station would not only cater for the needs of the race goers but also residents of Happy Valley. - <u>DS/T1</u> responded that the aim of public consultation was to facilitate formulation of a generally acceptable design of the railway line, and smooth implementation of the railway project. He added that the negotiation with HKJC regarding the Happy Valley Station was expected to be completed in six months' time, with a view to completing the design of SIL within 2008 for gazetting. Residents of Happy Valley would further be consulted as to whether they preferred to have a railway station in the area, the location of it, if any, and if the disruption caused during the construction period would be acceptable. The views of the residents would be taken into account in the negotiation with HKJC regarding the feasibility of providing a station in Happy Valley. 	The Administration was requested to expedite the SIL project.
010404 – 010940	Mr Albert CHAN Administration MTRCL	<ul style="list-style-type: none"> - <u>Mr Albert CHAN</u> queried about the principles and policy considerations in the provision of railway services to a district or an area. He highlighted the unsatisfactory circumstance whereby MTRCL, rather than the Government, took the initiative in deciding which district/area should be provided with railway line and stations, and the priority in the provision of railway 	The Administration should ensure that public toilets were provided inside the SIL railway stations.

Time marker	Speaker	Subject(s)	Action required
		<p>services. Citing Wah Fu as an example, he queried why railway service was provided to Lei Tung and Southern Horizon in Ap Lei Chau but not Wah Fu, which had a larger population and would be re-developed. Other examples were Tin Shui Wai, which had only one railway station despite having a population of 300 000, and Tuen Mun where the railway line was not extended to Butterfly Bay. It would appear that the Government only took care of the interests of the residents on Hong Kong Island and ignored the interests of residents in the NT. <u>Mr CHAN</u> also enquired whether public toilets would be provided inside the railway stations of SIL. He opined that the Government should direct MTRCL to provide public toilets inside the SIL stations.</p> <p>- <u>DS/T1</u> responded that the railway lines such as WIL, SIL and SCL were planned based on the Railway Development Strategy 2000 which had taken into account the overall planned population and economic development in various districts of Hong Kong. <u>MTRCL</u> supplemented that toilets would be provided under the SIL project and detailed design of the toilets had yet to be worked out, having regard to the site situation of individual stations.</p>	
010941 – 011618	Chairman Administration MTRCL	<p>- <u>The Chairman</u> queried why, given that extensive disruption would be caused if a Happy Valley Station was provided at the existing tram terminus, MTRCL had not, in its negotiation with HKJC, ruled out the possibility of building a station at the tram terminus. On the understanding that public consultation and negotiation with HKJC on the SIL project were still in progress, <u>the Chairman</u> requested</p>	The Administration was requested to provide an updated progress report in May 2008 for discussion by the Subcommittee.

Time marker	Speaker	Subject(s)	Action required
		<p>that the Administration should provide an updated progress report for discussion by the Subcommittee in May 2008, so that the Government could obtain members' views on the project before the current legislative session ended.</p> <p>- <u>DS/T1</u> responded that public consultation and negotiation with HKJC in the next six months would cover whether a station should be provided in Happy Valley, and if a station were to be provided, the location of it and its implications on the residents. <u>MTRCL</u> supplemented that the Government's directive for negotiation with HKJC was that any proposal for a Happy Valley Station should be acceptable to the local residents. The best locations for provision of a Happy Valley Station all involved technical difficulties and had to be carefully assessed. Negotiation with HKJC and public consultation on the issue were envisaged to be completed in mid-2008 to facilitate detailed design of the railway line.</p>	
<i>Agenda Item V – Any other business</i>			
011500	Chairman	- There being no other business, the meeting ended at 9:50 am.	