

立法會
Legislative Council

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Panel on Transport

Subcommittee on Matters Relating to Railways

**Minutes of special meeting on
Monday, 6 December 2010, at 2:15 pm
in the Chamber of the Legislative Council Building**

Members present : Hon Miriam LAU Kin-ye, GBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LAU Kong-wah, JP
Hon Andrew CHENG Kar-foo
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, SBS, JP
Hon WONG Kwok-hing, MH
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon CHEUNG Hok-ming, GBS, JP
Hon Ronny TONG Ka-wah, SC
Hon KAM Nai-wai, MH
Hon WONG Sing-chi
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon LEUNG Kwok-hung
Hon Tanya CHAN
Hon Albert CHAN Wai-yip

Members attending : Hon Fred LI Wah-ming, SBS, JP
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP

Hon Starry LEE Wai-king
Hon CHAN Hak-kan
Dr Hon Priscilla LEUNG Mei-fun
Hon IP Kwok-him, GBS, JP
Dr Hon PAN Pey-chyou

**Public Officers
attending**

: Agenda item I

Mr YAU Shing-mu
Under Secretary for Transport and Housing

Mr C W CHOW
Principal Assistant Secretary for Transport and
Housing (Transport) 7

Mr Henry CHAN
Principal Government Engineer / Railway Development
Highways Department

Agenda item II

Mr YAU Shing-mu
Under Secretary for Transport and Housing

Ms Maisie CHENG
Deputy Secretary for Transport and Housing
(Transport) 1

Mr C W CHOW
Principal Assistant Secretary for Transport and
Housing (Transport) 7

Mr Henry CHAN
Principal Government Engineer / Railway Development
Highways Department

Action

Attendance by invitation : Agenda item I

Mr Henry LAM
General Manager – SCL/KTE
MTR Corporation Limited

Mr James CHOW
Project Manager – SCL/KTE Civil
MTR Corporation Limited

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

Agenda item II

Mr Henry LAM
General Manager – SCL/KTE
MTR Corporation Limited

Mr James CHOW
Project Manager – SCL/KTE Civil
MTR Corporation Limited

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

Clerk in attendance : Ms Joanne MAK
Chief Council Secretary (1)2

Staff in attendance : Mr Franco KWONG
Council Secretary (1)1

Miss Mandy LAM
Legislative Assistant (1)2

Action

I Shatin to Central Link – Remaining Protection Works and Advance Works

- (LC Paper No. CB(1)603/10-11(01) - Administration's paper entitled "Funding Application – Advance Works for Shatin to Central Link"
- LC Paper No. CB(1)603/10-11(02) - Submission from South Tokwawan Concern Group
- LC Paper No. CB(1)263/10-11 - Paper on Shatin to Central Link prepared by the Legislative Council Secretariat (Updated background brief))

The Subcommittee deliberated (Index of proceedings attached in **Annex**).

2. The Chairman reminded members to disclose the nature of any direct or indirect pecuniary interest they had in the Shatin to Central Link (SCL), Kwun Tong Line Extension (KTE) and South Island Line (East) (SIL(E)) projects before they spoke on the matters. Ir Dr Raymond HO declared that he was an independent non-executive director of an engineering company. Mr James TO also declared interests as a non-executive director of the Urban Renewal Authority.
3. With the aid of Powerpoint, the Administration and the MTR Corporation Limited (MTRCL) briefed members on the latest progress of SCL and a funding application for implementation of the advance railway works and non-railway works of SCL respectively.
4. Members in general expressed grave concern about the upsurge in the project estimate from \$38.17 billion to over \$60 billion according to the latest estimate, and whether there would be further cost increases. Noting that the advance works of SCL involved enhancement works of existing stations, members questioned how the Administration and MTRCL would share the cost of the advance works as detailed in paragraph 17(a) of the Administration's paper (LC Paper No. CB(1)603/10-11(01)). The Administration explained that the cost portion to be borne by the Administration was calculated based on patronage forecasts of SCL and SIL(E). The Administration and MTRCL also briefed members on the additional works relating to the design and proposed facilities of the SCL project as set out in paragraphs 32 and 33 of the Administration's paper.
5. Mr Albert CHAN proposed to enlist the assistance of the Research and Library Services Division (RLSD) in compiling a comparison between the former Kowloon-Canton Railway Corporation's proposal to bid for the SCL

Action

Clerk

project and the current funding application, particularly in the areas of construction and financial arrangements, for members' reference before the relevant Public Works Subcommittee (PWSC) meeting. The Chairman said that the request would be relayed to RLSD for action.

(Post-meeting note: Fact Sheet on "Comparison of the former proposal of the Kowloon – Canton Railway Corporation and the current concession approach related to the Shatin to Central Link" (LC Paper No. FS08/10-11) prepared by the Research Division of the Legislative Council Secretariat was issued on 5 January 2011)

6. Members also expressed dissatisfaction with the delay of implementation of the Tai Wai to Hung Hom Section and for the Hung Hom to Admiralty Section, which were scheduled for completion in 2018 and 2020 respectively.

Admin/
MTRCL

7. The Administration/MTRCL were requested to provide supplementary information on the following before submission of the current funding application to PWSC for consideration at its meeting on 17 January 2011 –

- (a) information on past precedents of project management costs payable to MTRCL;
- (b) further information about the cost items on additional fire service provisions at stations and additional emergency access and egress to meet latest fire safety requirements, including which stations were involved and details of the work required;
- (c) detailed justifications for the proposed additional works items as listed in paragraphs 32 and 33 of the Administration's paper (LC Paper No. CB(1)603/10-11(01)) and explanation of the large estimated costs for these works items, e.g. \$0.6 billion incurred by additional disposal and imported fill materials and \$1.2 billion incurred by changes to the design of stations;
- (d) the consideration for using the details of patronage forecast of SCL and SIL(E), which was used as the basis for calculating the cost portion to be borne by the Government;
- (e) the implementation programme of reprovisioning of Harcourt Garden and details of the closure periods; and
- (f) the implementation programme of construction works of Tsz Wan Shan pedestrian link.

Action

8. The Chairman considered that it seemed confusing as to whether the costs applied for the implementation of the advance railway works and non-railway works had overlapped with any of the cost items listed in paragraphs 32 and 33 of the Administration's paper under discussion. She further suggested that consideration should be given to providing the relevant draft PWSC paper to the Subcommittee for discussion and consultation before submitting it to PWSC. The Administration agreed to consider the suggestion.

Admin

9. The Subcommittee agreed to hold a special meeting in early January 2011 to further discuss this item and the supplementary information on SCL to be provided by the Administration.

(Post-meeting note: the special meeting was subsequently scheduled for 7 January 2011 at 8:30 am)

II Kwun Tong Line Extension

(Legislative Council Brief

- Administration's paper on Kwun Tong Line Extension – Authorization of Scheme Following Receipt of Objections

LC Paper No. CB(1)603/10-11(03)

- Administration's paper entitled “Progress Report of Kwun Tong Line Extension and Funding Application for Essential Public Infrastructure Works”)

10. With the aid of Powerpoint, MTRCL briefed members on the latest progress of the KTE project and the funding application for implementation of essential public infrastructure works associated with KTE.

Admin/
MTRCL

11. Members urged the Administration/MTRCL to address residents' concerns by taking the following actions –

- (a) to consider residents' request for provision of pedestrian subways along Hung Hom Road to connect Laguna Verde and Hok Yuen area to the future Whampoa Station (WHA), as well as to connect the residential area in Hung Hom Bay, such as Harbour Place, to WHA;
- (b) to consider residents' requests for review of the location of the two Whampoa Station entrances as well as the design of the ventilation shaft/lift/emergency access next to site 8 of Whampoa Garden to

Action

- ensure that no disturbance would be caused to residents; and
- (c) to provide details of the above-station property development project at Ho Man Tin Station including the number of flats and plot ratio.

12. Due to shortage of time, members agreed to further discuss this item at another special meeting to be held on 16 December 2010 at 2:30 pm.

III South Island Line (East)

(Legislative Council Brief

LC Paper No. CB(1)603/10-11(04)

- Administration's paper on South Island Line (East) – Authorization of Scheme Following Receipt of Objections
- Administration's paper entitled “Progress Report of South Island Line (East) and Funding Application for Essential Public Infrastructure Works”)

13. Due to shortage of time, the Subcommittee agreed to defer discussion on SIL(E) to another special meeting to be held on 16 December 2010 at 2:30 pm.

IV Any other business

14. There being no other business, the meeting ended at 4:35 pm.

Council Business Division 1
Legislative Council Secretariat
21 February 2011

Panel on Transport

Subcommittee on Matters Relating to Railways

Proceedings of the special meeting on Monday, 6 December 2010, at 2:15 pm in the Chamber of the Legislative Council Building

Time marker	Speaker	Subject(s)	Action required
<i>Agenda item I – Shatin to Central Link – Remaining Protection Works and Advance Works</i>			
000230 – 000534	Chairman Ir Dr Raymond HO	Opening remarks	
000535 – 001657	Administration MTRCL	Powerpoint presentation on funding application for advance works for Shatin to Central Link (SCL) by the Administration and the MTR Corporation Limited (MTRCL).	
001658 – 002350	Chairman Mr WONG Kwok-hing Administration	<p>Mr WONG Kwok-hing's enquiries –</p> <p>(a) whether the current project estimate of over \$60 billion was reasonable and value-for-money, given that there was a drastic upsurge in project cost from about \$38.17 billion in April 2007 prices; and</p> <p>(b) the Administration should provide details of the independent review of the cost estimate to be conducted.</p> <p>The Administration's response –</p> <p>(a) SCL was a large-scale project, passing through a number of districts with high population density, therefore its construction cost was higher than other railway projects;</p> <p>(b) the upsurge of cost estimate was due to –</p> <p style="padding-left: 20px;">(i) significant increase in construction material prices;</p> <p style="padding-left: 20px;">(ii) additional works for incorporating the suggestions and requests made by stakeholders concerning the design and proposed facilities of the project; and</p> <p style="padding-left: 20px;">(iii) changes of the design to cope with actual site conditions and technical requirements.</p> <p>(c) SCL project could bring about a total economic benefit of \$4 billion a year;</p> <p>(d) the cost estimate might be revised depending on the views obtained from public consultation; and</p>	

Time marker	Speaker	Subject(s)	Action required
		(e) an independent consultant had been appointed to review the cost estimate.	
002351 – 002650	Chairman Mr CHAN Kam-lam	<p>Mr CHAN Kam-lam's concern/enquiries –</p> <p>(a) whether high project cost would lead to ticket fare increase;</p> <p>(b) whether SCL alignment had been finalized; and</p> <p>(c) details of the above-SCL station property development, if any.</p> <p>The Administration's response –</p> <p>(a) the whole SCL project, including the property development above the SCL depot at former Tai Hom Village site, was owned by the Administration; and</p> <p>(b) locations of all SCL stations had been confirmed.</p>	
002651 – 003255	Chairman Mr CHAN Wai-yip Administration	<p>Mr CHAN Wai-yip's request/enquiry –</p> <p>(a) the Research and Library Division of the Legislative Secretariat should study the difference between the SCL proposal submitted by the then Kowloon-Canton Railway Corporation and the current one submitted by MTRCL, particularly in the aspects of construction design and financial arrangement; and</p> <p>(b) details of financial arrangement between MTRCL and the Administration.</p> <p>The Administration's response –</p> <p>(a) as Admiralty Station and Ho Man Tin Station were also interchanges of South Island Line (East) (SIL) and Kwun Tong Line Extension (KTE) respectively, the works related to these two stations had to be constructed in advance of other SCL works to tie in with the implementation programmes of KTE and SIL; and</p> <p>(b) a more accurate estimate on the cost of SCL would be available after the detailed design was finalized in about early 2012.</p>	
003256 – 003825	Chairman Mr LAU Kong-wah Administration	<p>Mr LAU Kong-wah's view/enquiry –</p> <p>(a) need for expediting the construction works of SCL; and</p> <p>(b) rationale for the Administration to pay \$2.5 billion to MTRCL for project management and enhancement</p>	Admin to provide information

Time marker	Speaker	Subject(s)	Action required
		<p>works of the existing stations such as improvement works of fire services facilities.</p> <p>The Administration's response -</p> <p>(a) SCL was owned by the Government. Under the current proposal, a project management cost would be payable to MTRCL for undertaking technical studies, design and construction supervision of the advance works; and</p> <p>(b) detailed information about the cost of the enhancement works of existing stations would be provided.</p>	(para. 7(a) & (b) of minutes)
003826 – 004328	Chairman Ir Dr Raymond HO Administration	<p>Ir Dr Raymond HO's view/enquiry –</p> <p>(a) the construction works of SCL should commence as soon as possible, otherwise the inflated prices of construction materials would further increase the construction cost; and</p> <p>(b) cost-sharing ratio of the expansion works of Admiralty Station and its basis.</p> <p>The Administration's response that the calculation would be on the basis of patronage forecast, and the cost of its expansion works would be shared by the Administration and MTRCL at a ratio of 7 to 3.</p>	
004318 – 004835	Chairman Ms LI Fung-ying Administration MTRCL	<p>Ms LI Fung-ying's concern/enquiry –</p> <p>(a) the construction cost might further increase, given that the completion date of Tai Wai to Hung Hom Section had been postponed from 2015 to 2018; and</p> <p>(b) details of the reprovisioning of Harcourt Garden.</p> <p>The Administration and MTRCL's response –</p> <p>(a) it took time to consult local communities and resolve technical problems, such as land resumption;</p> <p>(b) new Harcourt Garden would be constructed on podium floor (above Admiralty Station) with pedestrian links connected to commercial buildings nearby.</p>	
004836 – 005334	Chairman Miss Tanya CHAN Administration	<p>Miss Tanya CHAN's enquiries –</p> <p>(a) how the Administration and MTRCL shared the cost of the works shared by SCL and SIL(E);</p> <p>(b) whether the cost of SCL project would be capped; and</p>	Admin/MTRCL to provide information (para. 7(d) & (e) of minutes)

Time marker	Speaker	Subject(s)	Action required
		<p>(c) schedule of reprovisioning works of Harcourt Garden and relevant consultation process with the relevant District Council</p> <p>The Administration's response –</p> <p>(a) the cost estimate of SCL project might be adjusted after the statutory consultation process and completion of the detailed design;</p> <p>(b) cost of works shared by SCL and SIL(E) would be calculated on the basis of patronage forecast;</p> <p>(c) details of schedule and consultation of reprovisioning works of Harcourt Garden would be provided.</p>	
005335 – 005850	Chairman Mr IP Wai-ming Administration	<p>Mr IP Wai-ming's enquiries –</p> <p>(a) the rationale for MTRCL not to contribute to the cost of SCL project, given that it involved enhancement works of existing stations; and</p> <p>(b) the fare revision mechanism of SCL.</p> <p>The Administration's response –</p> <p>(a) explanation of funding arrangements for railway projects, including funding such projects by the property developments above stations or by Government funding; and</p> <p>(b) the ticket fare of SCL would be determined in accordance with the existing fare revision mechanism in which construction cost would not be one of the determining factors.</p>	
005851 – 010347	Chairman Mr KAM Nai-wai Administration	<p>Mr KAM Nai-wai's views/enquiries –</p> <p>(a) for better budget control, consideration should be given to requesting MTRCL to meet any further cost in the event of over-budget; and</p> <p>(b) the reason why the Administration had to pay \$7 billion for the changes in preliminary design, which were due to MTRCL's failure in making accurate planning and design.</p> <p>The Administration's response –</p> <p>(a) the increase in the cost of SCL project was mainly due to the price increase of construction materials which fell outside the control of the Administration; and</p>	Admin to provide information (para. 7(c) of minutes)

Time marker	Speaker	Subject(s)	Action required
		<p>(b) the preliminary design needed be revised to cope with actual site conditions and technical requirements in the course of detailed design.</p> <p>The Administration was requested to provide details of advance works and changes in preliminary design.</p>	
010348 – 010900	Chairman Mr Andrew CHENG Administration	<p>Mr Andrew CHENG's concern that the construction works would be further delayed due to the consultation process and any further upsurge in project costs.</p> <p>The Administration's response that public consultation was necessary before starting detailed design, and the cost review would be conducted once the detailed design was finalized.</p>	
010901 – 011245	Chairman Mr LEE Wah-ming Administration	<p>Mr LEE Wah-ming's enquiry on whether the proposed Tsz Wan Shan pedestrian link could be separated from SCL project to expedite the construction works of pedestrian link.</p> <p>The Administration's response –</p> <p>(a) it would take time to complete the procedures to separate the pedestrian link from SCL project; and</p> <p>(b) the construction works of pedestrian link would be completed before the commissioning of SCL.</p> <p>The Administration was requested to provide the implementation programme of the proposed Tsz Wan Shan pedestrian link.</p>	Admin to provide information (para. 7(f) of minutes)
011246 – 011754	Chairman Mrs Regina IP Administration	<p>Mrs Regina IP's enquiries –</p> <p>(a) any viaduct section in SCL project; and</p> <p>(b) any factor(s) in determining funding arrangements for railway projects.</p> <p>The Administration's response –</p> <p>(a) SCL was mainly underground tunnel, except a small viaduct section between Hin Keng and Tai Wai; and</p> <p>(b) potential social and economic benefits expected to be derived from a railway project would be taken into consideration in deciding on the funding arrangements.</p>	
011755 – 011924	Chairman Mr LEUNG Kwok-hung	The Subcommittee agreed to continue to discuss the funding application of SCL and hold another meeting to discuss the item III concerning the funding application of SIL.	

Time marker	Speaker	Subject(s)	Action required
011925 – 012615	Chairman Mr WONG Sing-chi Administration	Mr WONG Sing-chi's view/request – (a) the SCL project should not be further delayed, otherwise the cost estimate might increase further; and (b) details of the cost for advance works. The Administration agreed to provide further information on (b) later.	
012616 – 013105	Chairman Dr Priscilla LEUNG Administration	Dr Priscilla LEUNG's enquiry on whether the Administration had thoroughly consulted local community and conducted site visits with residents of To Kwa Wan. The Administration's response that it had consulted the local community on the SCL project by attending workshops of local resident groups and meetings of District Councils. Site visits with residents of To Kwa Wan could also be arranged if necessary.	
013106 – 013605	Chairman Mr IP Kwok-him Administration	Sharing the view of Mr WONG Sing-chi, Mr IP Kwok-him expressed concern that the cost estimate might further increase and the Administration should provide details of cost for advance works. He also enquired about the economic return of SCL project. The Administration's response that the ticket fare of SCL would be determined in accordance with the existing fare revision mechanism in which construction cost would not be one of the determining factors. The Administration would gain profit generated by SCL, whereas MTRCL would receive management fee.	
013606 – 014140	Chairman Mr LEUNG Kwok-hung	Mr LEUNG Kwok-hung's view that the substantial increase in cost estimate of SCL project was due to delay in completion, less competition in tendering exercise and depreciation of Hong Kong dollars.	
014141 – 014740	Chairman Mr Ronny TONG Administration	Mr Ronny TONG's enquiry on whether the costs for advance works (about \$8 billion) and additional works due to changes in design (about \$12 billion) were included in the total cost estimate of \$60 billion. The Administration's confirmation that the total cost estimate included the costs for advance works and additional works due to changes in design.	
014741 – 015559	Chairman Mr James TO Administration	Mr James TO's view/enquiry – (a) To Kwa Wan section should not be set back towards the inland; and (b) whether the Administration or MTRCL would	

Time marker	Speaker	Subject(s)	Action required
		<p>subsidize the building owners affected by the railway works to carry out structural investigation</p> <p>The Administration's response –</p> <p>(a) the amended To Kwa Wan section would enable about 40 000 more people to benefit from SCL; and</p> <p>(b) copy of condition survey report conducted by the Administration would be provided to the relevant building owners and MTRCL would try its best to provide professional services to the affected residents.</p>	
015600 – 015905	Chairman Administration Mr Ronny TONG	The Chairman's view that the Administration should provide the draft PWSC paper on the current funding application to the Subcommittee for discussion.	
<i>Agenda item II – Kwun Tong Line Extension</i>			
015906 – 020517	Chairman Administration MTRCL	Powerpoint presentation on the progress and funding application for essential public infrastructure works for KTE by MTRCL.	
020518 – 020925	Chairman Dr Priscilla LEUNG	Dr Priscilla LEUNG's view that the Administration had failed to give due regard to the views expressed by the residents of Whampoa Garden on enhancing accessibility of the future Whampoa Station entrances, locations and design of ventilation shafts, opening hours of public space etc.	
020926 – 021329	Chairman Mr LAU Kong-wah MTRCL	<p>Mr LAU Kong-wah's enquiry on whether it was feasible to construct a pedestrian subway along Hung Hom Road to connect Whampoa Station and Hok Yuen area/Laguna Verde to cope with the expected growth of pedestrian flow after the commissioning of KTE.</p> <p>The MTRCL's response that the alignment of suggested subway was very similar to the existing footpath, therefore the functions of both facilities would be duplicated.</p>	Admin/MTRCL to provide information (para. 11(a) of minutes)
021330 – 021651	Chairman Mr James TO MTRCL	<p>Mr James TO's enquiry on whether the LINK had consented to extending the footbridge between Ho Man Tin Station and Oi Man Estate into the shopping centre of the latter.</p> <p>The MTRCL's response that the LINK had agreed in principle that the proposed footbridge would be extended to the podium of shopping centre of Oi Man Estate.</p>	
021652 – 022112	Chairman Mr Andrew CHENG Administration	Mr Andrew CHENG's enquiries on details of the above-station property development project at Ho Man Tin Station; and how the Administration could ensure that the value of the property development right would commensurate with the funding support required.	Admin/MTRCL to provide information (para. 11(c) of minutes)

Time marker	Speaker	Subject(s)	Action required
		The Administration's response that it would carefully scrutinize the development proposal submitted by MTRCL with assistance of independent consultant.	
022113 – 022153	Chairman	The Chairman relayed Mr CHAN Kam-lam's concerns about the location of the two Whampoa Station entrances; the design of ventilation shaft/lift/emergency access next to site 8 of Whampoa Garden; and the provision of pedestrian subway to connect Whampoa Station and Laguna Verde/Harbour Place.	Admin/MTRCL to provide information (para. 11(b) of minutes)
022154 – 022630	Chairman Ms Starry LEE Administration Ms LI Fung-ying	Date of next special meeting for discussion of SIL(E) and further discussion of KTE.	