

# 立法會

## *Legislative Council*

LC Paper No. CB(4)1048/18-19

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### **Report of the Panel on Transport for submission to the Legislative Council**

#### **Purpose**

This report which is made in accordance with Rule 77(14) of the Rules of Procedure of the Legislative Council ("LegCo") gives an account of the work of the Panel on Transport ("the Panel") during the 2018-2019 legislative session.

#### **The Panel**

2. The Panel was formed by a resolution passed by the LegCo on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining government policies and issues of public concern relating to transport matters. The terms of reference of the Panel are at **Appendix I**.

3. For the 2018-2019 session, the Panel comprises 37 members, with Hon CHAN Han-pan and Hon Jeremy TAM Man-ho elected as Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is at **Appendix II**.

#### **Major Work**

##### Railway matters

4. Railway plays a key role in Hong Kong's transport system. A subcommittee was formed under the Panel to continue to follow up on matters relating to railway planning, implementation and operation.<sup>1</sup> During the period from October 2018 to July 2019, the Subcommittee on

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<sup>1</sup> According to the terms of reference of the subcommittee, 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.

Matters Relating to Railways held four meetings. The work of the Subcommittee is summarized in its report at **Appendix III**.

Public transport services

*MTR fare adjustment for 2019*

5. Members were briefed in April 2019 on details of MTRCL fare adjustment for 2019-2020, which were based on the Fare Adjustment Mechanism ("FAM") formula adopted since the rail merger in 2007 and as reviewed in 2017. The Administration explained that in response to public concern over fare increase, an "Affordability-Cap" was introduced to FAM in 2013 where the effective fare increase should not be higher than the year-on-year change in the Monthly Medium Household Income ("MMHI") for the fourth quarter of the previous year. As a result, the overall adjustment rate for MTR fare in 2019-2020 would be capped at 3.3%, i.e. the change in MMHI value between the fourth quarter of 2017 and that of 2018, which was lower than the overall fare adjustment rate of 3.6% according to FAM formula.

6. Members were generally dissatisfied that MTRCL would increase the fares despite its huge profits. Some members called on MTRCL to immediately freeze or even to lower the fare, and enquired whether MTRCL could exercise any discretion not to follow the direct-driven formula under FAM. In reply to members' views, the Administration explained that the current FAM was a direct-driven formula which would adjust fare according to the economic figures released by the Administration, and that FAM was legally binding and included in the Operating Agreement between the Administration and MTRCL.

7. Some members called on the Administration to review the FAM formula by including a profit factor such that fare increase would be frozen when MTRCL profits reached a certain level. A member suggested directly linking MTRCL service performance with the FAM formula so that fare increase could be frozen if there were serious service disruption incidents. Another member opined that the current calculation method of "Service Performance Arrangement" ("SPA") could not fully reflect the seriousness and magnitude of service disruption incidents, and urged the Administration to review the calculation method.

8. A member suggested that the existing FAM formula warranted further review as the Composite Consumer Price Index ("CCPI") and Nominal Wage Index (Transportation Section) ("WI") included in the

formula would normally go upward, resulting in fare increase every year. A few members also noted that the year-on-year change in WI for 2018, i.e. 5.9%, was far higher than the change in CCPI at the rate of 2.5% of the same period and called on the Administration to review the inclusion of WI in the formula. In addition, the member expressed reservation about the inclusion of profits derived from property development and overseas operations as MTRCL's income because the former involved proceeds from land sale which, in his view, was a matter of different public interest other than public transport; while the latter would divert some of MTRCL's manpower resources overseas, resulting in less supervision over local operations.

9. Members noted that MTRCL had been offering fare concessions to different passenger groups by deploying additional resources. Such concessions included the "3.3% rebate" programme funded by the amounts set aside under the "Profit Sharing Mechanism", SPA and additional top-up resources from MTRCL which would last for 40 weeks from June 2019 to April 2020. Passengers in effect would not experience any actual fare increase during the said period.

10. The Administration explained that the Administration shared the public's concern over MTRCL fare increase and would continue to impress upon MTRCL to offer more fare concessions to meet passengers' expectations. Besides, members' views and suggestion on the existing FAM and call for review of it were noted by the Administration.

*Review of penalty level for illegal carriage of passengers for hire or reward*

11. In March 2019, members were briefed by the Administration on the proposal of increasing the related penalties for illegal carriage of passengers for hire or reward as stipulated under the Road Traffic Ordinance (Cap. 374) ("RTO"), with the intent to increase the deterrent effect against the illicit acts.

12. A number of members expressed strong opposition to the Administration's intent to combat the provision of personalized and point-to-point hire car service through the use of online hailing platforms, and the proposal of increasing the penalty level for such service. They pointed out that the increasing popularity of the online hailing hire car service demonstrated that passengers had huge demand for alternative means of personalized and point-to-point transport service apart from taxis. They considered that the Administration should facilitate the

development of point-to-point hire car service by loosening the existing licensing regime of hire car service and the issuance of more hire car permits ("HCP") to allow more market entrants. Members were disappointed that the Administration was turning a blind eye to the repeated call of the community for more passenger choices, better service through introducing competition to the closed-market taxi trade, and the application of technology to enhance the provision of quality service. A few members opined that the present proposal of increasing the penalty level for hire car service through the use of technology and online hailing applications was a big blow to and a huge step backwards in respect of encouraging innovation and promoting share economy in the provision of personalized and point-to-point transport service.

13. The Administration responded that they welcomed the use of technology, such as online hailing platforms to enhance the provision of personalized and point-to-point public transport service, but stressed that the provision of such service should comply with the law. Under Section 52 of the Road Traffic Ordinance (Cap. 374) ("RTO"), it was illegal for a person to drive or use a motor vehicle, or permit a vehicle to be driven for the carriage of passengers for hire or reward unless the vehicle met various specified conditions, such as a HCP was in force in respect of the vehicle. It was also an offence for a person to solicit or attempt to solicit any person for hire or reward to travel in a private licensed vehicle or permit it to ply for hire or reward. Any person contravened the above would be liable to penalties as stipulated under RTO. The Administration also reminded that there would be risks involved for a passenger in using vehicles engaged in the illegal carriage of passengers for hire or reward, such as the invalidation of third party insurance.

14. A member pointed out that albeit the convenience brought about by using online hailing service for hire cars, it was equally important to ensure safety for both drivers and passengers when using such service, in particular the validity of third-party risks insurance if involving accidents. The Administration stressed that the policy objective was to regulate the service of carriage of passengers for hire or reward, thereby enhancing the safety and protecting the interests of passengers and road users. It was therefore imperative to increase the deterrent effect against the related offence through introducing heavier penalty in combating such illicit acts.

15. The Administration further explained that using online hailing platform itself would not constitute an illicit act, and in fact some taxi associations were also offering online hailing taxi service. It was the use

of vehicles for hire or reward which contravened with the requirements stipulated under Section 52 of RTO through the use of online hailing platforms would commit an offence. The Administration reiterated that in meeting the emerging demand for personalized and point-to-point transport service of higher quality, franchised taxis with online hailing features would be introduced under which both passengers and taxi drivers would have better protection.

16. A member considered that Hong Kong should welcome new market entrants to bring in innovative and enhanced service, but in doing so, such service should comply with the law and that the present online hailing service for private vehicles without HCPs constituted an unfair competition to the taxi trade in that any persons in possession of a private vehicle could provide hire car service directly to passengers without the need to be abided by the legal requirements of the taxi trade such as fee structure, vehicle requirements and so forth. As regards the penalty level for illegal carriage of passengers for hire or reward, a member opined that the penalties handed down by the court for convicted cases involving illegally hired vehicles in the past few years might be too lenient to have any deterrent effect.

17. The Administration responded that when deciding on the appropriate sentence for each convicted case, the court would make judgment having regard to relevant facts and circumstances of each individual case. Raising the penalty levels under RTO could provide the court with a new reference point in considering appropriate punishments. In addition, setting more severe penalties and adding a specific provision on suspension of driving licence could send a clear message to the public on the Administration's commitment to combat such illicit acts.

18. On the issue of impoundment of vehicles, the Administration clarified that once a vehicle had been ruled by court as being involved in illegal carriage of passengers for hire or reward, TD would arrange to suspend the vehicle licence and detain the vehicle for a period specified under RTO.

19. In this connection, the Panel passed a motion as follows:

"Given that the use of motor vehicles for illegal carriage of passengers for hire or reward ("pak pai") has become increasingly rampant, posing a threat to the protection, rights and interests duly enjoyed by passengers and road users, this Panel urges the Government to expeditiously implement the proposal to increase

the penalty level for the offence of illegal carriage of passengers for hire or reward, and as the proposal concerns the maximum penalty level, the Police and the Department of Justice must seek review of the overly lenient sentences so that the sentences should reflect the seriousness of the offence and achieve a deterrent effect; meanwhile, the Police should continue to conduct "sting operations" and take stringent law enforcement actions against "pak pai" engaged in illegal carriage of passengers for reward."

*Fare increase application for taxi*

20. On 15 March 2019, the Administration briefed members on the taxi fare increase applications submitted by the urban, New Territories ("NT") and Lantau taxi trade in September 2018. In brief, the trade proposed an average fare increase rate of 20.39% for urban taxis, 22.89% for NT taxis and 25.71% for Lantau taxis. Some members expressed grave concern about the proposed fare increase applications and found it unacceptable. They considered that despite the longstanding criticism amongst members of the public about poor taxi service quality, the trade still proposed an average rate of increase ranging from 20% to 25%. A few members also commented that the shortening of waiting time from 60 seconds to 45 seconds would have the impact of magnifying the fare increase in view of serious traffic congestion in Hong Kong.

21. The Administration replied that they had all along taken into consideration a host of factors, such as public acceptability of the proposed fares, the need to maintain an acceptable level of taxi service and passengers' feedback in service, and the financial viability of taxi operations. It was pointed out that the operating environment of the taxi trade was becoming more acute in recent years. Having regard to the criticism on taxi service quality, the Administration would introduce legislative amendments to raise the penalty levels for various taxi drivers' malpractices including the introduction of a two-tier penalty system and a Taxi Driver-Offence Points System, with a view to enhancing taxi service quality.

22. A member opined that, despite a series of measures put forward by the Administration to enhance taxi service quality, there was no effective means to ensure that taxi service would improve after the fare increase, nor was there any mechanism to handle passenger complaints against taxi drivers' malpractices. Other members pointed out that the Administration's policy was tilted towards the taxi trade through eliminating potential competitors by means of raising the penalty level of

online hailing of private hire car service. They called on the Administration to strengthen the enforcement actions against taxi malpractices rather than combating hire car service through online hailing platforms.

23. On the comment that taxi fare increase would lead to increase in car rental, the Administration responded that taxi rental was a commercial arrangement and would be determined by the market. As a matter of fact, due to the shortage of taxi drivers, car rental had remained unchanged since the last fare increase.

24. A member opined that public perception of the taxi trade was adversely affected by the malpractices of some of the taxi drivers. He urged the Administration to combat the malpractices of these black sheep and consider heavier penalties such as disqualifying the taxi driving licence of those drivers convicted of serious offences. The Administration further explained that under the proposed Taxi Driver-Offence Points System, taxi driver with repeated offences would be subject to deduction of points and serious malpractices such as overcharging would result in the deduction of more points. Drivers would be subject to disqualification from driving taxis for a certain period of time if his offence points had accumulated to a certain level.

25. Another member however pointed out that the operating environment of the taxi trade was becoming more difficult due the prevalence of illegal hire car services; ageing problem of drivers; and difficulties in attracting new blood to the trade. He opined that the fare level of taxis in Hong Kong was relatively low as compared to other cities in the world, and had room for upward adjustment. Besides, the average salary of taxi drivers was only \$16,000 to \$18,000, which was far below the average salary of the transport trade. He therefore supported the taxi fare increase application so as to improve the operating environment of the trade and the livelihood of frontline drivers. He also concurred with the Administration's view that taxi rental was determined by the market, and given the shortage of drivers at present, he could not foresee any room for an increase in taxi rental.

26. A member opined that the Administration should consider study the profile of passengers using taxi service. As taxi users were usually high income group, the proposed taxi fare increase might encourage more people to shift to using private vehicles, and therefore not conducive to improving the livelihood of taxi drivers and attracting new blood to the trade.

*Latest situation on increasing the provision of car parking spaces*

27. Over the past few years, the Panel has expressed grave concern about the shortage of parking spaces and urged the Administration to take measures to ease the problem by increasing the provision of car parking spaces. Members were briefed by the Administration on the latest situation on the provision of car parking spaces at the meeting held on 17 May 2019. It was noted that the Administration's policy in the provision of parking space is to accord priority to the parking demand of commercial vehicles ("CVs") and to provide an appropriate number of private car parking spaces if the overall development permits. Members noted that TD had in recent years pursued a number of measures including designating suitable on-street locations and public transport interchanges for CVs' night-time parking, and opening up more parking spaces at government buildings during non-office hours. In addition, the Administration would embark on a consultancy study to project the demand for and supply of parking spaces and loading/unloading bays for CVs in all districts, and to explore the use of automated parking systems ("APS") and assess their technical feasibility and financial viability before wider application of APSs for public use in future.

28. Members in general expressed concern over the insufficient parking spaces for CVs, and welcomed the Administration's initiatives to provide more parking spaces to meet the surging demand. Some members urged the Administration to expeditiously review the Hong Kong Planning Standards and Guidelines with regard to the provision of parking spaces in development projects, and to locate more suitable sites for the provision of car parks under the "single site, multiple use" policy guidelines.

29. Noting that TD was identifying relevant sites on the pilot use of APS, some members suggested extending the provision of APS to all 18 districts in Hong Kong. A member also suggested that more park-and-ride car parks be provided at major transport interchanges to facilitate residents living in remote areas to switch to public transport thereat for travelling to urban areas so as to alleviate congestion problem during peak hours. As regards the implementation of smart parking measures, some members expressed support for TD to improve its mobile application "HKeMobility" in providing real-time traffic information, and urged TD to opening up more parking data for motorists and expediting the introduction of smart parking meters for implementing the "smart mobility" initiative.



*Fare increase applications by Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited*

30. In February 2019, the Panel was briefed by the Administration on the fare increase applications by Kowloon Motor Bus Company (1933) Limited ("KMB") and Long Win Bus Company Limited ("LWB"). Members had diverse views on the fare increase applications of KMB and LWB.

31. Some members considered that the proposed average fare increase of 8.5% was acceptable, given that up to the third quarter of 2018, the percentage increase in the Median Monthly Household Income ("MMHI") since the last fare increase of LWB in May 2011 was 47.45% and that since the last fare increase of KMB in July 2014 was 22.98%. Furthermore, up to December 2018, percentage increase in Composite Consumer Price Index ("CCPI") was about 25.49% for LWB and 10.62% for KMB respectively since their last fare increase. Other members opined that the proposed increase level of 8.5% too high and the high level of fare increase, if so approved, would trigger a wave of fare increase applications by other transport modes. The Administration explained that "public acceptability and affordability" would be one of the key factors to consider in assessing the applications. The Administration would make reference to the changes in MMHI and CCPI. Besides, the Administration would have to ensure that the operators were financially capable in maintaining efficient and safe public bus service when assessing the financial performance of bus operators.

32. Members took the opportunity to urge the KWB and LWB to improve their service performance, including publishing periodic information on lost trip rates by districts and routes, increasing the number of routes serving new development areas in the New Territories and offering more bus-bus interchange concessions for these routes. A few members also expressed their concern over the long working hours of bus captains, lack of resting facilities at bus termini for bus captains, need to enhance bus safety and the use of technology to ensure safe driving.

Transport infrastructure

*"Universal Accessibility" Programme*

33. The Panel has been closely monitoring measures to improve the

pedestrian environment. In response to public requests, the Government launched in August 2012 a new policy to expand the programme to retrofit barrier-free access facilities at public walkways to create a "universally accessible" environment in the community. Under this policy, the Government will treat lifts and ramps equally which was a change from the past practice which gave priority to ramps. Members were briefed on 16 November 2018 on the progress of the "Universal Accessibility" Programme ("UA Programme") and the Administration's proposal to seek funding for an allocation of \$650 million to take forward the UA programme in the 2019-2020 financial year. Members noted that the Original Programme was currently being implemented as scheduled. In summary, retrofitting works for the 145 items under the Original Programme were in general being implemented smoothly, with about 94% of the items either completed or in the construction stage. A member noted that the Administration had exaggerated the implementation progress of the UA Programme by combining the number of items completed with those under construction and arrived at a ratio of 94% for the Original Programme. Excluding items under construction, he reckoned that the actual completion rate was about 55% for the Original Programme, which was far less than satisfactory.

34. Some members also expressed concern over the slow implementation progress of the UA Programme since the launch of the UA Programme in 2012. They proposed that the Administration should expeditiously consider means to speed up the progress, including those to overcome the shortage of labour in the market.

35. The Administration explained that the proposed items under the UA Programme had to go through various procedures before the works could commence and that during the implementation of the UA Programme, considerable time had to be spent on administrative and technical aspects of the works, such as conducting investigation and detailed design work, consultation with District Councils ("DCs"), gazetting the retrofitting proposals under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) in case of anticipated objections from stakeholders, inviting tenders, etc., according to the established procedures. Some members suggested the Administration to streamline the construction procedures, such as screening out non-feasible items during the feasibility study stage, or using default accessories so as to speed up construction.

36. The Chairman and some members called on the Administration to review the UA Programme scope to include estates under Tenants

Purchase Scheme ("TPS") and Home Ownership Scheme ("HOS") as many of the occupants were elderly. The Administration advised that in order to ensure prudent use of public funds, the Administration had to carefully consider members' suggestion of including estates under TPS and HOS as those estates were privately owned with their respective Owners' Corporations vested with the responsibility for the management and maintenance of the facilities within the estates. That said, the Government would embark on a review in 2019 on the ambit of the UA Programme and would consider members' suggestions in the review.

37. A member noted that a number of lifts were out of order after super typhoon Mangkhut hit Hong Kong in September 2018 and enquired whether the current design of the lifts could endure extreme weather such as super typhoon and heavy rain. The Administration advised that totally 16 lifts were broken down after the passage of super typhoon Mangkhut, and the Administration would consider measures to mitigate the damages during extreme weather in future.

*Free-flow tolling system for Tseung Kwan O – Lam Tin Tunnel*

38. On 18 January 2019, members were briefed by the Administration on its proposal to construct and implement a free-flow tolling system ("FFTS") for collecting tolls at Tseung Kwan O – Lam Tin Tunnel ("TKO-LTT"), and to roll out FFTS by phases at other government tolled-tunnels and roads after the commissioning of TKO-LTT. Subject to funding approval of the Finance Committee ("FC") of the LegCo, the Administration planned to commence construction of the proposed works for FFTS of TKO-LTT in end 2019 for completion in late 2021.

39. Some members expressed support to the usage of FFTS in collecting tolls for government tunnels. They opined that FFTS, as one of the key smart mobility initiatives, would further enhance the development of Hong Kong as a Smart City.

40. Having regard to the construction cost of the FFTS of TKO-LTT, i.e. \$330.2 million in money-of-the-day prices, a member questioned the cost-effectiveness of constructing the FFTS for collecting a toll of \$3. Another member asked whether the toll level was determined according to the "user-pay principle". The Administration advised that tolls of government tolled-tunnels and roads were determined with regard to a number of factors, including traffic management, costs of the provision of the relevant tunnels and roads, the toll of alternative routes, as well as public affordability and acceptability.

41. A few members raised queries on the interfacing problem between FFTS and other electronic payment system such as Autotoll, the cost of the in-vehicle units ("IVUs") to be affixed to the vehicle, usable life of IVUs and whether vehicle owners had to pay for the re-issuance of IVUs. The Administration replied that FFTS and Autotoll were two separate systems with no conflict in usage. Also, the unit cost of the IVU would be about US\$2 each, and its usable life would be over seven years. The Administration advised that the first issue of IVUs to registered vehicle owners would be free-of-charge, whereas re-issuance of IVUs would be borne by the vehicle owners on a cost-recovery basis. The Administration also explained to members that once a vehicle had passed through FFTS at TKO-LTT, payment would be deducted automatically from a pre-registered payment account of the registered vehicle owner.

42. A few members reflected that some members of the transport trade, such as minibus and taxi operators, had expressed their difficulties in registering a payment account with TD. They urged the Administration to maintain close dialogue with members of the trade in resolving their difficulties with regard to the operating requirements of FFTS.

43. With respect to concerns raised by members over the collection of personal data through FFTS, and whether the toll service provider who was responsible for handling toll collection through FFTS would be allowed to store, retrieve and manage personal data of vehicle owners using TKO-LTT, the Administration replied that the preliminary privacy impact assessment conducted on the overall design of IVU indicated that no personal data privacy issue of data in IVUs and field equipment was envisaged. Besides, the Administration would not collect any information more than that was required for the operation of FFTS. As regards the toll service provider appointed to handle toll collection, the Administration said that only their authorised persons were entitled to access the personal data of tunnel users and the Administration would conduct regular audit to ensure their compliance with the Personal Data (Privacy) Ordinance (Cap. 486).

#### Other issues

*Rationalisation of traffic distribution among three road harbor crossings and three land tunnels between Kowloon and Sha Tin and other tunnel-related proposals*

44. On 16 November 2018, Panel members were briefed by the Administration on the toll adjustment proposal for the three road harbour crossings ("RHCs"), i.e. Cross Harbour Tunnel ("CHT"), Eastern Harbour Crossing ("EHC") and Western Harbour Crossing ("WHC") to achieve a reasonable re-distribution of traffic among the three RHCs and the three land tunnels between Kowloon and Sha Tin ("three land tunnels"). To recap, in May 2016, the Government undertook that after the take-over of EHC upon the expiry of its Build-Operate-Transfer ("BOT") franchise in August 2016, it would commence as soon as possible a study on the overall strategy and feasible options for the rationalisation of cross-harbour traffic. Noting the "pairing effect" between the usage of the three RHCs and the three land tunnels, TD commenced in early 2017 the Study which covered all of the six abovementioned tunnels in a holistic manner.

45. The Administration explained that the proposal was formulated based on a scientific study which collated and analyzed a large quantity of traffic data having regard to commuters' travelling behavior to determine the optimal level of toll adjustment of the three RHCs so that the overall tunnel traffic could be more optimally distributed; and the impact of tunnel traffic on non-tunnel traffic could be minimized. The Administration estimated that the proposal would bring about social cost savings of over \$800 million per year.

46. Members noted that at present, private cars, taxis and motorcycles ("Targeted Vehicles") constitute about 75% of cross-harbour traffic volume. The Administration explained that in order to achieve a noticeable traffic diversion, a substantial increase in CHT and EHC tolls, coupled with a reduction in WHC tolls, on Targeted Vehicles would be needed. For instance, the current toll of CHT(\$20) and EHC(\$25) would be both increased to \$40 whereas the toll for WHC would be reduced from \$70 to \$50 for private cars. Some Members expressed concern about the substantial increase in the toll levels of CHT and EHC, and had doubts about the effectiveness of the proposal in re-distributing traffic of the relevant districts. Some other members on the other hand supported the toll adjustment proposal in re-distributing traffic of RHCs and the three land tunnels. They opined that narrowing toll difference between CHT and WHC could induce more motorists to switch to WHC, thereby enhancing the utilization of WHC and ease the congestion problem of CHT. Besides, the taxi trade supported the proposal as more passengers would be willing to use WHC. Unifying toll on taxis without passengers for the three RHCs would also lessen traffic pressure on CHT and provide greater incentive for taxi drivers to engage in cross harbour trips during

peak hours.

47. The Panel noted that in order to encourage motorists of Targeted Vehicles to switch from using CHC or EHC to WHC so as to make more use of the capacity of WHC, the Administration had been in discussion with Western Harbour Tunnel Company Limited ("WHTCL") since late 2017 on an arrangement such that the actual tolls payable by motorists of Targeted Vehicles using WHC can be lowered to the prescribed levels until the franchise expiry on 1 August 2023; and that the amount of compensation to WHTCL would be determined based on actual trips made by Targeted Vehicles (i.e. on a "per-vehicle" basis), subject to the cap of \$1,800 million. However, some members did not subscribe to the justifications given for the West Harbour Tunnel Toll Compensation Scheme for different reasons.

48. The Administration stated that the WHC Toll Compensation Scheme aimed to subsidize motorists to use WHC, rather than compensating WHTCL and the objective was to re-distribute traffic to achieve optimal usage of the three RHCs. It was pointed out that WHTCL had full discretion to increase tolls once the conditions stipulated in the WHC Ordinance were met. As regards the waiving the toll of franchised buses using WHC, the Administration estimated that the proposed payment over the compensation period from 1 January 2020 to 1 August 2023 upon franchise expiry of WHC would be totalled at \$956 million. Some members expressed support and urged that the Administration should also include non-franchised bus and mini-bus in the initiative. Besides, they opined that tunnel toll to be waived for public transport vehicles should be handled separately instead of bundling it together with the toll adjustment proposal and WHC Toll Compensation Scheme for consideration by LegCo.

49. In this connection, the Panel passed two motions, which are recapped as follows:

"As many residents have to use the Cross Harbour Tunnel ("CHT") or the Eastern Harbour Crossing ("EHC") due to their places of residence and work, substantially increasing the tolls of CHT and EHC will add to the burden of members of the public. This Panel urges the Government to withdraw the present proposal of substantially increasing the tolls of CHT and EHC, conduct public consultation on the plan to rationalise traffic distribution among the three road harbour crossings ("RHCs"), determine afresh the toll levels of the three RHCs only after reaching a consensus with

the public and the Legislative Council, so as to achieve the effect of the rationalisation of traffic distribution among the three RHCs."; and

"This Panel takes the view that the Government should adopt an incremental approach in adjusting the tolls of the three road harbour crossings so as not to bring the adjustment plan to a standstill."

*Allowing access to franchised buses for persons carrying compressed oxygen cylinders for self-medical use when travelling*

50. In May 2019, the Panel received a briefing on the Administration's proposal to amend the Public Bus Services Regulations (Cap. 230A) ("PBSR") to allow persons carrying compressed oxygen cylinders for self-medical use access to franchised buses ("FB"). The Administration explained that compressed oxygen was dangerous goods regulated under the Dangerous Goods Ordinance (Cap. 295) ("DGO"). PBSR stipulated that compressed oxygen to which DGO applied should not be brought onto any bus regardless of the quantity involved. In order to promote the "Transport for All" policy objective, the Administration proposed to amend PBSR to allow access to FB for persons who required oxygen therapy and therefore needed to bring along compressed oxygen cylinders for self-medical use. Subject to members' comments, the Administration aimed at submitting legislative amendments to PBSR to the Legislative Council for negative vetting within 2019.

51. Members in general welcomed the initiative which would allow passengers requiring oxygen therapy to use FB service, but also raised concerns on a number of issues like the difficulties for bus captains to ascertain that no more than two compressed oxygen cylinders not exceeding five litres each were allowed on a bus at any one time. A member called on the Administration to review the relevant provisions in DGO with regard to the carriage of oxygen cylinders for self-medical use by passengers when using public transport because nowadays FB disallowed smoking, hence safety risk associated with explosion due to leakage of oxygen were minimal. Another concern raised by members was where passengers carrying more than two compressed oxygen cylinders for self-medical use boarding a bus at the same time but did not inform the bus captain accordingly, whether the liability of breaching the proposed legislative provisions would be borne by the bus captain or the passengers concerned. The Administration advised that under the proposed legislative amendments to PBSR, a passenger carrying

compressed oxygen cylinders for self-medical use should advise the bus captain of the total number of cylinders he/she was carrying when boarding FB and before payment of bus fare, and the passenger should be inhaling the oxygen through a nasal cannula or oxygen mask connected to the cylinder for easy identification by the bus captain.

52. The Administration advised that they had taken note of the views and concern and advised that TD would step up publicity and education efforts to inform passengers about the new arrangements, and had liaised with patient groups regarding the proposed amendments.

#### *Other consultations*

53. The Panel received a briefing by the Secretary for Transport and Housing on 19 October 2018 on the transport policy initiatives featured in the Chief Executive's 2018 Policy Address.

54. In addition, the Panel was consulted on the Report of Independent Review Committee on Hong Kong's Franchised Bus Service, Review of Assessment Mechanism for Hillside Escalator Links and Elevator Systems Proposals, Road Safety Audit and Road Safety Check and fare increase application by New Lantao Bus Co. (1973) Limited. Besides, the Panel also considered the following funding proposals:

- (a) Replacement of traffic control and surveillance systems and other systems in government tunnels;
- (b) Reconstruction of Pak Kok Pier on Lamma Island; and
- (c) 6863TH – Widening of western section of Lin Ma Hang Road between Ping Yuen River and Ping Che Road.

55. The Subcommittee on Hillside Escalator Links and Elevator Systems (HELs) under the Panel commenced its work in March 2019 and a public hearing cum meeting was held on 15 May 2019.

#### Meetings

56. During the period between October 2018 and July 2019, the Panel held a total of nine meetings.



Council Business Division 4  
Legislative Council Secretariat  
July 2019

**Legislative Council**

**Panel on Transport**

**Terms of Reference**

1. To monitor and examine Government policies and issues of public concern relating to transport.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy area prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

**Legislative Council  
Panel on Transport**

**Membership list for 2018-2019 session\***

<b>Chairman</b>	Hon CHAN Han-pan, BBS, JP
<b>Deputy Chairman</b>	Hon Jeremy TAM Man-ho
<b>Members</b>	Hon Tommy CHEUNG Yu-yan, GBS, JP Hon CHAN Hak-kan, BBS, JP Dr Hon Priscilla LEUNG Mei-fun, SBS, JP Hon WONG Kwok-kin, SBS, JP Hon Mrs Regina IP LAU Suk-ye, GBS, JP Hon Paul TSE Wai-chun, JP Hon Claudia MO Hon Michael TIEN Puk-sun, BBS, JP Hon Frankie YICK Chi-ming, SBS, JP Hon YIU Si-wing, BBS Hon Charles Peter MOK, JP Hon CHAN Chi-chuen Hon LEUNG Che-cheung, SBS, MH, JP Dr Hon KWOK Ka-ki Dr Hon Helena WONG Pik-wan Hon POON Siu-ping, BBS, MH Dr Hon CHIANG Lai-wan, SBS, JP Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon CHUNG Kwok-pan Hon Alvin YEUNG Hon Andrew WAN Siu-kin Hon CHU Hoi-dick Dr Hon Junius HO Kwan-yiu, JP Hon HO Kai-ming Hon LAM Cheuk-ting Hon SHIU Ka-fai Hon Wilson OR Chong-shing, MH Hon Tanya CHAN Hon LUK Chung-hung, JP Hon LAU Kwok-fan, MH

Hon Kenneth LAU Ip-keung, BBS, MH, JP  
Dr Hon CHENG Chung-tai  
Hon Gary FAN Kwok-wai  
Hon AU Nok-hin  
Hon Tony TSE Wai-chuen, BBS

(Total: 37 members)

**Clerk** Ms Sophie LAU

**Legal Adviser** Mr Alvin CHUI

\* Changes in membership are set out in Annex to Appendix II

**Changes in membership**

**(Year 2018-2019)**

<b>Member</b>	<b>Relevant date</b>
Hon WONG Ting-kwong, GBS, JP	Up to 16 October 2018
Hon Steven HO Chun-yin, BBS	Up to 16 October 2018
Hon Christopher CHEUNG Wah-fung, SBS, JP	Up to 16 October 2018
Dr Hon Elizabeth QUAT, BBS, JP	Up to 16 October 2018
Hon Jimmy NG Wing-ka, JP	Up to 16 October 2018
Hon YUNG Hoi-yan	Up to 16 October 2018
Hon Abraham SHEK Lai-him, GBS, JP	Up to 18 October 2018
Hon Jeffrey LAM Kin-fung, GBS, JP	Up to 29 January 2019

**立法會**  
**Legislative Council**

LC Paper No. CB(4)1027/18-19

Ref : CB4/PS/1/16

**Report of the Subcommittee on Matters Relating to Railways  
for submission to the Panel on Transport**

**Purpose**

This report gives an account of the work of the Subcommittee on Matters Relating to Railways during the 2018-2019 legislative session.

**The Subcommittee**

2. The Panel on Transport ("the Panel") agreed at its meeting on 28 October 2016 to set up a Subcommittee on Matters Relating to Railways ("the Subcommittee"). The terms of reference and membership list of the Subcommittee are set out in **Appendices I and II** respectively.

3. Under the chairmanship of Hon Frankie YICK Chi-ming, the Subcommittee has discharged its functions according to its terms of reference and held four meetings (up to July 2019) with the Administration and the MTR Corporation Limited ("MTRCL").

**Major work**

4. In the current session, the Subcommittee continued to follow up on various issues relating to the operation of existing railways and the implementation of new railway project. The discussion of the Subcommittee with the Administration and MTRCL are summarized in the ensuing paragraphs.

Operation of existing railways

5. The Subcommittee continued to follow up on various issues relating to the operation of existing railways.

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

6. The Subcommittee noted that the Hong Kong Section ("HKS") of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") commenced operation on 23 September 2018 and was briefed on the operating issues of the HKS of the XRL after its commissioning at the meeting on 7 December 2018. To recap, the HKS of the XRL is a 26 kilometres long underground rail corridor running from West Kowloon to Shenzhen, where it connects to the Mainland section of XRL. The HKS of XRL project has been undertaken under the concession approach. The Government provides the funding under the Public Works Programme for constructing the XRL and owns the railway. The Administration entered into an entrustment agreement with MTRCL on 26 January 2010 for the design, construction, testing and commissioning of the project.

7. The HKS of the XRL provides high-speed rail service between the Hong Kong West Kowloon Station ("WKS") and 44 Mainland destinations, including six short-haul destinations and 38 long-haul destinations. As regards the train schedule, in the light of the actual patronage and the market demand, the Administration advised in December 2018 that there were currently 70 pairs of short-haul trains and 13 pairs of long-haul trains daily. As the passenger demand was relatively high during weekends, nine additional pairs of trains were arranged to run between WKS and Futian from Fridays to Sundays since October 2018 until end-February 2019. MTRCL maintained close communication with the China Railway Corporation ("CR") in adjusting the train schedule according to passenger needs and train service arrangements.

8. At the meeting on 7 December 2018, some members raised concern on the patronage of the HKS of the XRL, which in their views might adversely affect the financial position of the railway line. Noting that the ratio of Hong Kong residents among the passengers of the XRL was much lower than the earlier forecast made by the Administration back in 2009, some members suggested the Administration offering further fare discounts during non-peak periods or low seasons to Hong Kong residents and passengers taking short-haul trains. The Subcommittee passed a motion urging the Administration to request MTRCL to provide interchange discounts for XRL passengers by making reference to the interchange discount scheme applicable to Airport Express, with a view to facilitating members of the public to interchange

from MTR to XRL, thereby increasing the passenger flow of XRL.

9. In response to the above motion, the Administration advised that the HKS of the XRL operated smoothly since its commissioning on 23 September 2018. The patronage of the railway line had been increasing progressively as well, with a total patronage of 5 270 281, comprising 2 551 364 outbound passengers and 2 718 917 inbound passengers, as at 31 December 2018. During this period, the average daily patronage for the XRL was 52 703 and the highest patronage for a day (23 December 2018) was 94 625. The Administration trusted that passengers were getting used to using the HKS of the XRL as a cross-boundary transport mode. MTRCL further advised that it would continue to actively promote the HKS of the XRL to the public through various channels. MTRCL and the tourism industry also cooperated to explore business in tour groups and individual visits. As regards the suggestion of offering further fare discounts to Hong Kong residents, MTRCL advised that it would continue its discussion with CR on concessionary fares.

10. Some members expressed dissatisfaction on various operating arrangements of the HKS of the XRL, including the provision of train service information on the High Speed Rail App, ticket purchase and collection arrangements for Hong Kong passengers and the fare structure. Some of them opined that MTRCL should strive for enhancement in the Mainland ticketing website (i.e. [www.12306.cn](http://www.12306.cn)), simplification of ticketing arrangements especially for passengers taking short-haul trains, and enhancement in the provision of direct train services to certain Mainland destinations.

11. Members were advised that the Administration had been pressing ahead the enhancement of the Mainland ticketing system with CR so that passengers from Hong Kong might register an account and purchase tickets at the Mainland ticketing website using an e-mail and collect tickets using self-service machines. Also, the Administration 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.

12. Apart from the above, the Subcommittee continued to follow up on the financial situation of the HKS of the XRL project. Expressing concern on the number and amount of the claims unresolved, some members called on the Administration to furnish more details on the situation of resolved/unresolved claims, and to submit regularly the details of the financial situation of the HKS of the XRL project to the Subcommittee for reference after its commissioning.



13. In response, the Administration explained that the amount awarded (for claims resolved) and amount of interim award (for claims unresolved) were not necessarily equal to the amount claimed as all the claims were subject to the Engineer's assessments based on justifications and information provided by the contractors. The number of claims would be subject to change as MTRCL was still finalizing the accounts of the contracts in respect of the HKS of the XRL project. The Administration pointed out that the patronage the HKS of the XRL had been increasing progressively since it commenced operation in September 2018. The Administration did not see the need to revise the projected patronage and projected EBITDA (i.e. Earnings Before Interest, Tax, Depreciation and Amortisation) at this moment. Overall, the financial position of the HKS of the XRL after its commissioning had been satisfactory. Since the HKS of the XRL had commenced operation for only short period of time, the Administration would report the financial position of the HKS of the XRL project to the Subcommittee at an appropriate time.

*Upgrading of signalling system for railway lines*

14. 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 were advised that upon the completion of the upgrade of signalling systems in 2026, the overall capacity of the Tsuen Wan Line, Island Line, Kwun Tong Line, Tseung Kwan O Line, Disneyland Resort Line, Tung Chung Line and Airport Express could be increased by about 10%. Nevertheless, 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 by one year and two years respectively. They worried that the retrofitting of Automatic Platform Gates ("APGs") along the East Rail Line ("ERL") would be further postponed and the congestion situation of railway lines would be aggravated as a result of the delay in the upgrading programme.

15. MTRCL explained that the time required for conducting tests was longer than estimated, mainly because MTRCL had been carrying out in-depth testing on the new signalling system, and making reference to experience in other places, in order to ensure a higher level of reliability before commissioning. The tests conducted during non-traffic hours covered accuracy of trains' stopping locations, coordination between train doors' opening and closing and platform screen doors, and passenger comfort level. The Administration noted members' concern on the

progress of retrofitting APGs along ERL and would review with MTRCL on various safety measures and facilities to ensure the safety of passengers of ERL.

*Major railway incidents on 16 October 2018 and 18 March 2019*

16. The Subcommittee 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 ("TWL") on 18 March 2019. Members were generally dissatisfied with the deteriorating service performance of MTRCL. Insofar as the service disruption of four MTR lines on 16 October 2018 was concerned, the Subcommittee passed three motions urging the Administration to, among others, review the Service Performance Arrangement ("SPA") so that it could properly reflect the severity of the railway incidents and revisit the existing contingency measures taken by the Administration and MTRCL, including the operation of the Emergency Transport Coordination Centre of the Transport Department ("TD"), in the event of extensive service disruption.

17. Members noted that in light of the experience gained from the incident happened on 16 October 2018, TD was reviewing the existing contingency plan with MTRCL, including the deployment of free shuttle buses serving the affected MTR stations and the alert system for railway service disruptions. As regards the SPA which was introduced after the review of the Fare Adjustment Mechanism ("FAM") in 2013, the Administration advised that the maximum amount per incident of serious service disruption to be set aside for fare concession under SPA had been increased from \$15 million to \$25 million after the FAM review conducted in early 2017. The Administration would continue to step up its monitoring of MTRCL in terms of railway operation and service performance to ensure railway safety, and would review SPA as and when appropriate.

18. The Subcommittee was also gravely concerned about the incident on 18 March 2019, in which two MTR trains collided near Central Station on TWL in the early hours during the testing of the new signalling system. Members received a briefing from the Administration and MTRCL on the incident at its meeting on 29 March 2019. Some members considered that MTRCL failed to properly supervise its contractor to carry out the simulation tests of the new signalling system. Apart from seeking explanation from the Administration and MTRCL on the causes of the incident, members requested MTRCL to ascertain the

safety of the existing signalling system and affirm that incident of similar nature would not occur again in the future.

19. Members noted that MTRCL suspended all train tests for the new signalling system until the cause of the incident was indentified and the new signalling system was confirmed to be safe. MTRCL also reserved the right to take action against the signalling system contractor according to the contract and in the light of the investigation findings. Members were also assured that the incident was not related to the existing signalling system and that incident of similar nature would not occur on the existing lines. That said, the Electrical and Mechanical Services Department had conducted on-site inspection of the interlocking functions of the computer-controlled turnouts of the existing signalling system to ensure that it continued to operate effectively.

#### Implementation of new railway project

20. The Subcommittee has been monitoring closely the implementation of the Shatin to Central Link ("SCL") project, which is funded by the Administration under the concession approach.<sup>1</sup> The relevant key information is given in **Appendix III**.

#### *Shatin to Central Link*

21. SCL is a territory-wide strategic railway project. With a total length of 17 kilometres, it consists of (a) the Tai Wai to Hung Hom Section, and (b) the Hung Hom to Admiralty Section.<sup>2</sup>

22. The approved project estimate ("APE") for the entire SCL project is \$79,800 million in money-of-the-day ("MOD") prices. In February 2011, the Finance Committee ("FC") approved the funding applications for the advance railway and non-railway works at \$6,254.9 million and \$1,448.2 million in MOD prices respectively. In May 2012, FC approved the funding applications for the remaining railway and non-railway works with a total of about \$71,400 million in MOD prices.

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<sup>1</sup> Under the concession approach, the Administration is responsible for the construction costs of the railway project whilst MTRCL is entrusted with the planning and design of the project. Upon completion of the construction, MTRCL will be granted a service concession for the operation of the railway line while the Administration will receive a service concession payment annually.

<sup>2</sup> The Tai Wai to Hung Hom Section will extend the existing Ma On Shan Line from Tai Wai to the West Rail Line via East Kowloon to form the Tuen Ma Line; the Hung Hom to Admiralty Section will extend the existing East Rail Line across the harbour to Wan Chai North and Admiralty.

Thereafter, the Administration and MTRCL entered into an agreement for entrusting construction, testing and commissioning of SCL to the latter at a cost of \$70,827 million. The Administration informed the Subcommittee in December 2016 that the revised cost of advance railway works of SCL would exceed APE by \$847.7 million, increasing from \$6,254.9 million to \$7,102.6 million in MOD prices. FC approved the additional funding application at its meeting on 17 June 2017. The APE for the entire SCL project was therefore adjusted upward from the original estimate of \$79,800 million to \$80,700 million in MOD prices.

23. The Administration advised that the latest cost estimate of the main works of the SCL project was provided by MTRCL on 5 December 2017. MTRCL indicated a need of adjusting upward the entrustment cost of the main works of the SCL project, from \$70,827 million to \$87,328 million, i.e. an increase of about \$16,501 million. The main reasons given by MTRCL for the increase in construction cost included the archaeological and conservation works at Sung Wong Toi Station, the additional expenses due to delays in the handover of work sites at Wan Chai north, and the station works required for allowing flexibility for the topside development at Exhibition Centre Station. The Administration had been conducting a detailed review of the MTRCL's latest cost estimate. Upon completion of the detailed review, the Administration would apply for additional funds from the Legislative Council ("LegCo") to continue with the SCL works.

24. According to the then assessment by the Administration and MTRCL, in view of the delay of about 11 months to the Tai Wai to Hung Hom Section arising from the archaeological discoveries and conservation works at Sung Wong Toi Station, the commissioning date of Tai Wai to Hung Hom Section of SCL was once deferred to end 2019. Given that the delay recovery measures implemented at this section have become effective progressively, the target commissioning date could originally be advanced to about mid-2019. However, due to the series of incidents at Hung Hom Station Extension and associated investigation work, the target commissioning date would need to be further reviewed. The target commissioning date of the Hung Hom to Admiralty Section remains to be 2021.

25. The Subcommittee was briefed on the progress of the SCL project at the meetings on 7 December 2018 and 1 February 2019. Additionally, the Subcommittee examined the interim report of COI into the construction works at and near the Hung Hom Station Extension under the SCL Project at its meeting on 29 March 2019. The Subcommittee noted from the Administration's paper that on 19 February 2019, the

Chief Executive in Council approved the expansion of the Commission of Inquiry ("COI")'s Terms of Reference to investigate the steel reinforcement fixing or concreting works at three locations under contract No. 1112 of SCL,<sup>3</sup> as well as an extension of time for COI to submit its report to the Chief Executive.<sup>4</sup>

26. At the Subcommittee meeting on 7 December 2018, some members raised concern about the cash flow situation of the SCL project. Members were advised that as at the end of December 2018, the total expenditure of the main works of SCL (i.e. 61TR and 62TR) under construction was about \$58 billion, accounting for about 82% of APE. In view of the latest development of the incident about the Hung Hom Station Extension Works under the SCL project, the Administration needed more time to verify the facts and the conditions of the works. The Administration would apply for additional funds from LegCo to continue with the SCL works in due course.

27. In view of the fact that the target commissioning date of the Tai Wai to Hung Hom Section would need to be further reviewed due to the series of Hung Hom Station incidents and 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.

28. MTRCL advised that it had been requested by the Administration to expedite the study on different options and make recommendations on the need and feasibility of the partial commissioning of some stations and sections of Tai Wai to Hung Hom Section. MTRCL pointed out that the system that controlled Ho Man Tin Station was situated in the Hung Hom Station Extension. As such, partial commissioning up to Ho Man Tin Station would depend on the overall situation of the Hung Hom Station Extension. The feasibility of partial commissioning options mainly hinged on whether the timely approval of the relevant Government departments could be obtained for NAT and the Tuen Ma Line signalling control rooms situated within Hung Hom Station.

29. In addition to cost overrun and project delay, the quality of construction works of the SCL project was of considerable concern to the

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<sup>3</sup> The three locations are the North Approach Tunnels ("NAT"), the South Approach Tunnels ("SAT") and the Hung Home Stabling Sidings ("HHS").

<sup>4</sup> Upon the approval of the Chief Executive in Council, the Commission would submit a final report on its findings and recommendations to the Chief Executive on or before 29 November 2019. ([press release](#) issued by the Commission on 3 July 2019)

Subcommittee. In view of the series of incidents relating to works at the Hung Hum Station Extension, To Kwa Wan Station and Exhibition Centre Station, members criticized the Administration and MTRCL for having failed to duly monitor the implementation of the SCL project and expressed deep concern over MTRCL's system on reporting to the Administration as prescribed under the Entrustment Agreement. In particular, they queried the role of the Monitoring and Verification Consultant appointed by the Highways Department in the incidents and considered the Consultant not being able to perform its monitoring duties.

30. Having regard to the missing Request for Inspection and Survey Checks Forms (i.e. RISC Forms) for the steelworks at NAT, SAT and HHS, 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 MTRCL in implementing the SCL project. Some members were deeply concerned whether the matter involved suspected fraudulent act or use of false instrument. They also queried how and why the contractor would be permitted to proceed to the next process of works without the relevant RISC Forms.

31. The Administration responded that the matter had already been referred to the law enforcement agencies for necessary follow-up actions. MTRCL advised that based on the information available so far, the contractor concerned, i.e. Leighton Contractors (Asia) Limited ("Leighton"), did not submit the relevant RISC Forms according to the established procedures and there was no evidence indicating that staff of MTRCL or Leighton had deleted the records of the relevant RISC Forms from the project management system.

32. The Subcommittee noted that the Administration accepted a three-stage holistic assessment strategy proposed by MTRCL in December 2018 to ascertain the as-constructed condition of the structures including the platform slabs of the Hung Hom Station Extension. Among others, MTRCL proposed to conduct non-destructive tests (Phased Array Ultrasonic Test ("PAUT")) to determine the embedded length of the threaded steel bar inside the coupler. However, a large deviation was observed between the embedded length measured using non-destructive PAUT and the direct measurement after cutting the reinforcement bar with the coupler connected in January 2019. At the meeting on 1 February 2019, some members urged the Administration to consider using another testing method, such as physical measurements by lifting the coupler connections from the concrete as adopted by the Police.

33. The Administration advised that MTRCL had carried out a detailed investigation on the root cause of such a deviation and improved PAUT in consultation with experts and laboratories concerned, with a view to enhancing its accuracy and reliability. MTRCL also conducted validation on the enhanced PAUT. Members were advised that the Administration accepted the proposal submitted by MTRCL for the enhanced PAUT on 14 March 2019, and MTRCL resumed the tests on 15 March 2019 on the exposed couplers (including those previously tested and those not yet tested).

34. At the Subcommittee meeting on 29 March 2019, some members questioned the determination reached by COI that the diaphragm wall and platform slab construction works at the Hung Hom Station Extension are safe. Pointing out that the second stage of the holistic assessment strategy was still on-going, they considered that it might be premature for COI to come to this determination.

35. The Administration advised that it was not appropriate for the Administration to elaborate on the determinations reached by COI, and drew members' attention to chapter 9 of the Interim Report in which COI had already explained its conclusions with regard to structural safety in great detail.

36. On members' concern about the quality of works of other stations along SCL, the Administration advised that it would check the major structural works of these stations to confirm if there were quality issues similar to those at the Hung Hom Station Extension. Specifically, the Administration had implemented a three-tier audit of all relevant stations to ascertain the quality of works thereof. The first stage audit covered To Kwa Wan Station and Diamond Hill Station.

### **Recommendation**

37. The Panel is invited to note the work of the Subcommittee.

**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\***

<b>Chairman</b>	Hon Frankie YICK Chi-ming, SBS, JP
<b>Deputy Chairman</b>	Hon LUK Chung-hung, JP
<b>Members</b>	Hon Tommy CHEUNG Yu-yan, GBS, JP Dr Hon Priscilla LEUNG Mei-fun, SBS, JP Hon Mrs Regina IP LAU Suk-ye, 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)
<b>Clerk</b>	Ms Sophie LAU
<b>Legal Adviser</b>	Mr Alvin CHUI

\* Changes in membership are set out in Annex to Appendix II

**Annex to Appendix II**

**Panel on Transport  
Subcommittee on Matters Relating to Railways  
Changes in membership**

<b>Member</b>	<b>Relevant date</b>
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)

	<b>Shatin to Central Link</b>
<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  <i>(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>
<i>Funding arrangement</i>	Implemented under the <b>concession approach</b>  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