

**Public Accounts Committee of the Legislative Council
Public Hearings on the Director of Audit's Report No. 83
Tuen Mun - Chek Lap Kok Link (Chapter 7)**

Opening Remarks by the Secretary for Transport and Logistics

Chairman and Members:

First of all, I would like to thank the Audit Commission for conducting a comprehensive audit and providing valuable advice on two aspects, namely the implementation and management of the Tuen Mun - Chek Lap Kok Link project by the Highways Department and the traffic management on the relevant road sections by the Transport Department. I would also like to thank the Public Accounts Committee of the Legislative Council for inviting this bureau (Transport and Logistics Bureau) and the two departments (Highways Department and the Transport Department) to attend today's hearing to provide the Committee with further evidence and information.

2. The Transport and Logistics Bureau has always attached importance to the timely delivery of transport infrastructure projects and good traffic management with a view to enhancing road connectivity as well as providing a safe, reliable and efficient traffic and transport system. We accept all the recommendations in the Audit Report and will work with the relevant departments to take timely follow-up actions and make improvements as soon as possible.

3. The Tuen Mun - Chek Lap Kok Link, which provides a dual south-north link for the Hong Kong-Zhuhai-Macao Bridge ("HZMB"), comprises a five-kilometre long Tuen Mun - Chek Lap Kok Tunnel ("TM-CLKT"). The project is large in scale and complex, with a total of eight inter-related works contracts. The accounts of the last two contracts are now at the finalisation stage. We are confident that the actual total expenditure can be maintained at about \$42.2 billion, i.e. about 90% of the total approved project estimate of \$46.708 billion for the project, and that there will not be any cost overrun for the whole project.

4. As regards the progress of works, as stated in the Audit Report, there were delays in individual works contracts due to the reclamation works for the artificial island of the HZMB Hong Kong Port. However, the target of commissioning the Southern Connection in tandem with the HZMB was finally achieved.

5. The Audit Commission has made a number of comments on the management of works contracts and the management, operation and maintenance of the TM-CLKT. Please allow me to give a brief response here.

6. Firstly, in the area of works contract management, the Highways Department will actively follow up the Audit Commission's recommendations on optimising contract management and maintenance arrangements for tunnel equipment. Based on the guidelines issued by the Development Bureau and relevant government departments, as well as the experience gained in implementing works projects, the Highways Department will continue to optimise the procedures for project management in tandem with the application of innovative technologies, with a view to enhancing the cost-effectiveness and efficiency in project delivery. At the same time, the Highways Department will make continued efforts to enhance site safety and strengthen monitoring to safeguard safety of all operations and personnel.

7. In particular, the Audit Report recommended that the Highways Department should take measures to improve the management of interfacing works when implementing works projects involving interfacing works contracts with a view to mitigating the risks arising from interfacing issues as much as possible. I strongly agree. The Highways Department will take on board the Audit Commission's recommendations in implementing future projects and proactively adopt relevant measures to enhance the management of interfacing works.

8. Regarding the management, operation and maintenance of the TM-CLKT, the Transport Department will continuously review and assess the operator's staffing level, and request the operator to adjust its human resources plan in a timely manner to ensure that the staffing at all levels meets the requirements stated in the management, operation and maintenance agreement. At the same time, the Transport Department, in collaboration with the Electrical and Mechanical Services Department, will continuously review and adjust, where necessary, the overall performance assessment criteria and the procedures of compiling quarterly reports of the operator, as well as improve the operation of heavy recovery vehicles in tunnel as mentioned in the report. In addition, the Transport Department will continue to explore the application of new technologies to assist the operator in identifying out-of-gauge vehicles with a view to enhancing safety and efficiency.

9. Regarding the traffic management of the Tuen Mun - Chek Lap Kok Link and the related road sections in Tuen Mun, the Transport Department is actively and continuously reviewing the traffic conditions in the area, and will implement appropriate and effective traffic management measures in a timely manner.

10. I am very grateful to the Director of Audit and his colleagues for conducting an independent and professional value-for-money audit review and making a series of recommendations. The Transport and Logistics Bureau will continue to provide appropriate guidance and supervision to departments at the policy level, and closely monitor the progress and status of the implementation of various improvement measures to ensure that the relevant recommendations are effectively and fully implemented, with a view to further enhancing the traffic management of the Tuen Mun - Chek Lap Kok Link and the quality of contract management in the delivery and management of other future projects.

11. We would be very pleased to respond to Members' questions. Thank you, Chairman.