

立法會

Legislative Council

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the Administration)

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Panel on Transport

Subcommittee on Matters Relating to Railways

Minutes of meeting on Friday, 15 January 2021, at 8:45 am in Conference Room 1 of the Legislative Council Complex

Members present : Hon CHAN Han-pan, BBS, JP (Chairman)
Hon LUK Chung-hung, JP (Deputy Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Mrs Regina IP LAU Suk-yeet, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Frankie YICK Chi-ming, SBS, JP
Hon YIU Si-wing, BBS
Hon POON Siu-ping, BBS, MH
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Wilson OR Chong-shing, MH
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Tony TSE Wai-chuen, BBS, JP

Members attending : Hon CHAN Hak-kan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon Holden CHOW Ho-ding

**Public Officers
attending** :

Agenda item III

Mrs Sharon YIP LEE Hang-yee, JP
Deputy Secretary for Transport and Housing
(Transport)1
Transport and Housing Bureau

Mr Peter MAK Chi-kwong
Principal Assistant Secretary for Transport and
Housing (Transport)7
Transport and Housing Bureau

Mr Jimmy CHAN Pai-ming, JP
Director of Highways
Highways Department

Mr Robert CHAN Cheuk-ming, JP
Principal Government Engineer / Railway
Development
Highways Department

Mr LAM Yu-chau
Government Engineer / Railway Development (1)
Highways Department

Agenda item IV

Mr Frank CHAN Fan, JP
Secretary for Transport and Housing
Transport and Housing Bureau

Mrs Sharon YIP LEE Hang-yee, JP
Deputy Secretary for Transport and
Housing (Transport)1
Transport and Housing Bureau

Mr Andy LAM Siu-hong
Principal Assistant Secretary for Transport and
Housing (Transport)3
Transport and Housing Bureau

Ms Doris HO Pui-ling, JP
Deputy Secretary for Development (Planning and
Lands)1
Development Bureau

Mr Jimmy CHAN Pai-ming, JP
Director of Highways
Highways Department

Mr Robert CHAN Cheuk-ming, JP
Principal Government Engineer/Railway
Development
Highways Department

Mr LAM Yu-chau
Government Engineer/Railway Development (1)
Highways Department

Mr Honson YUEN Hong-shing
Assistant Commissioner/Bus and Railway
Transport Department

**Attendance by
invitation** :

Agenda item III

MTR Corporation Limited

Ms Linda CHOY
Corporate Affairs Director

Mr James CHOW
Divisional General Manager – Projects Construction

Mr Lam CHAN
Deputy General Manager – Projects & Property
Communications

Clerk in attendance :

Ms Sophie LAU
Chief Council Secretary (4)2

Staff in attendance : Ms Jacqueline LAW
Council Secretary (4)2

Miss Mandy LAM
Legislative Assistant (4)2

I. Information paper(s) issued since the last meeting

(LC Paper Nos. CB(4)692/19-20(01), CB(4)497/19-20(01), CB(4)660/19-20(01)-(02), CB(4)765/19-20(01), and CB(4)917/19-20(01)-(02))

Members noted the above papers which had been issued since the last regular meeting of the Subcommittee on Matters Relating to Railways ("the Subcommittee") held on 5 June 2020.

II. Items for discussion at the next meeting

(LC Paper Nos. CB(4)368/20-21(01) – (02))

2. Members agreed to discuss the following items at the next meeting to be held on Friday, 5 February 2021 at 8:30 am:

- (a) Enhanced Monitoring, Control and Regulatory Strategies for New Railway Projects and Operating Railways, and Proposed Establishment of Railways Department; and
- (b) Progress update of the construction of Shatin to Central Link ("SCL").

III. Progress update of the construction of Shatin to Central Link

(LC Paper Nos. CB(4)360/20-21(01) and CB(4)368/20-21(03))

3. At the invitation of the Chairman, Deputy Secretary for Transport and Housing (Transport)¹ and Corporate Affairs Director of the MTR Corporation Limited ("MTRCL") briefed members on the progress update of the construction of SCL. Divisional General Manager – Projects Construction of MTRCL and Deputy General Manager – Projects & Property Communications of MTRCL then briefed members on the details of the project progress with the aid of a powerpoint presentation (LC Paper No. CB(4)385/20-

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21(01)). The Subcommittee deliberated (index of proceedings attached at **Annex**).

4. On members' requests, the Administration/MTRCL agreed to provide the following information:

- (a) in view that the incident regarding the testing of the new East Rail Line signalling system which happened in May 2020, and the Administration was only informed of it in September 2020, whether the Administration would impose any penalties on MTRCL for the delayed notification of the incident; and if there was any dereliction of duty on the part of the Administration in the monitoring of MTRCL;
- (b) whether the target commissioning date for "Hung Hom to Admiralty Section" could be maintained as the first quarter of 2022 having regard to the delay in the commencement of the new East Rail Line signalling system; and the Administration's views on the assessment made by MTRCL in this respect;
- (c) concrete measures that would be taken by MTRCL to achieve the target commissioning date for "Hung Hom to Admiralty Section"; and
- (d) details of the implementation progress of the measures as recommended in the interim report submitted by the Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension, including the expected timeline for the implementation of all the recommendations.

(Post-meeting notes: the Chinese version of the Administration's response was circulated to members vide LC Paper No. CB(4)488/20-21(01) on 5 February 2021.)

IV. Northern Link (and Kwu Tung Station)

(LC Paper Nos. CB(4)302/20-21(01) and CB(4)368/20-21(04))

5. At the invitation of the Chairman, Secretary for Transport and Housing briefed members on the proposed way forward of the Northern Link (and Kwu Tung Station) project. Government Engineer/Railway Development (1) of Highways Department then briefed members on the details of the project with

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the aid of a powerpoint presentation (LC Paper No. CB(4)385/20-21(02)).
The Subcommittee deliberated (index of proceedings attached at **Annex**).

(At 10:29 am, the Chairman extended the meeting for 12 minutes to allow sufficient time for discussion.)

(Post-meeting note: After the meeting on 15 January 2021, Mr Tony TSE wrote to the Chairman, requesting further information on the SCL and the Northern Link projects (LC Paper No. CB(4)425/20-21(01)). The supplementary information provided by the Administration in response to the letter from Mr Tony TSE was circulated to members vide LC Paper No. CB(4)487/20-21(01) on 5 February 2021.)

V. Any other business

6. There being no other business, the meeting ended at 10:43 am.

Council Business Division 4
Legislative Council Secretariat
1 September 2021

Panel on Transport

Subcommittee on Matters Relating to Railways

**Proceedings of the meeting
held on Friday, 15 January 2021, at 8:45 am
in Conference Room 1 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<i>Agenda Item I – Information paper(s) issued since the last meeting</i>			
000508 – 000524	Chairman	Members noted the information papers issued since the last regular meeting held on 5 June 2020.	
<i>Agenda Item II – Items for discussion at the next meeting</i>			
000525 – 000552	Chairman	Members agreed on the items for discussion at the next regular meeting.	
<i>Agenda Item III – Progress update of the construction of Shatin to Central Link</i>			
000553 – 001006	Chairman Administration	Briefing by the Administration [LC Paper No. CB(4)360/20-21(01)].	
001007 – 001848	Chairman MTRCL	Briefing by the MTR Corporation Limited ("MTRCL") with the aid of a powerpoint presentation [LC Paper No. CB(4)385/20-21(01)].	
001849 – 002250	Chairman Mr Michael TIEN MTRCL	<p>Having regard to the incident of the new signalling system testing on East Rail Line ("EAL") happened during non-traffic hours in May 2020 ("the incident"), Mr TIEN enquired about:</p> <p>(a) the reasons for the delayed notification of the incident to the Administration, and whether the Divisional General Manager – Projects Construction of MTRCL was informed of the incident in May or September 2020;</p> <p>(b) whether the target commissioning date for "Hung Hom to Admiralty Section" could be maintained as the first quarter of 2020, given that the new EAL signalling system testing had been suspended due to the incident for four months; and</p> <p>(c) whether MTRCL would recover the costs incurred in developing the back-up sector computer from the software contractor concerned in case MTRCL decided to abandon the use of back-up sector computer in the new EAL signalling system.</p> <p>MTRCL responded that:</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>(a) the Corporation had already given a detailed account of the incident to the media. The Investigation Panel would investigate into the suspension of the commissioning of new EAL signalling system, including the internal reporting mechanism and that for government departments. The Divisional General Manager – Projects Construction of MTRCL was a member of the MTRCL's team responsible for the commissioning of the new EAL signalling system;</p> <p>(b) the commissioning of the new EAL signalling system was one of the critical works for preparing the extension of EAL across the harbour. MTRCL was assessing the programme of the "Hung Hom to Admiralty Section" holistically and would update the public as early as possible; and</p> <p>(c) MTRCL would follow up the issue with the contractor in accordance with the relevant contract. The Corporation at this stage would put its focus on verifying the technical solutions .</p>	
002251 – 002824	Chairman Mr POON Siu-ping Administration MTRCL	<p>Mr POON asked about the Administration's view on the delayed notification of the incident by MTRCL. The Administration responded that it was aware of the incident on 10 September 2020, and immediately requested MTRCL to suspend the commissioning of the new EAL signalling system, submit detailed report on the incident and further review the signalling system with more detailed testings. The Administration would only approve the commissioning of the new EAL signalling system upon further confirmation of the service reliability of the system. Also, the Administration had urged MTRCL to submit the Investigation Panel report as soon as possible in order to review the reporting mechanism by MTRCL to the relevant government departments and explore the necessary improvement measures.</p> <p>Mr POON further enquired about:</p> <p>(a) whether the frequency of trains travelling between Kai Tak to Tai Wai stations would be enhanced upon the full commissioning of Tuen Ma Line ("TML");</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>(b) the impact of Coronavirus Disease 2019 ("COVID-19") pandemic on the overall works progress of Shatin to Central Link ("SCL"); and</p> <p>(c) apart from the provision of shuttle bus service, other contingency measures to be taken by MTRCL in the event that the EAL train service between Mong Kok East and Hung Hom stations could not be resumed as normal on the following working day due to the bifurcation works scheduled for selected Sundays.</p> <p>MTRCL responded that:</p> <p>(a) the outbreak of COVID-19 pandemic had significant impact on the progress of SCL project last year. A number of measures had been implemented to minimize the impact, including identifying alternative suppliers of materials in Southeast Asian countries and utilization of materials from local suppliers. In addition, MTRCL had been closely monitoring the health conditions of the construction workers and had implemented precautionary measures, including disinfection of workplace facilities according to the established procedures and requirements for the construction workers to fill in health declaration forms and conduct body temperature checks following the guidelines of the relevant government departments;</p> <p>(b) MTRCL would closely monitor the patronage of TML upon its full commissioning and adjust the train service as and when necessary to meet the passenger demand; and</p> <p>(c) in respect of the service adjustment arising from the bifurcation works to be carried out on selected Sundays, MTRCL targeted to resume normal train service between Mong Kok East and Hung Hom stations on the following day after each service suspension. In case the train service could not be resumed as planned due to unexpected circumstances, MTRCL had formulated comprehensive contingency plans to assist passengers to continue with their journeys.</p>	

Time marker	Speaker	Subject(s)	Action required
002825 – 003418	Chairman Mr Wilson OR Administration MTRCL	<p>Expressing dissatisfaction over the spate of incidents relating to the SCL project including cost overrun and project delay, Mr OR asked about:</p> <p>(a) in view that the incident regarding the testing of the new EAL signalling system which happened in May 2020, and the Administration was only informed of it in September 2020, whether the Administration would impose any penalties on MTRCL for the delayed notification of the incident; and if there was any dereliction of duty on the part of the Administration in the monitoring of MTRCL;</p> <p>(b) whether the target commissioning date for "Hung Hom to Admiralty Section" have been thoroughly assessed and could be maintained as the first quarter of 2022 having regard to the delay in the commencement of the new EAL signalling system; and the Administration's views on the assessment made by MTRCL in this respect; and</p> <p>(c) concrete measures that would be taken by MTRCL to achieve the target commissioning date for "Hung Hom to Admiralty Section".</p> <p>The Administration replied that it attached great importance to the incident given that the new EAL signalling system was critical to the commissioning of "Hung Hom to Admiralty Section". Since September 2020, the Administration had been closely monitoring the relevant follow-up actions, further inspection and testing conducted by MTRCL during non-traffic hours. Taking safety as the top priority, the new EAL signalling system could only be put into service after its system reliability was further assured.</p> <p>MTRCL added that it had been exploring proactively the feasibility of resequencing other critical works and advancing the works, such as the bifurcation works. Taking account of the latest situation as well as other factors, the targeted commencement of passenger services on "Hung Hom to Admiralty Section" in the first quarter of 2022 remained a major challenge. MTRCL would review and assess the programme of the "Hung Hom to Admiralty Section" upon the commissioning of the new EAL signalling system.</p>	Admin/MTRCL (paragraph 4 of the minutes referred.)

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		<p>Mr OR considered that the Administration and MTRCL did not provide concrete response to his questions above and requested the Administration and MTRCL to respond in writing after the meeting.</p>	
003419 – 003828	Chairman Administration MTRCL	<p>The Chairman enquired about the role of the Administration in the investigation of the incident and if the relevant government departments had taken part in the further testing of the signalling system and preparation of the Investigation Panel report to be submitted by MTRCL.</p> <p>The Administration responded that the Electrical and Mechanical Services Department ("EMSD") had participated in the preparation of the said report. In respect of the tests conducted by MTRCL, EMSD had participated in reviewing the testing assumptions and scenarios.</p> <p>The Chairman expressed concern that approval for the commissioning of the new EAL signalling system had actually been obtained from EMSD. The Administration responded that based on the reports submitted by MTRCL and the tests conducted at that time, EMSD had earlier on approved the commissioning of the new EAL signalling system. The Administration had requested MTRCL to suspend the commissioning of the new EAL signalling system and submit detailed report in this regard once it was aware of the incident on 10 September 2020.</p> <p>The Chairman queried the capability of EMSD staff to monitor and vet the tests conducted by MTRCL. The Administration responded that EMSD staff possessed relevant knowledge and expertise in signalling system. They would advise MTRCL on the scope of tests that needed to be conducted and review the results of the tests with a view to ascertaining the system reliability.</p> <p>The Chairman pointed out that the fare levels of West Rail Line ("WRL") and former Ma On Shan Line were higher than that of the EAL. Noting that TML would commission in the near future, the Chairman asked whether the Administration would seize the opportunity to review the fare structure of TML. The Administration responded that the fares of TML would be set in accordance with the established mechanism. MTRCL then advised that as explained on previous occasions, the fare structure</p>	

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		would be holistically reviewed.	
003829 – 004308	Chairman Mr Tony TSE Administration MTRCL	<p>Mr TSE requested the Administration to provide supplementary information in writing on the details of the implementation progress of the measures as recommended in the interim report submitted by the Commission of Inquiry into the Construction Works at and near the Hung Hom Station Extension ("COI"), including the expected timeline for the implementation of all the recommendations. Mr TSE further enquired about:</p> <ul style="list-style-type: none"> (a) the follow-up actions taken, and the penalties imposed (if any) by the Administration in view of the COI's findings that the construction works of SCL project were not executed in accordance with the contract; (b) whether the carrying capacity of EAL trains would be reduced by 25% after the replacement of the existing 12-car trains with 9-car trains; and the measures that would be implemented by MTRCL to cope with the possible congestion situation; and (c) the impact of utilization of local materials on the cost of SCL project; and (d) the reasons of including an additional project management cost of \$1,371 million in the latest cost estimate having regard to the unsatisfactory performance of MTRCL in taking forward the SCL project. <p>The Administration responded that:</p> <ul style="list-style-type: none"> (a) the Administration had pointed out clearly at the previous meeting of the Subcommittee that it disagreed to any additional project management cost considering that there was no material change in the scope of SCL works; and (b) costs payable to MTRCL would be settled according to the relevant Entrustment Agreement signed with MTRCL. The Administration reserved all the rights to pursue further actions against MTRCL if it was found that the construction works of SCL project were not executed in accordance with the Entrustment Agreement. 	Admin/MTRCL (paragraph 4 of the minutes referred.)

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		<p>MTRCL further responded that upon the commissioning of TML Phase 1 on 14 February 2020, about 10% of passengers had been diverted from EAL to TML Phase 1 for rail services to the East Kowloon, thereby relieving the current peak load between Tai Wai and Kowloon Tong stations on EAL. In view of the above diversion effect and the impact of the recent COVID-19 pandemic on patronage, MTRCL considered that the carrying capacity of EAL would be able to meet passenger demand after the introduction of 9-car trains. MTRCL would closely monitor the train operations after the commencement of the new EAL signalling system and would arrange some operation measures such as arranging special train trips suitably and flexibly according to actual situation to ease the flow of passengers.</p>	
004309 – 004757	Chairman Ir Dr LO Wai-kwok Administration MTRCL	<p>Ir Dr LO considered that the Administration and MTRCL should give a full account of the incident to members as soon as practicable after the completion of the investigation.</p> <p>MTRCL responded that it had received the report from the Investigation Panel and further testing on technical investigation part were being conducted during non-traffic hours. The Investigation Panel report would be submitted to the Government and the findings would be made public in due course.</p> <p>Ir Dr LO found it unacceptable that the paper provided by the Administration on the progress of the SCL project for this January 2021 meeting was only updated up to 30 September 2020.</p> <p>The Administration explained that in line with the past practice, the Administration had been submitting the progress report of the SCL project to the Subcommittee on a quarterly basis. During the verbal report of the SCL project made earlier at this meeting, the progress of individual works was updated as at November 2020 so as to facilitate members' understanding on the latest situation of the SCL project. The progress report of the SCL project to be submitted to the Subcommittee for discussion at the forthcoming meeting in February 2021 would be updated as at end December 2020. The Administration advised that it would be mindful of changes in the meeting schedule of the Subcommittee in future and endeavour to provide</p>	

Time marker	Speaker	Subject(s)	Action required
		the latest information for members' reference.	
004758 – 005327	Chairman Dr CHENG Chung-tai Administration	<p>In response to Dr CHENG's enquiry, the Administration advised that EMSD was aware of the incident on 10 September 2020 upon media enquiries and subsequent communications with MTRCL. EMSD had immediately requested MTRCL to submit a technical investigation report to explain in detail the causes of the incident. In the interest of safety, EMSD also requested MTRCL to suspend the commissioning of new EAL signalling system and introduction of 9-car trains originally scheduled for 12 September 2020.</p> <p>Noting that the unsatisfactory performance incident happened in May 2020 during the testing of the new EAL signalling system, Dr CHENG queried why approval from relevant government departments could still be obtained before 10 September 2020 to commence the new EAL signalling system. In addition, Dr CHENG opined that both the Administration and MTRCL failed to implement the COI's recommendation in respect of the liaison and communication mechanism between the Administration and MTRCL as set out in the COI's Final Report.</p> <p>The Chairman was concerned whether it involved deliberate concealment of the incident from the relevant government departments.</p> <p>The Administration responded that before approving the commissioning of the new EAL signalling system, EMSD and the Transport Department had conducted numerous tests in tandem with MTRCL to ascertain the system reliability. During those tests conducted by MTRCL, all trains could be directed to the correct routes under the new signalling system and there was no incorrect train entry to stations.</p>	
005328 – 005732	Chairman Mr YIU Si-wing MTRCL	Mr YIU noted with concern that the targeted commencement of passenger services on the "Hung Hom to Admiralty Section" in the first quarter of 2022 remained a major challenge as advised by MTRCL. He further noted from paragraph 7 of Annex 2 to the Administration's paper that the construction progress at the Exhibition Centre Station was still a challenge. In this connection, Mr YIU asked whether the target commissioning date for "Hung Hom to Admiralty Section" could be maintained as the first quarter of 2022 if the	

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		<p>problems relating to access constraints and difficult logistics at the Exhibition Centre Station were resolved.</p> <p>MTRCL responded that the commissioning of "Hung Hom to Admiralty Section" would hinge on the progress of a number of critical works, including the construction works at the Exhibition Centre Station, the commissioning of the new EAL signalling system and the bifurcation works. Given the implementation of delay recovery measures at the Exhibition Centre Station, the works progress thereat was now on schedule. The existing most critical works would be the commissioning of the new EAL signalling system.</p> <p>Mr YIU enquired about the arrangement for disposing of the existing 12-car trains. MTRCL responded that MTRCL planned to re-assemble certain parts and components of the 12-car trains and reuse them on the trains of other railway lines.</p>	
005733 – 010144	Chairman Deputy Chairman Administration MTRCL	<p>The Deputy Chairman enquired about the current status of negotiation between the Administration and MTRCL on the funding obligations of the proposed additional project management cost of SCL project which was about \$1,371 million.</p> <p>The Administration reiterated its position that it disagreed to any additional project management cost. MTRCL supplemented that the matter was being handled in accordance with the established mechanism and the discussion with Administration was still underway.</p> <p>The Deputy Chairman was disappointed at the MTRCL's reply above and expressed dissatisfaction that the dispute on the funding obligations of the proposed additional management cost between the Administration and MTRCL remained unresolved. He opined that the mode of governance between the Administration and MTRCL had given rise to the problems of construction delays in the implementation of new railway projects. As such, he considered that the Administration should buy back all the shares of MTRCL in order to gain full control over the operation of MTR.</p>	
010145 – 010316	Chairman	The Chairman said that members in general were dissatisfied with the MTRCL's response to members' questions given at the meeting.	

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		<p>Pointing out that MTRCL failed to respond specifically to members' concerns in relation to the construction of SCL, he urged the Administration to follow up with MTRCL in this regard.</p>	
010317 – 010910	Chairman Dr Priscilla LEUNG Administration	<p>Dr LEUNG expressed grave concern that the target commissioning date for "Hung Hom to Admiralty Section" might be further delayed. She considered it unacceptable for the Administration and MTRCL not to respond in specific terms to the concerns raised by members at the meeting. In this regard, she requested the Administration to specifically explain the technical challenges encountered in the construction of SCL that might have adverse impact on the overall project progress.</p> <p>The Administration advised that as explained by MTRCL earlier, there were mainly three critical works that would impact on the commissioning of "Hung Hom to Admiralty Section", i.e. the construction of the Exhibition Centre Station, the commissioning of the new EAL signalling system with train replacement and the track bifurcation works. With the implementation of delay recovery measures, the challenges on the construction of the Exhibition Centre Station had been brought under control. As regards the incidents that occurred on the new EAL signalling system during the non-traffic hours testing over the past few months, MTRCL had been investigating into the causes of the incidents and carrying out necessary rectification works. The implications on the commissioning of the North South Corridor under SCL could only be ascertained after the commissioning of the new EAL signalling system. Lastly, track bifurcation was required between Mong Kok East Station and Hung Hom Station to connect the existing EAL to the new SCL platforms at Hung Hom Station Extension. The train service between Mong Kok East Station and Hung Hom Station had been temporarily suspended on the last Sunday so that the more complex and critical works could be carried out smoothly. It was expected that the same arrangement was necessary on nine other selected Sundays.</p>	
<i>Agenda Item VI – Northern Link (and Kwu Tung Station)</i>			
010911 – 011722	Chairman	Briefing by the Administration with the aid of a powerpoint presentation [LC Paper Nos. CB(4)302/20-21(01) and CB(4)385/20-21(01)].	

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011723 – 012141	Chairman Michael TIEN Administration	<p>In view of the importance of Hong Kong's integration with the Greater Bay Area under the current national policy, Mr TIEN asked the Administration for the reasons of not considering the development of a spur line connecting the proposed San Tin Station and the existing Lok Ma Chau Station on EAL. He remarked that such proposal had been considered by the Kowloon-Canton Railway Corporation and was included as part of the Northern Link ("NOL") project before.</p> <p>The Administration responded that it had taken into consideration a number of parameters in planning for the development of NOL, including the planning work of the Shenzhen Municipal Government on boundary control points between Hong Kong and Shenzhen, such as the redevelopment of Huanggang Port. The Administration would provide appropriate ancillary transport facilities in the light of the planning work of the Shenzhen Municipal Government, with a view to facilitating cross-boundary people flow. While Mr TIEN's suggestion was not included in the Administration's proposal at this stage, the Administration would give due consideration to it taking into account cross-boundary transport demand and the relevant redevelopment proposal of Shenzhen.</p> <p>The Administration further advised that the alignment of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") (whether the dedicated corridor option or shared corridor option should be adopted) had not been decided at the time when the NOL project (which might connect with the Lok Ma Chau Station as well as the then proposed Regional Express Line) was proposed in Railway Development Strategy 2000 ("RDS-2000"). In any case, the policy initiative of Hong Kong's integration with the Greater Bay Area would be duly considered when planning for the cross-boundary transport infrastructure in future.</p> <p>Mr TIEN was unconvinced of the Administration's explanation and said that residents in New Territories West would not use the West Kowloon Station of XRL for travelling to the Mainland.</p>	
012142 – 012602	Chairman Deputy Chairman Administration	The Deputy Chairman expressed deep concern on the long lead time required for taking forward the NOL project, the concept of which was announced	

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		<p>back in the RDS-2000. Noting from the Administration's paper that it would take as long as four and nine years respectively to complete the construction of Phase 1 and Phase 2 of NOL, and given that Phase 1 only involved the construction of one station, i.e. the Kwu Tung ("KTU") Station on the existing Lok Ma Chau Spur Line ("LMCSL"), the Deputy Chairman asked whether the Administration could compress the construction time of the project. He also queried whether MTRCL had the capacity to undertake the planning, design and construction works of the project and opined that the Administration should consider introducing other competitors with a view to completing the project with lower cost and greater efficiency.</p> <p>The Administration advised that the population intake of public housing units in Kwu Tung North New Development Area ("KTN NDA") would commence progressively from 2026 onwards. By the time when KTU Station was expected to be commissioned in 2027, about 7 400 public housing units (i.e. about one quarter) would have been completed. The Administration would explore with MTRCL on the ways to expedite the implementation of NOL Phase 1 (i.e. KTU Station on LMCSL). Besides, the works programme of NOL Phase 2 (i.e. the NOL Main Line) indicated in the paper was only preliminary. Subject to the detailed planning and design of the project, the Administration would strive to shorten the construction time of NOL Phase 2.</p>	
012603 – 013113	Chairman Ir Dr LO Wai-kwok Administration	<p>Ir Dr LO pointed out that according to the indicative implementation window of NOL as recommended in the Railway Development Strategy 2014 ("RDS-2014"), the construction of NOL would commence in 2018 for completion in 2023, in order to support the first population intake for KTN NDA starting from 2023 in a timely manner. He noted with serious concern that the construction of NOL Phase 2 was expected to be completed by 2034, representing a delay of about 11 years when compared with the implementation timetable as recommended in RDS-2014. Ir Dr LO criticized the Administration for "engaging in discussions without making decision, and making decision without implementation". Noting that MTRCL had already submitted proposals for several new railway projects to the Administration since 2016, Ir Dr LO questioned the major progress made over the past</p>	

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		<p>few years in taking forward these new railway projects and the measures to be put in place by the Administration to compress the timeframe of the project.</p> <p>The Administration advised that as stated in RDS-2014, the taking forward of individual proposed railway projects set out in the Strategy would be subject to the outcome of detailed engineering, environmental and financial studies relating to each project, as well as updated demand assessment and availability of resources. MTRCL had submitted earlier the NOL project proposal to the Administration. After receiving the proposal, the Administration would have to evaluate the proposal and clarify with MTRCL on a number of issues to ensure that the proposal was practically feasible and financially viable, with a view to submitting the proposal to the Executive Council for approval the soonest possible. Hence, the implementation of the new railway project concerned had been taken forward progressively. The Administration noted members' views and would follow up with MTRCL to explore ways to compress the relevant procedures and implementation timeframe.</p>	
013114 – 013517	Chairman Mr POON Siu-ping Administration	<p>Mr POON enquired about the reasons for not carrying out NOL Phase 1 and Phase 2 concurrently. The Administration explained that the main consideration to carry out the construction of NOL in two phases was to facilitate the early commissioning of KTU Station so that the residents of KTN NDA could enjoy the new railway as early as possible.</p> <p>Noting that the Administration would carry out negotiation with MTRCL on the financial arrangement of NOL on the basis of the ownership approach for funding the project, and with reference to the past practice, the Administration might grant property development rights to MTRCL in order to provide funding support to bridge the funding gap for financially non-viable railway projects, Mr POON enquired whether the property development rights were one of the critical issues in the negotiation between the Administration and MTRCL.</p> <p>The Administration responded that one way to provide funding support to bridge the funding gap of financially non-viable railway projects was to grant property development rights to MTRCL. The Administration further advised that the detailed</p>	

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		<p>planning and design of the NOL project would involve a number of activities, including carrying out site investigation, assessing the impact on environment and conservation area along the railway alignment and coordinating with relevant authorities on the overall planning and development of the areas along the alignment. As such, it would take some time to carry out the detailed planning and design of the NOL project.</p>	
013518 – 013909	Chairman Mr Frankie YICK Administration	<p>While welcoming the Administration's proposal to take forward the NOL project, Mr YICK expressed concern over the long lead time required for completion and high construction cost of the project. He asked whether the Administration would consider reviewing the whole regime including town planning and environmental impact assessment with a view to speeding up the infrastructure development in Hong Kong. Having regard to the high cost estimate of the project, Mr YICK also questioned whether the Administration could only engage MTRCL in the implementation of new railway projects or not.</p> <p>The Administration responded that as explained earlier, the detailed planning and design of the NOL project would involve a number of activities, during which the Administration and MTRCL would need to handle technical issues associated with the new railway project. The Administration would further ascertain the cost estimate of the project having regard to MTRCL's detailed planning and design. The Highways Department would also engage an independent consultant to examine the cost estimate submitted by MTRCL. Besides, as there were conservation areas along the railway alignment of the NOL, more time was required for carrying out the detailed planning and design so as to assess and mitigate the impact arising from the project.</p> <p>The Administration further advised that the current-term Government attached great importance to the timely completion of infrastructure projects. In implementing new railway projects, the Secretary for Transport and Housing would maintain close contact with the Secretary for Development, with a view to compressing the timeframe of the project and at the same time ensuring works quality and safety.</p>	

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013910 – 014331	Chairman Mr LEUNG Che- cheung Administration	<p>Noting that the detailed planning and design as well as the statutory procedures for NOL Phase 2 would be completed by 2025, Mr LEUNG was deeply concerned that it would still take nearly 10 years to complete the construction of the railway link between KTU Station and Kam Sheung Road ("KSR") Station (i.e. NOL Phase 2).</p> <p>The Administration responded that a number of elements were included in the implementation of a new railway project, including site investigation, assessment of the impact on nearby residents arising from the railway alignment, construction as well as testing and commissioning. The railway alignment would also be subject to change taking into account the outcome of site investigation. The Administration undertook to further explain the relevant details to Mr LEUNG after the meeting.</p>	
014332 – 014807	Chairman Mrs Regina IP Administration	<p>Mrs IP noted with serious concern that for financially non-viable railway projects, the Administration would provide funding support to MTRCL through granting of property development rights under the ownership approach. She considered that this arrangement would bring hefty property development profit to MTRCL. In this regard, she urged the Administration to review the fare structure of railway lines as soon as possible and to set up a mechanism under which MTRCL had to use its profit earned from property developments to subsidize the MTR fares when such profit reached a certain level.</p> <p>The Administration responded that the purpose of granting property development rights to MTRCL under the "Railway-plus-Property" model in previous railway projects was to subsidize the entire operation cycle of a new railway line. As regards Mrs IP's further enquiry about the future property developments atop KTU Station, the Administration advised that suitable sites in the vicinity of KTU Station had been identified and it was proposed that the property development rights of the sites concerned should be granted to MTRCL under the "Railway-plus-Property" development model to bridge the funding gap of the KTU Station and the detailed planning and design of NOL Phase 2. Prior to the construction of NOL Phase 1, the Administration and its independent consultant would rigorously examine the cost estimates submitted by MTRCL to ascertain the necessary funding support.</p>	

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		<p>Mrs IP also expressed concern over MTRCL's monopoly and considered that the Administration should review the arrangement of granting MTRCL a franchise to operate railway lines for 50 years.</p> <p>Extension of meeting by 12 minutes.</p>	
014808 – 015235	Chairman Administration	<p>Expressing concern that KTU Station would still be under construction by the time when the first population intake of public housing units in KTN NDA commenced in 2026, the Chairman commented that the Administration had been paying lip service when they claimed to adopt the infrastructure-led planning approach. Given that NOL would connect to the existing KSR Station of WRL (TML after the lines' opening), the Chairman was concerned that the congestion situation at KSR Station during peak hours would be further aggravated and WRL would not be able to cope with the additional passenger flow brought about by the NOL upon its commissioning.</p> <p>The Administration advised that NOL, which would connect the EAL and WRL, would bring various benefits to the community, such as facilitating the cross-boundary journeys of the residents in the Northwest New Territories and also offering an alternative mode of cross-boundary transport service for them. While taking forward the NOL project, the Administration would at the same time explore measures to improve the road networks of Tuen Mun and Yuen Long under relevant studies. Meanwhile, the Administration had invited MTRCL to consider further enhancing the passenger carrying capacity of WRL. MTRCL had been taking various measures to relieve passenger demand during peak periods. Upon completion of the NOL project, WRL would be able to meet the demand during morning peak hours at the busiest section of WRL with the trains slightly congested if the service benchmark of four persons per square metre in train compartments was adopted. Apart from the implementation of NOL project, the Administration would also strive to improve the efficiency of other railway lines and road-based transport.</p> <p>The Chairman considered that the Administration should provide information on traffic impact assessment upon the commissioning of NOL, so as to convince the residents in Yuen Long and Kam Tin that the passenger carrying capacity of WRL would</p>	

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		be able to cope with the demand of future patronage.	
015236 – 015658	Chairman Mr Tony TSE Administration	<p>Mr TSE pointed out that while majority of members and the public indicated support for the NOL project, they were concerned about the completion timetable, efficiency and cost estimate of the project. Mr TSE was deeply concerned about the high unit cost of NOL at about \$6 billion per kilometre and questioned how the Administration would ascertain if the cost estimate of the NOL project submitted by MTRCL was a reasonable one given that there was lack of competition in the market. In view of the frequent occurrence of railway incidents in recent years, Mr TSE queried whether there were sufficient talents in the Government to monitor the performance of MTRCL.</p> <p>Referring to the MTRCL's response to members' questions on SCL raised earlier at the meeting, the Administration acknowledged that there was room for improvement and undertook to communicate with the MTRCL's management in this regard. The Administration further advised that the Financial Services and the Treasury Bureau would be involved in examining the cost estimate of the project. The Administration would engage a financial consultant and a technical consultant to rigorously examine the cost estimate submitted by MTRCL as well. As for the monitoring of MTRCL, the Administration was drafting a proposal on the establishment of a new department specifically tasked to handle and supervise railway planning and delivery matters. The Administration would report the details of the proposal to the Subcommittee in due course.</p> <p>Mr TSE expressed that the Administration and MTRCL should refrain from engaging the same consultant for the project to avoid conflict of interest. The Administration noted Mr TSE's view and would address any concerns as to conflict of interest.</p>	
015659 – 020124	Chairman Mr Abraham SHEK Administration	<p>Mr SHEK indicated support for the NOL project. That said, he was concerned about the long time required for implementing the project and also found the estimated capital cost of the project unacceptable. Having regard to the cost overrun in the XRL Project and the Shatin to Central Link Project, Mr SHEK cast doubt if MTRCL was capable to manage the operation of various existing and new railway lines. Sharing the views of Mrs Regina IP, Mr SHEK opined that the Administration should have new</p>	

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		<p>thoughts and should no longer engage MTRCL in the implementation of new railway projects and corporations like China Railway Corporation should be considered. Further, the Administration should consider privatizing MTRCL and he was supportive of the Administration's proposal to set up a new railway department to enhance the monitoring of MTRCL. Mr SHEK considered that a special meeting should be held to discuss issues relating to the operation and governance of MTRCL.</p> <p>The Administration responded that during the discussion of relevant subject earlier in the Legislative Council, the Administration had already remarked that it would not rule out the possibility of implementing independent railway projects by other means in future.</p>	
<i>Agenda Item VII – Any other business</i>			
020125 – 020133	Chairman	Closing remarks	