

LCQ1: Construction Works at and near Hung Hom Station Extension under Shatin to Central Link Project

Following is a question by the Hon Michael Tien and a reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 3):

Question:

In May 2018, works quality problems were uncovered in respect of the construction works at and near the Hung Hom Station Extension under the Shatin to Central Link project. The independent commission of inquiry set up by the Government for this matter submitted its final report in March this year. The report has pointed out that the MTR Corporation Limited (MTRCL) and its contractor, Leighton Contractors (Asia) Limited (Leighton), were responsible for the serious deficiencies in their management and supervision systems, and the Government as the overseer, had to bear a measure of responsibility. In this connection, will the Government inform this Council:

(1) given that project mismanagement on the part of MTRCL has led to a number of works quality problems and a delay of commissioning of the rail line, whether the Government will consider not paying MTRCL any amount of the management fees for the entire works project; if it will still pay such fees, whether the reason therefor is that the Government is still satisfied with MTRCL's performance;

(2) given that Leighton, as the contractor of the works project, has failed to fully comply with the procedures and requirements which aim to ensure works quality and structural safety, thereby compromising its integrity, and yet it is learnt that the Government has so far not completely disqualified Leighton and its related companies from tendering for public works projects, whether the Government will consider imposing heavier punishments on Leighton, including blacklisting Leighton and its related companies to permanently bar them from tendering for all public works and railway projects; if not, of the reasons for that; and

(3) given that as the overseer of the project, the Government has failed to play the role of an active participant, whether the Government will consider holding accountable the main government officials who were then involved (e.g. making a public condemnation); if so, of the specific actions to be taken; if not, the justifications for that?

Reply:

President,

The Commission of Inquiry into the Construction Works at and near the

Hung Hom Station Extension under the Shatin to Central Link Project (The Commission) submitted its final report (the Final Report) to the Chief Executive on March 27 this year. After redacting several parts therein to avoid any prejudice to relevant criminal investigations and any potential prosecutions of any criminal offences, the report was published on May 12 this year.

The Government welcomes the Commission's conclusion that, with the "suitable measures" in place, the station box (i.e. the diaphragm walls and platform slabs of the Hung Hom Station Extension), North Approach Tunnels (NAT), South Approach Tunnels (SAT) and Hung Hom Stabling Sidings (HHS) structures will be safe and also fit for purpose.

The Government also respects and is actively following up with the Commission's comments and recommendations. We will give a detailed account of the follow-up actions on the recommendations in the Commission's Final Report at the Legislative Council Subcommittee on Matters Relating to Railways meeting on June 5.

The expenses relating to the Hung Hom Station Extension incident are estimated at about \$2 billion. The MTR Corporation Limited (MTRCL) is responsible for all the concerned expenses. Based on the conclusions of the Final Report, the Government will study the responsibilities of MTRCL, and follow up according to the Entrustment Agreement as and when appropriate.

At present, the Government and MTRCL are focusing on project delivery, with a view to expediting the project progress so as to enable the public to enjoy the new railway service as soon as possible. After much effort, we anticipate that the full commissioning of Tuen Ma Line could be brought forward to the third quarter of 2021. By then, the "Kai Tak to Hung Hom Section" will connect with West Rail Line and Tuen Ma Line Phase 1. This will further improve the connectivity between the northeast New Territories and the urban area, and relieve the pressure on the current transportation network. At the same time, the Government has taken a series of measures to closely monitor the MTRCL's project management process. The Government will continue to follow up with MTRCL on the Commission's recommendations on MTRCL's areas for improvement, and will closely monitor MTRCL's implementation of the improvement proposals.

We understand that the regulating action taken by the Development Bureau against Leighton Contractors (Asia) Limited (Leighton) on October 8, 2018, in respect of the construction issues of the Shatin to Central Link Project is still effective, and the eligibility of Leighton to submit tenders for Government public works projects has still been suspended. The Development Bureau is now reviewing the Final Report, in order to examine and analyse whether there are new circumstances that have not been previously considered. If necessary, the Development Bureau will, pursuant to the existing regulating regime, follow up the case in a fair and just manner.

As for legal liability, we understand that the Buildings Department prosecuted the contractor Leighton under Cap. 123 Buildings Ordinance on May 15 this year. Since the case has entered the judicial process, it is not

appropriate to comment at this stage.

The Hung Hom Station Extension incident is mainly an issue of site supervision. It was recommended in the Final Report that government departments should participate more actively in site supervision. We are currently studying measures to improve the site supervision mechanism, and are examining the feasibility of establishing a new department specifically tasked to supervise and monitor the planning and delivery of railway projects following the direction recommended by the Commission, with a view to enhancing the Government's ability in monitoring and controlling the planning and delivery of new railway projects. The roles, responsibilities, staffing and structure of the new department are being studied in depth. With the new railway projects under the Railway Development Strategy 2014 progressively entering their planning and design stage, we will implement the above measures as soon as possible to ensure that the new monitoring strategy could be implemented before construction works of the projects commence, so as to enhance the public's confidence in the quality of railway works.