

CONTROLLING OFFICER'S REPLY**THB(T)243****(Question Serial No. 4604)**

Head: (60) Highways Department
Subhead (No. & title): (-) Not Specified
Programme: (3) Railway Development
Controlling Officer: Director of Highways (K K LAU)
Director of Bureau: Secretary for Transport and Housing

Question:

The Highways Department stated that it will continue to oversee the progress of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL), the South Island Line (East) [SIL(E)], the Kwun Tong Line Extension (KTE) and the Shatin to Central Link (SCL) to ensure their timely completion. In this regard, please advise –

- (a) what is the current progress for these projects?
- (b) what are the current anticipated dates of completion for these projects?
- (c) has the Government received any claims for compensation concerning these projects so far? Please provide information regarding the details, amount involved and vetting of these cases; and
- (d) what is the estimated patronage after the commissioning of these projects and when was this projection made?

Asked by: Hon Claudia MO (Member Question No. 82)

Reply:

- (a)&(b) According to the MTR Corporation Limited (MTRCL), the progress of construction works and the target commissioning dates of the railway projects as at the end of 2015 are tabulated below –

Project	Actual progress of construction works* (% completed)	Target commissioning date
XRL	76	Third quarter of 2018, including a six-month contingency period
SIL(E)	93	End 2016
KTE	91	Third or fourth quarter of 2016
SCL	48	Tai Wai to Hung Hom section: 2019
		Hung Hom to Admiralty section: 2021

* The progress of the railway projects is expressed in terms of percentage of work done.

- (c) The information on contractors' claims and the corresponding compensation paid for settled claims for the railway projects as at end December 2015 is tabulated below –

Project	Number of settled claims	Number of unsettled claims	Amount of compensation paid for settled claims (\$ million)	Amount of unsettled claims for compensation (\$ million)
XRL	170	692	1,919	23,357
SCL	20	301	20	1,369

For the XRL, the progress of works was delayed due to the unfavourable ground conditions encountered, changes in design to suit actual site conditions and various unforeseen circumstances, etc. The foundation works at the West Kowloon Terminus was hindered by the presence of large boulders and uncharted utilities, which also resulted in a knock-on effect on the progress of the subsequent and adjacent works implemented under tightly interfaced contracts. The contractors have submitted claims in accordance with the contract terms to cover the additional expenditures. During the course of executing the contracts, the contractors may submit claims in accordance with the contract terms to cover the additional expenditures to which they consider entitled. The MTRCL would process each claim in a prudent manner, and the contractors would have to provide sufficient justifications and information to support their claims.

For the SCL, the Government and the MTRCL conducted risk assessment at the planning and budgeting stages of the project to minimise claims arising from the works. Nevertheless, there were often unforeseeable situations in the course of works. For instance, the foundation or excavation works might come across a larger amount of or more complicated obstructions than expected. As this would add difficulties to the works, the contractors might have to use more machines or switch to other machines that were more suitable, and employ more staff to cope with the situations. During the course of executing the contracts, the contractors may submit claims in accordance with the contract terms to cover the additional expenditures to which they consider entitled. The MTRCL would process each claim in a prudent manner, and the contractors would have to provide sufficient justifications and information to support their claims.

The SIL(E) and the KTE are ownership projects. The MTRCL will bear the additional costs arising from the delay and variation of the railway works. We do not have information on claims from contractors on related contracts.

- (d) The forecast daily patronage in the commissioning year of the railway projects is tabulated below –

Project	Forecast daily patronage in the commissioning year	Year of forecast
XRL	99 000 in 2016 (original) 109 200 in 2018 (revised)	Original forecast made in 2008 and reviewed in 2015
SIL(E)	170 000 in 2016	2010
KTE	180 000 in 2016	2007
SCL	1.1 million in 2021	2010

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