

立法會
Legislative Council

LC Paper No. CB(3) 810/17-18

Ref : CB(3)/M/MM
Tel : 3919 3300
Date : 6 July 2018
From : Clerk to the Legislative Council
To : All Members of the Legislative Council

Council meeting of 11 July 2018

**Amendments to motion on
“Restructuring the governance of MTR Corporation Limited”**

Further to LC Paper No. CB(3) 768/17-18 issued on 28 June 2018, four Members (Hon LUK Chung-hung, Hon CHAN Han-pan, Hon LAM Cheuk-ting and Dr Hon KWOK Ka-ki) have respectively given notice of their intention to move separate amendments to Hon Michael TIEN’s motion on “Restructuring the governance of MTR Corporation Limited”. As directed by the President, the respective amendments will be printed in the terms in which they were handed in.

2. The President will order a joint debate on the above motion and the four amendments. To assist Members in debating the motion and the amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon Michael TIEN to speak and move his motion;
- (b) the President proposes the question on Hon Michael TIEN’s motion;
- (c) the President calls upon the four Members who wish to move amendments to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon LUK Chung-hung;
 - (ii) Hon CHAN Han-pan;

- (iii) Dr Hon KWOK Ka-ki; and
- (iv) Hon LAM Cheuk-ting;
- (d) the President calls upon the public officer(s) to speak;
- (e) the President invites other Members to speak;
- (f) the President gives leave to Hon Michael TIEN to speak for the second time on the amendments;
- (g) the President calls upon the public officer(s) to speak again;
- (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the four Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon LUK Chung-hung to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon LUK Chung-hung's amendment;
- (i) after Hon LUK Chung-hung's amendment has been voted upon, the President deals with the other three amendments; and
- (j) after all amendments have been dealt with, the President calls upon Hon Michael TIEN to reply. Thereafter, the President puts to vote the question on Hon Michael TIEN's motion, or his motion as amended, as the case may be.

3. For Members' reference, the terms of the original motion and the marked-up version of the amendments are set out in the **Appendix**.

(Dora WAI)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Restructuring the governance of MTR Corporation Limited”
to be held at the Council meeting of 11 July 2018**

1. Hon Michael TIEN’s original motion

That the MTR Corporation Limited (‘MTRCL’) has built and operates 11 railways in Hong Kong, and in the future, seven new railway projects will most likely be assigned to MTRCL; the people of Hong Kong heavily rely on the railway system as a mode of transport, but in recent years, there have been strong views in society on the service quality, corporate governance and supervision of works of MTRCL; the Hong Kong SAR Government as the majority shareholder of MTRCL has a major responsibility of monitoring MTRCL in providing to the public the safest railway services and infrastructure of the best quality; in this connection, this Council urges the SAR Government to adopt the following measures to restructure the governance of MTRCL to restore public confidence in MTRCL:

- (1) setting up an independent railway development department—given that at present, a railway from planning to construction involves various government departments, including the Electrical and Mechanical Services Department, the Civil Engineering and Development Department, the Buildings Department and the Highways Department, resulting in fragmentation of responsibilities and inefficiency; besides, responsible for all the works of roads, tunnels, bridges, etc. in Hong Kong, the Highways Department can hardly attend to everything at the same time, thus giving rise to problems in the regulation of railways; hence, the SAR Government should set up an independent railway development department dedicated to railway works and directly responsible to the Secretary for Transport and Housing;
- (2) planning new development areas in tandem with their ancillary railway facilities—in planning some of the new development areas in the past, since the SAR Government did not concurrently consider ancillary transport facilities, serious traffic problems arose in such areas, and the SAR Government then constructed railways in a rush, thus causing the works quality to fall; hence, new development areas and ancillary railway facilities should be planned in tandem in order to prevent the quality of railway projects from being affected by very tight work schedules;

- (3) urging MTRCL to regularly review its investment strategy of updating the signalling system—in the past, repeated serious disruptions of MTR train services were caused by the ageing signalling system; hence, MTRCL should regularly upgrade the signalling system to the latest version, rather than refusing to upgrade the signalling system on the ground of the cost being the prime factor of consideration, so as to ensure provision of stable and reliable public transport services to passengers;
- (4) rationalizing the appointment of the Chairman and the Chief Executive Officer of MTRCL—to cope with the foreseeable railway projects, either of the Chairman and the Chief Executive Officer of MTRCL, being the two highest persons-in-charge, should have an engineering background to facilitate monitoring of the works progress at the highest level;
- (5) supervising MTRCL in reviewing the criteria of its internal tendering system—when drawing up the criteria of its internal tendering system, MTRCL should study following the criteria of the tendering system of the SAR Government which draw greater reference from the past performance, cooperative attitude, accountability performance of tenderers, etc., rather than overstressing the principle of ‘the lowest bid wins’ and the number of times the tenderers were awarded railway projects in the past as priority considerations, so as to avoid monopolization;
- (6) requiring MTRCL to strengthen the project management notification system—MTRCL should draw up specific and transparent notification criteria and make improvements on two levels: on the first level, requiring frontline site staff to report to the management in higher ranks the site conditions, including but not limited to issuing to contractors non-conformance notices/reports for any work that does not comply with plans and works requirements, and on the second level, reporting to the Government all construction problems in respect of repeated mistakes without rectification, delays in resolving such problems and suspected violations of statutory requirements; and
- (7) raising MTRCL’s requirements for supervision of the works of contractors—MTRCL should draw reference from the requirements of the SAR Government in supervising public works, including considering the introduction of the Contractor Management Handbook for public works to conduct regular assessments on the quality, progress and safety of works, environmental protection, management and attitude of the persons-in-charge of projects, subcontracting of works,

performance of procurement, etc., and requiring resident site staff to conduct thorough on-site supervision, thereby effecting more stringent supervision of railway projects.

2. Motion as amended by Hon LUK Chung-hung

That *Hong Kong has all along adopted the transport policy of 'priority to railway'*; the MTR Corporation Limited ('MTRCL') has ~~built and operates 11 railways in Hong Kong~~ *persistently monopolized the construction and operation of local railways*, and in the future, seven new railway projects will most likely be assigned to MTRCL; the people of Hong Kong heavily rely on the railway system as a mode of transport, but in recent years, there have been strong views in society on the service quality, corporate governance and supervision of works of MTRCL; the Hong Kong SAR Government as the majority shareholder of MTRCL has a major responsibility of monitoring MTRCL in providing to the public the safest railway services and infrastructure of the best quality; in this connection, this Council urges the SAR Government to adopt the following measures to restructure the governance of MTRCL to restore public confidence in MTRCL:

- (1) setting up an independent railway development department—given that at present, a railway from planning to construction involves various government departments, including the Electrical and Mechanical Services Department, the Civil Engineering and Development Department, the Buildings Department and the Highways Department, resulting in fragmentation of responsibilities and inefficiency; besides, responsible for all the works of roads, tunnels, bridges, etc. in Hong Kong, the Highways Department can hardly attend to everything at the same time, thus giving rise to problems in the regulation of railways; hence, the SAR Government should set up an independent railway development department dedicated to railway works and directly responsible to the Secretary for Transport and Housing;
- (2) planning new development areas in tandem with their ancillary railway facilities—in planning some of the new development areas in the past, since the SAR Government did not concurrently consider ancillary transport facilities, serious traffic problems arose in such areas, and the SAR Government then constructed railways in a rush, thus causing the works quality to fall; hence, new development areas and ancillary railway facilities should be planned in tandem in order to prevent the quality of railway projects from being affected by very tight work schedules;

- (3) urging MTRCL to ~~regularly~~ **annually** review its investment strategy of updating the signalling system—in the past, repeated serious disruptions of MTR train services were caused by the ageing signalling system; hence, MTRCL should regularly upgrade the signalling system to the latest version, rather than refusing to upgrade the signalling system on the ground of the cost being the prime factor of consideration, so as to ensure provision of stable and reliable public transport services to passengers;
- (4) rationalizing the appointment of the Chairman and the Chief Executive Officer of MTRCL **and introducing a penalty mechanism**—to cope with the foreseeable railway projects, either of the Chairman and the Chief Executive Officer of MTRCL, being the two highest persons-in-charge, should have an engineering background to facilitate monitoring of the works progress at the highest level; **moreover, the bonuses and fees for the Chairman, the Chief Executive Officer and other members of the management of MTRCL must be deducted on basis of the number of major failures of railway services;**
- (5) supervising MTRCL in reviewing the criteria of its internal tendering system—when drawing up the criteria of its internal tendering system, MTRCL should ~~study following the criteria of the tendering system of the SAR Government which draw greater~~ **place emphasis on the service quality of tenderers, including drawing** reference from the past performance, cooperative attitude, accountability performance of tenderers, etc., rather than overstressing the principle of ‘the lowest bid wins’ and the number of times the tenderers were awarded railway projects in the past as priority considerations, so as to avoid monopolization;
- (6) requiring MTRCL to strengthen the project management notification system—MTRCL should draw up specific and transparent notification criteria and make improvements on two levels: on the first level, requiring frontline site staff to report to the management in higher ranks the site conditions, including but not limited to issuing to contractors non-conformance notices/reports for any work that does not comply with plans and works requirements, **as well as requiring written records on rectification works handled before each ‘hold point’**; and on the second level, reporting to the Government all construction problems in respect of repeated mistakes without rectification, delays in resolving such problems and suspected violations of statutory requirements; ~~and~~
- (7) raising MTRCL’s requirements for supervision of the works of contractors—MTRCL should draw reference from the requirements of the SAR Government in supervising public works, including

considering the introduction of the Contractor Management Handbook for public works to conduct regular assessments on the quality, progress and safety of works, environmental protection, management and attitude of the persons-in-charge of projects, subcontracting of works, performance of procurement, etc., and requiring resident site staff to conduct thorough on-site supervision, thereby effecting more stringent supervision of railway projects;

- (8) *reviewing the existing ways of financing of railway projects, including the ‘ownership approach’ and the ‘concession approach’, so as to minimize the incidence of problems in railway projects, such as delays, cost overruns and falsifications; and*
- (9) *reviewing the role of the Highways Department in monitoring railway projects and its system of recruiting ‘Monitoring and Verification Consultant’ from outside, so as to enhance the effectiveness of its assistance in monitoring railway projects.*

Note: Hon LUK Chung-hung’s amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Hon CHAN Han-pan

That *the existing 11 railways in Hong Kong were built and are operated by the MTR Corporation Limited (‘MTRCL’) has built and operates 11 railways in Hong Kong*, and in the future, seven new railway projects will most likely be assigned to MTRCL; the people of Hong Kong heavily rely on the railway system as a mode of transport, but in recent years, there have been strong views in society on the service quality, corporate governance and supervision of works of MTRCL, *as in the series of incidents relating to the quality of railway construction works exposed recently*; the Hong Kong SAR Government as the majority shareholder of MTRCL has a major responsibility of monitoring MTRCL in providing to the public the safest railway services and infrastructure of the best quality; in this connection, this Council urges the SAR Government to adopt the following measures to restructure the governance of MTRCL to *improve its services and corporate image, and* restore public confidence in MTRCL:

- (1) *holding MTRCL accountable for the incidents relating to the quality of railway construction works—according to the Service Concession Agreement signed between MTRCL and the SAR Government, project management costs are payable to MTRCL for project management and supervision, but the poor performance of MTRCL in supervision of railway construction works and notification of incidents has failed*

to meet public expectations; MTRCL, having an unshirkable responsibility in the relevant incidents, must take the blame for such faults, including reduction in project management costs and deduction of remunerations and bonuses for the management;

- (1)(2) setting up an independent railway development department—given that at present, a railway from planning to construction involves various government departments, including the Electrical and Mechanical Services Department, the Civil Engineering and Development Department, the Buildings Department and the Highways Department, resulting in fragmentation of responsibilities and inefficiency; besides, responsible for all the works of roads, tunnels, bridges, etc. in Hong Kong, the Highways Department can hardly attend to everything at the same time, thus giving rise to problems in the regulation of railways; hence, the SAR Government should set up an independent railway development department dedicated to railway works and directly responsible to the Secretary for Transport and Housing, *so as to make planning for the Hong Kong railway development blueprint more effectively, conduct forward-looking and strategic studies, and effect coordination among relevant departments, thereby taking forward the implementation of various railway projects;*
- (2)(3) planning new development areas in tandem with their ancillary railway facilities—in planning some of the new development areas in the past, since the SAR Government did not concurrently consider ancillary transport facilities, serious traffic problems arose in such areas, and the SAR Government then constructed railways in a rush, thus causing the works quality to fall; hence, new development areas and ancillary railway facilities should be planned in tandem in order to prevent the quality of railway projects from being affected by very tight work schedules;
- (3)(4) urging MTRCL to regularly review its investment strategy of updating the signalling system *and upgrade station facilities*—in the past, repeated serious disruptions of MTR train services were caused by the ageing signalling system; hence, MTRCL should regularly upgrade the signalling system to the latest version, rather than refusing to upgrade the signalling system on the ground of the cost being the prime factor of consideration, so as to ensure provision of stable and reliable public transport services to passengers, *and regularly improve the station facilities;*
- ~~(4) —rationalizing the appointment of the Chairman and the Chief Executive Officer of MTRCL to cope with the foreseeable railway projects, either of the Chairman and the Chief Executive Officer of MTRCL,~~

~~being the two highest persons in charge, should have an engineering background to facilitate monitoring of the works progress at the highest level;~~

- (5) supervising MTRCL in reviewing the criteria of its internal tendering system—when drawing up the criteria of its internal tendering system, MTRCL should study following the criteria of the tendering system of the SAR Government which draw greater reference from the past performance, cooperative attitude, accountability performance of tenderers, etc., rather than overstressing the principle of ‘the lowest bid wins’ and the number of times the tenderers were awarded railway projects in the past as priority considerations, so as to avoid monopolization;
- (6) requiring MTRCL to strengthen the project management notification system—MTRCL should draw up specific and transparent notification criteria and make improvements on two levels: on the first level, requiring frontline site staff to report to the management in higher ranks the site conditions, including but not limited to issuing to contractors non-conformance notices/reports for any work that does not comply with plans and works requirements, and on the second level, reporting to the Government all construction problems in respect of repeated mistakes without rectification, delays in resolving such problems and suspected violations of statutory requirements; ~~and~~
- (7) raising MTRCL’s requirements for supervision of the works of contractors—MTRCL should draw reference from the requirements of the SAR Government in supervising public works, including considering the introduction of the Contractor Management Handbook for public works to conduct regular assessments on the quality, progress and safety of works, environmental protection, management and attitude of the persons-in-charge of projects, subcontracting of works, performance of procurement, etc., and requiring resident site staff to conduct thorough on-site supervision, thereby effecting more stringent supervision of railway projects; *and*
- (8) *strengthening the corporate social responsibility of MTRCL—despite the occurrence of quite a number of incidents of serious disruptions of railway services in recent years, MTRCL has still raised the fares despite having made handsome profits, and the proposed fare concessions are also inadequate, thus causing discontent in society; hence, the SAR Government should step up urging MTRCL to improve its service quality, and request MTRCL to take the initiative to lower the fares and offer more fare concessions, as well as incorporating a profit factor into the existing MTR Fare Adjustment*

Mechanism, thus making dedicated efforts to pass on the benefits to society and build up a positive image.

Note: Hon CHAN Han-pan's amendment is marked in *bold and italic type* or with deletion line.

4. Motion as amended by Dr Hon KWOK Ka-ki

That *the railway network in Hong Kong is extensive in coverage*; the MTR Corporation Limited ('MTRCL') has built and operates 11 railways in Hong Kong, and in the future, seven new railway projects will most likely be assigned to MTRCL; *since the Hong Kong SAR Government adopts the transport policy of using the rail-based network as the mainstay complemented by bus services*, the people of Hong Kong heavily rely on the railway system as a mode of transport, but in recent years, there have been strong views in society on the *fares*, service quality, corporate governance and supervision of works of MTRCL; the Hong Kong SAR Government as the majority shareholder of MTRCL has a major responsibility of monitoring MTRCL in providing to the public the safest railway services and infrastructure of the best quality, *and at the same time, it is also duty-bound to facilitate the public in using railway services at reasonable fares*; in this connection, this Council urges the SAR Government to adopt the following measures to restructure the governance of MTRCL to restore public confidence in MTRCL:

- (1) ~~setting up an independent railway development department—given that at present, a railway from planning to construction involves various government departments, including the Electrical and Mechanical Services Department, the Civil Engineering and Development Department, the Buildings Department and the Highways Department, resulting in fragmentation of responsibilities and inefficiency; besides, responsible for all the works of roads, tunnels, bridges, etc. in Hong Kong, the Highways Department can hardly attend to everything at the same time, thus giving rise to problems in the regulation of railways; hence, the SAR Government should set up an independent railway development department dedicated to railway works and directly responsible to the Secretary for Transport and Housing;~~
- (1) *reforming the Railway Development Office under the Highways Department—the SAR Government should expeditiously implement the recommendations in the Report of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link Independent Expert Panel on enhancing the role of the Railway Development Office as the project client, including strengthening its monitoring and verification functions, and establishing a mechanism to facilitate*

intervention by the SAR Government in handling railway works problems;

- (2) planning new development areas in tandem with their ancillary railway facilities—in planning some of the new development areas in the past, since the SAR Government did not concurrently consider ancillary transport facilities, serious traffic problems arose in such areas, ~~and the SAR Government then constructed railways in a rush, thus causing the works quality to fall~~ *as in the case of Tung Chung the population of which has now exceeded 100 000, but given that the works of Tung Chung West Extension and Tung Chung East Station have still not commenced, residents need to travel to and from Tung Chung Station on feeder transport; besides, various large development areas in Kowloon East will be completed one after another, but given that the works of the East Kowloon Line have not commenced either, residents in the mid-levels in Kowloon East cannot but rely on the existing inconvenient feeder transport with a high usage rate to travel to and from the nearby MTR stations;* hence, new development areas and ancillary railway facilities should be planned in tandem in order to prevent the ~~quality of railway projects from being affected by very tight work schedules~~ *failure of the transport facilities in such areas to cope with population growth, thus causing inconvenience to residents; moreover, in light of the rapid population growth in New Territories West, the SAR Government should immediately conduct a study on building another railway connecting New Territories West with the urban area to resolve the lack of public transport in the area;*
- (3) urging MTRCL to regularly review its investment strategy of updating the signalling system—in the past, repeated serious disruptions of MTR train services were caused by *not only the failure of the train system and other hardware ancillary facilities to catch up with the demand of the population but also* the ageing signalling system; hence, MTRCL should regularly upgrade the signalling system to the latest version, rather than refusing to upgrade the signalling system on the ground of the cost being the prime factor of consideration, so as to ensure provision of stable and reliable public transport services to passengers;
- (4) rationalizing the appointment *and responsibilities* of the Chairman and the Chief Executive Officer of MTRCL—to cope with the foreseeable railway projects, either of the Chairman and the Chief Executive Officer of MTRCL, being the two highest persons-in-charge, should have an engineering background to facilitate monitoring of the works progress at the highest level; *moreover, the SAR Government should prescribe open and transparent penalties for MTRCL, linking the service performance and quality of works supervision of MTRCL with the*

remunerations of its Chairman and Chief Executive Officer such that they shall bear due responsibilities for the railway system and works projects;

- (5) supervising MTRCL in reviewing the criteria of its internal tendering system—when drawing up the criteria of its internal tendering system, MTRCL should study following the criteria of the tendering system of the SAR Government which draw greater reference from the past performance, cooperative attitude, accountability performance of tenderers, etc., rather than overstressing the principle of ‘the lowest bid wins’ and the number of times the tenderers were awarded railway projects in the past as priority considerations, so as to avoid *reductions in bidding prices by works companies for the sake of winning tenders, subsequently leading to endless cost overruns in the projects, as well as* monopolization;
- (6) requiring MTRCL to strengthen the project management notification system—~~MTRCL should draw up specific and transparent notification criteria and make improvements on two levels: on the first level, requiring frontline site staff to report to the management in higher ranks the site conditions, including but not limited to issuing to contractors non-conformance notices/reports for any work that does not comply with plans and works requirements, and on the second level, reporting to the Government all construction problems in respect of repeated mistakes without rectification, delays in resolving such problems and suspected violations of statutory requirements;~~ *and the SAR Government should expeditiously implement the recommendations in the Report of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link Independent Expert Panel on thoroughly rectifying the project management system and internal culture of MTRCL, as well as comprehensively reforming the project reporting system;*
- (7) raising MTRCL’s requirements for supervision of the works of contractors—MTRCL should draw reference from the requirements of the SAR Government in supervising public works, including considering the introduction of the Contractor Management Handbook for public works to conduct regular assessments on the quality, progress and safety of works, environmental protection, management and attitude of the persons-in-charge of projects, subcontracting of works, performance of procurement, etc., and requiring resident site staff to conduct thorough on-site supervision, thereby effecting more stringent supervision of railway projects; *and*

- (8) *conducting a study on buying back all the remaining shares of MTRCL—although the SAR Government currently holds 75.17% of the shares of MTRCL, MTRCL often cares for the interests of other shareholders and neglects the use of railway as the backbone of the public transport system, people’s affordability of fares and its social responsibility; hence, the SAR Government should buy back all the remaining 24.83% of the shares of MTRCL so that the SAR Government and the Legislative Council can jointly monitor its overall operation, future development, various railway projects and determination of reasonable fares.*

Note: Dr Hon KWOK Ka-ki’s amendment is marked in *bold and italic type* or with deletion line.

5. Motion as amended by Hon LAM Cheuk-ting

That the MTR Corporation Limited (‘MTRCL’) has built and operates 11 railways in Hong Kong, and in the future, seven new railway projects will most likely be assigned to MTRCL; the people of Hong Kong heavily rely on the railway system as a mode of transport, but in recent years, there have been strong views in society on the service quality, corporate governance and supervision of works of MTRCL; *incidents of steel reinforcement bars being cut short, a layer of steel reinforcement bars in a structural wall being shaved thin and I-beams not being installed in compliance with requirements have been exposed in railway construction projects recently, causing Hong Kong people to feel very disappointed with MTRCL*; the Hong Kong SAR Government as the majority shareholder of MTRCL has a major responsibility of monitoring MTRCL in providing to the public the safest railway services and infrastructure of the best quality; in this connection, this Council urges the SAR Government to adopt the following measures to restructure the governance of MTRCL to restore public confidence in MTRCL:

- (1) ~~setting up an independent railway development department~~ *increasing the manpower of the Highways Department*—given that at present, a railway from planning to construction involves various government departments, including the Electrical and Mechanical Services Department, the Civil Engineering and Development Department, the Buildings Department and the Highways Department, resulting in fragmentation of responsibilities and inefficiency; ~~besides, responsible for all the works of roads, tunnels, bridges, etc. in Hong Kong, the Highways Department can hardly attend to everything at the same time, thus giving rise to problems in the regulation of railways; hence, the SAR Government should set up an independent railway development department dedicated to railway works and directly responsible to the~~

~~Secretary for Transport and Housing~~ *the Transport and Housing Bureau should enhance its coordination of work among departments and increase the manpower of the Highways Department dedicated to monitoring railway projects in order to step up surprise inspections, with a view to ensuring that the relevant works are executed in compliance with requirements;*

- (2) ~~planning new development areas in tandem with their ancillary railway facilities in planning some of the new development areas in the past, since the SAR Government did not concurrently consider ancillary transport facilities, serious traffic problems arose in such areas, and the SAR Government then constructed railways in a rush, thus causing the works quality to fall; hence,~~ *new development areas and new towns in the New Territories as early as possible—ancillary railway facilities in new development areas and ancillary railway facilities new towns in the New Territories should be planned in tandem as early as possible, especially railway systems in the New Territories connecting with urban areas,* in order to prevent the quality of railway projects from being affected by very tight work schedules;
- (3) ~~urging MTRCL to regularly review its investment strategy~~ *ensure completion of the works* of updating the signalling system—~~in the past, repeated serious disruptions of MTR train services were caused by the ageing signalling system; hence, MTRCL should regularly upgrade the signalling system to the latest version, rather than refusing to upgrade the signalling system on the ground of the cost being the prime factor of consideration~~ *on schedule—MTRCL will gradually complete the replacement of signalling systems in the coming few years and the SAR Government must step up its supervision of the relevant works,* so as to ensure ~~provision of~~ *commissioning of the new signalling systems of various MTRCL lines on schedule, thereby providing higher train frequencies and more* stable and reliable public transport services to passengers;
- (4) ~~rationalizing the appointment of the Chairman and the Chief Executive Officer of MTRCL~~ *requiring MTRCL to appoint independent non-executive directors having an engineering background*—to cope with the foreseeable railway projects, either of the Chairman and the Chief Executive Officer of MTRCL, being the two highest persons in charge, should have *MTRCL should appoint more persons having an engineering background and international experts as independent non-executive directors* to facilitate *their* monitoring of the works progress *and quality* at the highest level;

- (5) supervising MTRCL in reviewing the criteria of its internal tendering system—when drawing up the criteria of its internal tendering system, MTRCL should study following the criteria of the tendering system of the SAR Government which draw greater reference from the past performance, cooperative attitude, accountability performance of tenderers, etc., rather than overstressing the principle of ‘the lowest bid wins’ and the number of times the tenderers were awarded railway projects in the past as priority considerations, so as to avoid monopolization; ***moreover, terms should be added to works contracts to require contractors and subcontractors to, at the request of MTRCL, inform the public of problems in construction works that are of concern to society;***
- (6) requiring MTRCL to strengthen the project management notification system—MTRCL should draw up specific and transparent notification criteria and make improvements on two levels: on the first level, requiring frontline site staff to report to the management in higher ranks the site conditions, including but not limited to issuing to contractors non-conformance notices/reports for any work that does not comply with plans and works requirements, and on the second level, reporting to the Government all construction problems in respect of repeated mistakes without rectification, delays in resolving such problems and suspected violations of statutory requirements, ***and mandating making of reports to the top echelon of the Government when the works involve problems such as falsification, public safety and corruption;*** and
- (7) raising MTRCL’s requirements for supervision of the works of contractors—MTRCL should draw reference from the requirements of the SAR Government in supervising public works, including considering the introduction of the Contractor Management Handbook for public works to conduct regular assessments on the quality, progress and safety of works, environmental protection, management and attitude of the persons-in-charge of projects, subcontracting of works, performance of procurement, etc., and requiring resident site staff to conduct thorough on-site supervision, ***as well as studying overseas advanced monitoring experience and reviewing from time to time the system of works monitoring,*** thereby effecting more stringent supervision of railway projects.

Note: Hon LAM Cheuk-ting’s amendment is marked in ***bold and italic type*** or with deletion line.