### COMMISSION OF INQUIRY INTO THE DIAPHRAGM WALL AND PLATFORM SLAB CONSTRUCTION WORKS AT THE HUNG HOM STATION EXTENSION UNDER THE SHATIN TO CENTRAL LINK PROJECT APPOINTED PURSUANT TO SECTION 2 OF THE COMMISSION OF INQUIRY ORDINANCE (CAP 86) ON 10 JULY 2018

#### WITNESS STATEMENT OF CHUNG KUM-WAH

I, CHUNG Kum-wah, the Director of Highways of 5th Floor, Homantin Government Offices, 88 Chung Hau Street; Kowloon, Hong Kong, do say as follows:-

1. I am the Director of Highways ("**DHy**") and have held this position since 9 August 2016. The DHy is the head of the Highways Department ("**HyD**").

2. I make this statement pursuant to the requests of the Commission of Inquiry into the Diaphragm Wall and Platform Slab Construction Works at the Hung Hom Station Extension ("HUH") under the Shatin to Central Link Project ("Commission") by letter dated 1 August 2018 from Messrs Lo & Lo to the Transport and Housing Bureau ("THB") and HyD ("the 1 August Letter"). Save where otherwise appears, the facts deposed hereto are within my personal knowledge or are derived from office files and records and sources to which I have access, and are true to the best of my knowledge, information and belief. Save as otherwise specified, this statement adopts the same abbreviations and nomenclature as in the 1 August Letter.

3. Specific questions were raised in paragraphs 1 to 18 at pages 5 to 18 ("Questions 1 to 18") of the 1 August Letter. This statement provides my answers to Questions 1, 2, 3, 6, 16, 17 and 18. In relation to the other Questions, I have asked other HyD officers to make witness statements in order to fully assist the Commission. Those witness statements, in conjunction with mine, should address all the Questions in the 1 August Letter.

- 4. This statement is divided into the following parts:
- (1) Part 1 and Part 2 provide the background of the SCL Project, the organisation of HyD and details of HyD's Railway Development Office ("**RDO**"), in answer to Questions 1, 2 and 3.
- (2) Part 3 covers the roles, duties and responsibilities of HyD in the SCL Project, in answer to Questions 1, 2 and 3.
- (3) Part 4 provides an overview of the operation of monitoring groups and mechanism, in answer to Questions 2 and 6.
- (4) Part 5 covers the roles, duties and responsibilities of MTRCL, its contractor and sub-contractors for Contract 1112, in answer to Questions 1 and 2.
- (5) Part 6 deals with matters relating to the Commission's Terms of Reference, in answer to Questions 16, 17 and 18.

## Part 1 - Background of the SCL Project

5. The SCL was one of the railway projects recommended for implementation under the Railway Development Strategy 2000. The 17 km long SCL is a territory-wide strategic railway project with ten stations. The SCL will be linked with a number of existing rail lines, forming two railway corridors, namely the Tuen Ma Line (formerly known as "**East West Corridor**") and the East Rail Line (formerly known as "**North South Corridor**").

(1) The Tuen Ma Line connects Tai Wai Station of the Ma On Shan Line with Hung Hom Station of the West Rail Line. It allows passengers to travel directly from Wu Kai Sha Station to East Kowloon, Hung Hom, West New Territories and Tuen Mun without interchanging, providing a more direct and convenient railway service for passengers commuting between East New Territories and West New Territories. (2) The East Rail Line extends the existing East Rail Line from Hung Hom Station across the Victoria Harbour to Admiralty Station, allowing passengers from Lo Wu (using the East Rail Line) and Huanggang (using the Lok Ma Chau Spur Line) to reach the heart of Hong Kong Island directly.

6. Of the ten stations along the SCL,  $six^1$  will be interchange stations (which include Hung Hom Station) linking to a number of existing and future railway lines.

7. Upon completion, the SCL will expand the coverage of the railway network in Hong Kong to serve a vast number of passengers and a wide catchment of 380,000 residential and 260,000 employment population<sup>2</sup>. The SCL aims to:

- (1) significantly reduce the journey time for passengers commuting between East Kowloon, East New Territories and Hong Kong Island;
- (2) provide railway service for various districts currently without railway network connection, such as Hin Keng, Kai Tak, Sung Wong Toi and To Kwa Wan; and increase the capacity of the railway section from Shatin to Kowloon and that across the Harbour to help discharge the flow of railway passengers and relieve the existing burden on rail lines in urban Kowloon and Hong Kong Island;

<sup>&</sup>lt;sup>1</sup> The six interchange stations are –

<sup>(</sup>a) Tai Wai Station – interchange station for the Tuen Ma Line and East Rail Line;

<sup>(</sup>b) Diamond Hill Station – interchange station for the Kwun Tong Line and SCL;

<sup>(</sup>c) Ho Man Tin Station – interchange station for the Kwun Tong Line Extension and SCL;

<sup>(</sup>d) Hung Hom Station - interchange station for the Tuen Ma Line and East Rail Line;

<sup>(</sup>e) Exhibition Centre Station - interchange station for the SCL and the future North Island Line; and

<sup>(</sup>f) Admiralty Station – interchange station for the SCL, Tsuen Wan Line, Island Line and South Island Line.

<sup>&</sup>lt;sup>2</sup> The estimation was made when applying funding for the main works of SCL in 2012.

- (3) alleviate traffic congestion in the existing road networks, (including the Hung Hom Cross Harbour Tunnel) and the related environmental impact;
- (4) become an important component of the Kai Tak Development by providing public transport service to the new commercial and residential developments and the government facilities in the area; and
- (5) stimulate the rejuvenation of To Kwa Wan and Kowloon City.

8. It was estimated that the SCL would handle about 1.1 million passenger-trips per day in 2021. For an operation period of 50 years, the average travelling time saving will be around 75 million man-hours per year. The direct economic benefits generated in 2021 in terms of time saving to passengers will reach \$4.4 billion.

9. For the SCL project, the Government of the HKSAR funds the design and construction of the railway and its ancillary infrastructure, and ultimately owns the railway. MTRCL is entrusted with the design, construction, testing and commissioning of the proposed SCL by virtue of the Entrustment Agreements ("EAs")<sup>3</sup>. Upon completion of the proposed SCL, MTRCL would be granted a service concession for the operation and the Government of the HKSAR would receive service concession payment accordingly. As at 1 August 2018, the approved project estimate for the entire SCL project is about \$80.7 billion<sup>4</sup> (in MOD prices) in total.

## Part 2 - Organisation of HyD and RDO

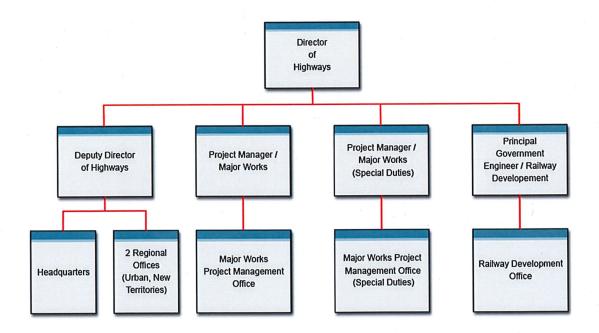
10. HyD which evolved from the Highways Office of the former Engineering Development Department was established on 1 June 1986. It

<sup>&</sup>lt;sup>3</sup> Three Entrustment Agreements ("**EAs**") of SCL, namely "EA1", "EA2" and "EA3", were signed between the Secretary for Transport and Housing Bureau ("**STH**") on behalf of the Government and MTRCL on 24 Nov 2008, 17 May 2011 and 29 May 2012 respectively. Under these EAs, the RDO of HyD would work as the representative of the THB in executing the EAs as per Clause 24.1 of EA1, Clause 25.1 of EA2 and Clause 30.1 of EA3.

<sup>&</sup>lt;sup>4</sup> If the cost for design and site investigation works of SCL is included, the total approved project estimate for the entire SCL project is \$83.1 billion.

is responsible for (1) planning, design, construction and maintenance of the public road system; and (2) planning and facilitating the implementation of the railway networks. The department's estimated annual expenditure under the Capital Works Reserve Fund for the financial year 2017/18 was about \$43.7 billion, of which \$18.8 billion was for railways and \$24.9 billion for roads, footbridges and other highway infrastructure construction. The budget for the financial year 2018/19 is \$30.9 billion.

11. As at 1 August 2018, HyD has a staff establishment of close to 600 professionals and about 1,700 staff in other grades. It consists of the Headquarters; two Regional Offices (i.e. Urban and the New Territories Regions); a Major Works Project Management Office; a Major Works Project Management Office (Special Duties) and a Railway Development Office. Each Office is headed by a Principal Government Engineer. The organization of HyD is as follows:



12. The RDO, composed mainly of civil engineers in general practice, is for implementation of railway projects and planning of related future expansions. Insofar as the SCL Project is concerned, RDO acts as THB's representative in administering the EAs entered into with MTRCL.

13. Furthermore, as at 1 August 2018, the RDO, which is headed by Principal Government Engineer/Railway Development ("**PGE/RD**"), has

Page 5 of 17

had a dedicated section comprising a total of 33 professional posts<sup>5</sup> including 1 Government Engineer, 3 chief professionals, 12 senior professionals and 17 professionals to oversee the implementation of the SCL Project.

#### Part 3 - Roles, duties and responsibilities of HyD in the SCL Project

14. HyD is the controlling department for Head 706 of the Capital Works Reserve Fund under which the SCL Project is funded. As in other new railway projects, HyD is involved in planning, monitoring and coordinating various activities associated with the implementation of the SCL Project.

- 15. During the implementation of the SCL Project, HyD:
- (1) oversees the overall implementation and the use of public funds;
- (2) monitors and verifies that MTRCL fulfils its obligations in accordance with the EAs;
- (3) liaises and coordinates with MTRCL and other departments to *inter alia* resolve interfacing issues and seek necessary approvals.

16. For the SCL Project, a project management approach similar to the one in the Express Rail Link ("**XRL**") project has been adopted. This approach essentially covers three elements, namely (1) entrustment of the whole project to MTRCL, (2) adoption of a "check the checker" approach with support from a Monitoring and Verification Consultant ("**M&V Consultant**") and (3) use of a building safety control mechanism handled by the Buildings Department ("**BD**")<sup>6</sup>.

<sup>&</sup>lt;sup>5</sup> The 33 professional staff include those staff who provide advisory services on electrical and mechanical ("**E&M**") works and building submissions for different railway projects and those staff who are working for the SCL Project on part-time basis.

<sup>&</sup>lt;sup>6</sup> In the SCL Project, part of its proposed works (e.g. the proposed HUH under Contract) are subject to the regime of the Buildings Ordinance (Cap 123) ("**BO**"). In this connection, BD has issued an Instrument of Exemption ("**IOE**") exempting such works from the application of certain procedures and requirements under the BO. As for the remaining works which are not governed by the BO, MTRCL is required to follow requirements and standards, which are similar to those in the IOE.

17. In respect of the first element, i.e. the entrustment of the SCL Project, the EAs specify that MTRCL's pre-existing project management and control processes would be used to deliver the SCL Project, and allow the Government's oversight and representation in key control procedures. In other words, MTRCL is responsible for devising and implementing its own project management procedures as required under the EAs and the Government's role is to monitor and verify that MTRCL fulfils its obligations.

18. In respect of the second element, i.e. the "check the checker" approach which was recommended by Lloyd's Register Rail (Asia) Limited ("Lloyd's") for the XRL project, I wish to point out that MTRCL's preexisting project management and control procedures were known to be robust and in line with the industry best practice, and MTRCL's processes were regularly reviewed and audited by outside bodies and had been proven and refined through the delivery of many high quality railway projects in and outside Hong Kong. Hence, "check the checker" is a risk based sampling approach to verify delivery of the requirements of the project scope and authorized expenditure, bearing in mind that the Government's resources should be utilized effectively to avoid repetition and micro management of the project.

19. Whilst the SCL Project has been entrusted to MTRCL, HyD under the "check the checker" approach still maintains its role in monitoring and verifying MTRCL's compliance with its obligations under the EAs, including quality and public safety aspects. In doing so, RDO and its M&V Consultant<sup>7</sup> conduct site inspections in respect of the construction works and progress. Further, through review of various reports and submissions by MTRCL and the M&V Consultant, HyD keeps track of the latest development of the SCL Project. The M&V Consultant engaged for the SCL Project is Pypun-KD & Associate Limited.

20. When significant issues relating to public safety and quality of works arise, HyD raises them with MTRCL at different levels of meetings

<sup>&</sup>lt;sup>7</sup> The M&V Consultant was employed primarily based on the recommendations by Lloyd's.

and calls for follow-up action. As to the circumstances in which significant issues have been identified and followed up under the existing monitoring and verification system, I defer to other HyD officer(s) to provide details in their respective witness statement(s).

21. In respect of the third element, i.e. the building safety control mechanism, BD is the authority under the Buildings Ordinance (Cap 123) Staff from BD are seconded to HyD to form a BO Team. Four ("**BO**"). of them (comprising a Senior Building Surveyor, a Senior Structural Engineer, a Building Surveyor and a Structural Engineer) are dedicated to handling matters arising from the SCL Project. The BO Team would advise on the building safety standards, practices and procedures of BD. With the support from the M&V Consultant, the BO Team mainly vets the structural plan submissions and submissions related to fire safety, health standard and precautionary measures such as building layout plans and drainage plans. The BO Team also conducts site inspections, if necessary, during the course of construction works. Upon receipt of the Certification of Completion of Works, the BO Team will check the required supporting documents and test reports, witness site tests and conduct site inspections to verify if the works have been completed generally in accordance with the agreed building layout plans.

22. Prior to the issue of any certificate of completion by MTRCL, HyD will conduct independent handover site inspections by its in-house staff. Under the EAs, HyD with its M&V Consultant has the power to and will attend MTRCL's pre-completion inspections. Further, the Government shall be entitled to receive copies of any lists of outstanding works and/or defective works prepared by MTRCL. After completion of any outstanding works and rectification of any defects, HyD with its M&V Consultant has the power to and will attend further inspections. In addition, the M&V Consultant is required to witness the site testing and commissioning activities undertaken by MTRCL and its contractors during the system integration test and trial operation stage upon the direction of HyD.

#### Part 4 - Operation of monitoring groups and mechanism

23. I shall now turn to the details of the monitoring mechanism for the SCL Project.

### A. Project Supervision Committee ("PSC")

24. I, as the controlling officer responsible for the SCL Project, lead a high-level inter-departmental PSC established under Clause 16.1 of EA3. Members of the PSC include PGE/RD and other senior officers in RDO, a representative from THB, and the Projects Director and other senior staff of MTRCL with representatives of the M&V Consultant in attendance. The PSC meets on a monthly basis to review project progress and monitor procurement activities, post-tender award cost control and resolution of contractual claims. The PSC also provides steer at top management level on key matters requiring attention.

25. MTRCL is required to submit a progress report setting out the latest progress and financial position of the project. The monthly progress report covers the following:

- (1) executive summary;
- (2) detailed progress and programme of major contracts (civil and electrical and mechanical ("**E&M**")) which are critical to project completion;
- (3) safety performance and related accident statistics;
- (4) contractors' and MTRCL's manpower statistics;
- (5) major construction activities in the next 3 months;
- (6) procurement of contracts;
- (7) project financial and expenditure situation;
- (8) land matters;
- (9) community liaison related issues; and
- (10) areas of concern.

26. At each PSC meeting, MTRCL presents the key points of the monthly progress report for discussion.

27. As at 29 August 2018, the PSC has held 69 meetings. The last

regular meeting was held on 28 August 2018.

#### B. Project Coordination Meetings ("PCM")

28. The Government Engineer / Railway Development (1) ("GE/RD(1)") of RDO co-chairs monthly PCM with MTRCL's General Managers and Project Managers to monitor matters relating to progress and programme of the SCL Project including timely completion of land matters, resolution of third party requests, key issues on the design, construction and environmental matters.

#### C. Project Progress Meetings ("PPM")

29. Chief Engineers of the RDO, with the attendance of the M&V Consultant, join the **monthly** PPM with the General Managers and Project Managers of the MTRCL. At such meetings, MTRCL reports the progress of works for the major civil and E&M contracts and related issues for discussion.

## D. MTRCL's Project Control Group ("PCG")

30. The PCG is an internal establishment of MTRCL set up to control the cost of the project. It is responsible for the review and approval of all cost changes up to the limit delegated to it by MTRCL's Executive Committee. Under EA3, the Government is entitled to send a representative to attend the PCG meetings, normally held on a weekly basis, and should receive papers prepared by MTRCL's project team for PCG's consideration at such meetings. When proposed changes are received from MTRCL, HyD and its M&V Consultant will offer comments on individual proposals to MTRCL within one to two days' time. In this connection, GE/RD(1) will attend the associated PCG meetings chaired by the Projects Director of MTRCL to discuss the Government's comments where necessary. MTRCL should duly consider the Government's comments in making any approval decision and respond to such comments in writing.

31. As the project manager of the SCL Project, MTRCL should manage the project budget by reviewing all changes which will affect the cost of works. These cost changes may be related to changes initiated by contractors, the designer or MTRCL. The types of changes which should be submitted to PCG for consideration include the following:

(1) variations and other potential cost changes;

- (2) retrospective approval of cost changes of less than \$1.0M;
- (3) claims;
- (4) proposals of delay recovery measures;
- (5) proposals to enter into a supplementary agreement;
- (6) amendments to milestone dates or interim payment schedules, etc.

32. Prior to every PCG meeting, MTRCL will submit all relevant papers to RDO for comments. The consolidated comments from RDO and the M&V Consultant will be forwarded to MTRCL for consideration at the PCG meetings.

33. Apart from the above regular meetings, MTRCL will, upon HyD's request, arrange briefings for HyD and/or other government departments on issues that may have bearing on the cost, quality or progress of the works.

## E. Monitoring and verification work by the M&V Consultant

34. As explained above, HyD has engaged Pypun-KD & Associate Limited as the M&V Consultant for the SCL Project. Details of the M&V Consultant's scope of work and its participation in the SCL Project will be provided by another officer of HyD.

## F. DHy's Monthly Meetings with STH

35. As DHy, I update the Secretary for Transport and Housing Bureau ("**STH**") on the progress of the SCL Project at *inter alia* regular monthly meetings attended by the senior management of THB and HyD. Reports are submitted to THB prior to the monthly meetings, which cover (1) issues for STH's policy steer/political assessment; (2) issues for STH's attention; and (3) major on-going issues. Major on-going issues normally include the overall progress of works at major work fronts, financial matters and any funding-related issues. At the meetings, PGE/RD also reports to STH any significant issues relating to the implementation of the SCL Project where necessary.

## G. Other Meetings/Briefings

36. From time to time, HyD and/or MTRCL are requested to provide briefings to THB on major issues relating to the project. There are also

meetings amongst THB/HyD, MTRCL and other parties (if necessary) whereby various aspects of the SCL Project would from time to time be discussed.

## <u>Part 5 - Roles, duties and responsibilities of MTRCL, its contractor and</u> <u>sub-contractors for Contract 1112</u>

#### A. The roles, duties and responsibilities of MTRCL

37. Under the EAs, MTRCL is responsible for the overall design, management and implementation of the SCL Project. In doing so, MTRCL has to comply with statutory and other legal requirements, including its contractual obligations under the Operating Agreement<sup>8</sup> and the EAs.

38. According to both EA2 and EA3, MTRCL warrants that Entrustment Activities<sup>9</sup> relating to the provision of project management services shall be carried out with the skill and care reasonably to be expected of a professional and competent project manager. Such activities include (1) procurement, coordination, administration, management and supervision (including testing and examining the plant, goods, material and workmanship) of the design and construction of works; (2) procurement of goods similar to what is required under the Third Party Contracts<sup>10</sup>; and (3) associated contract management and management and enforcement of claims<sup>11</sup>.

39. It is also MTRCL's obligations under the EAs to (1) keep the Government informed of all matters which have a material impact on the

<sup>&</sup>lt;sup>8</sup> The Operating Agreement was entered into between MTRCL and the Government on 9 August 2007, which sets out the performance requirements and other standards required of the post-merger corporation (i.e. MTRCL).

<sup>&</sup>lt;sup>9</sup> Entrustment Activities are defined in detail in EA2 and EA3 as "all activities, including the procurement thereof, as detailed in Appendix B of [EA2/EA3] which are related to, as the case may be, the Railway Works, the Essential Public Infrastructure Works (EPIW), the Reprovisioning, Remedial and Improvement Works (RRIW), the Property Development Enabling Works and the Interface Works and all activities, including the procurement thereof, as agreed between Government and the Corporation which are related to the Miscellaneous Works (if any), and which, in each case, are required for the planning, design, construction, testing and commissioning thereof in relation to the Shatin to Central Link Project".

<sup>&</sup>lt;sup>10</sup> Third Party Contracts mean contracts awarded by MTRCL for the employment of any contractor, consultant, advisor or other third party in connection with the Entrustment Activities under the Entrustment Agreements.

<sup>&</sup>lt;sup>11</sup> Clause 5.1(A) of EA2 and Clause 5.1(A) of EA3.

SCL Project<sup>12</sup> and (2) provide such financial or other information as the Government shall reasonably require<sup>13</sup>.

40. If MTRCL is in breach of EA2/EA3 and as a result of which the re-execution of the Entrustment Activities is required, the Government may require MTRCL to re-execute<sup>14</sup> (or procure the re-execution of) such Entrustment Activities at its own cost and to the Government's satisfaction. In addition, if MTRCL fails to render the required skill and care in the SCL Project, the Government may pursue a claim against MTRCL for such breach.

41. In short, it is incumbent upon MTRCL to ensure that the quality, public safety and progress in relation to the overall project delivery is up to the required standards, since MTRCL is responsible for the day-to-day site supervision and is also in possession of first-hand information of all aspects of construction works.

*B.* The roles, duties and responsibilities of Leighton and its subcontractors 42. Whilst the Government of the HKSAR funds the SCL Project and HyD has appointed representatives to attend MTRCL's procurement meetings, the Government has no direct contractual relationship with the contractor under the contract, save those governed by the "Deed Poll"<sup>15</sup> and the "Collateral Deed"<sup>16</sup>. HyD is aware that Leighton Contractors (Asia) Limited ("Leighton") is the contractor for Contract 1112 and its roles, duties and responsibilities could be established with reference to the terms of Contract 1112 and other relevant statutory provisions. However, HyD has no contractual relationship with Leighton or its subcontractors.

<sup>&</sup>lt;sup>12</sup> Clause 13.1(A)(i) of EA2 and Clause 17.1(A)(i) of EA3.

<sup>&</sup>lt;sup>13</sup> Clause 13.1(A)(ii) of EA2 and Clause 17.1(A)(ii) of EA3.

 $<sup>^{14}\,</sup>$  Clause 5.3 of EA2 and EA3.

<sup>&</sup>lt;sup>15</sup> It is an instrument executed by the Government, under which the Government undertakes to the main contractor for the SCL Project (i.e. Leighton in the context of Contract 1112) employed by MTRCL that the Government shall be responsible for, and will pay, each amount certified by MTRCL as being due to be paid to it under its contract with MTRCL.

<sup>&</sup>lt;sup>16</sup> It is a deed executed by the main contractor for the SCL Project (i.e. Leighton in the context of Contract 1112) by which the contractor covenants that it shall be liable to the Government for any act or omission which constitutes a breach by that contractor of any express or implied term of its contract with MTRCL as if the Government and MTRCL jointly had been named as the employer under the contract.

#### <u>Part 6 – Issues mentioned in the Commission's Terms of Reference</u>

43. In relation to paragraph (b) of the Terms of Reference, my comments are as follows:

- (1) At the press conference on 7 August 2018, the Government identified a number of problems with MTRCL's supervision of the construction of the diaphragm wall and platform slab works at the HUH, which can be summarised as follows:
  - (a) The information contained in MTRCL's letter dated 13 July 2018 ("13 July Letter"), in particular, the drawings referred to therein, are inconsistent with incident report dated 15 June 2018 ("Incident Report"). As MTRCL had spent two weeks preparing the Incident Report after its internal investigation, the Government cannot accept such significant discrepancies.
  - (b) The drawings referred to in the 13 July Letter are inconsistent with what had been accepted by BD. MTRCL has yet to submit any application for changes to the accepted design for BD's consideration.
  - (c) According to MTRCL's senior management, the number of couplers installed on site is about 2,000 fewer than the 23,500 indicated in the MTRCL's Incident Report. This is inconsistent with the site records provided by the MTRCL's staff.
  - (d) The aforesaid problems had seriously undermined the Government's confidence in MTRCL's management of the SCL Project and the integrity of the same.
- (2) Reports and information provided by MTRCL have revealed issues and shortcomings in its site supervision for the SCL Project.
- (3) HyD has also raised concerns as to MTRCL's communication

system given that MTRCL had not been able to notify HyD of the incidents in a timely manner or before media enquiries were received by HyD.

- (4) In addition, the reports and information on the incident submitted by MTRCL to HyD revealed internal communication problems within MTRCL.
- (5) Despite HyD's repeated requests, MTRCL has failed to adduce reliable evidence to prove that the diaphragm wall and the platform slab works at HUH were constructed in accordance with the required standards.

44. Upon discovery of the incident at HUH, HyD set up a Task Group<sup>17</sup> led by me on **19 June 2018** with a view to further enhancing the monitoring system for the SCL Project and has initiated the following improvement measures:

- (1) reviewing MTRCL's systemic issues relating to site supervision and communication at each PSC meeting so that relevant matters will be promptly brought to the attention of the high level management;
- (2) requesting MTRCL to report the non-conformance (NC) statistics at PSC meetings to allow for input from the BO Team and to ensure that relevant matters regarding site supervision will be brought to the attention of the high level management for consideration;
- (3) requiring the regular attendance of the BO Team at PSC meetings (in addition to their current attendance at the PCMs) to report on

<sup>&</sup>lt;sup>17</sup> The Task Group is chaired by me with members including the Principal Government Engineer/Railway Development, Government Engineer/Railway Development(1), Government Engineer/Railway Development(Special Duties), Chief Engineer/Railway Development 1-1, Chief Engineer/Railway Development(Special Duties), and representatives from THB, with Senior Engineer/Railway Development (Special Duties) 2 as Secretary and Professor S.C. Wong from the University of Hong Kong as the Expert Advisor. Its Terms of Reference are as follows:

<sup>(1)</sup> To oversee the progress of preparation for the Commission of Inquiry's investigation on the Shatin to Central Link (SCL) Project.

<sup>(2)</sup> To review the Government's monitoring and control mechanism for the SCL Project.

<sup>(3)</sup> To make recommendations arising from the above review.

<sup>(4)</sup> To deal with other related matters as agreed by the Task Group.

the quality of works and workmanship for appropriate follow-up actions;

- (4) increasing site visits and audits by the M&V Consultant;
- (5) requesting MTRCL to use the automatic deformation monitoring system ("ADMS") to monitor any deformation and deflection of the diaphragm walls and platform slabs;
- (6) requesting MTRCL to identify any potential inconsistencies between the as-built records and accepted design drawings;
- (7) requesting MTRCL to seek independent expert advice on the extent and locations of diaphragm walls and platform slabs which may give rise to issues relating to structural integrity and to suggest appropriate ways to properly test the same;
- (8) requesting the MTRCL to review its site supervision system, communication system and reporting mechanism;
- (9) conducting independent surprise checks by HyD's in-house staff to ensure that MTRCL's site supervision of the SCL Project is carried out in accordance with the site supervision plan.

45. Before any factual findings can be made in relation to the actual causes and extent of the present incident, it is difficult for HyD to come to any conclusion on whether such incident could have been avoided by the use of any particular measure(s). I wish to emphasise that public safety and quality of works in the SCL Project and generally are always our top priorities. We will continue to use our best endeavours to assist in the present Inquiry. While HyD, as mentioned above, has been conducting reviews as a result of the present incident, we welcome any recommendations that the Commission may make for the purpose of further strengthening our monitoring and verification mechanism.

46. To avoid duplication, the documents referred to in this statement will be provided by other HyD officer(s) in their witness statement(s) where appropriate.

47. I confirm that the contents of this statement are true to the best of my knowledge, information and belief.

Dated the 29<sup>th</sup> day of August 2018.

CHUNG Kum-wah