

For information

Legislative Council Panel on Planning, Lands and Works

Expenditure and claims relating to the Airport Core Programme projects

Purpose

This paper is to inform Members of the present position on the expenditure of the Airport Core Programme (ACP) projects and settlement of claims against ACP construction contracts.

ACP expenditures

2. The Finance Committee had up to 15 June 2001 approved a total of \$49,527 million for government ACP projects on a net basis. The expenditure is \$47,562 million or 96% of the approved total. A summary of the expenditure situation is shown in Table 1.

3. The Finance Committee has approved an equity commitment of \$36,648 million for the new airport. As at 15 June 2001, the Airport Authority (AA) had expended \$49,040 million. Expenditure in excess of the approved equity commitment is funded by the AA's borrowing programme.

4. The Finance Committee has approved an equity commitment of \$23,700 million for the Mass Transit Railway Corporation (MTRC) (now MTR Corporation Limited) to construct the Airport Railway. As at 15 June 2001, the MTRC had expended \$34,563 million. Expenditure in excess of the approved equity commitment is funded by the MTRC's borrowing programme.

Claims against ACP construction contracts

5. The government, the AA and the MTRC have received a total of 26 948 claims against ACP construction contracts. Of these, 24 694 claims at a cost of \$9,860 million had been resolved against an original claim amount of \$31,335 million. For the 2 254 unresolved claims, the estimated contingent liability is \$596 million against a claim amount of \$3,614 million. The information is in Table 2.

Works Bureau
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Table 1

Summary on ACP Funding and Expenditure
Status as at 15 June 2001
(Money of the day price in HK\$ Million)

ACP Project	Funds Approved To Date by Finance Committee ⁽¹⁾	Funds Actually Expended To Date
Net Government ACP Expenditure under CWRF with reimbursements ⁽²⁾	49,527	47,562
New Airport at Chek Lap Kok - AA Related	36,648 ⁽³⁾	49,040
Airport Railway	23,700 ⁽³⁾	34,563

Notes:

- (1) Includes funds for consultancies, works contracts, and land acquisition (including contingencies) approved by the Finance Committee for Capital Works Reserve Fund (CWRF) and Capital Investment Fund (CIF) projects.
- (2) Government projects include government facilities at the new airport, North Lantau Expressway (now renamed as North Lantau Highway), Tung Chung New Town Phase 1, Lantau Link, Route 3 (part), West Kowloon Reclamation, West Kowloon Expressway (now renamed as West Kowloon Highway), Central Reclamation Phase 1, utilities and others. The costs are net of reimbursable Airport Railway and Airport works.
- (3) This represents 100% of the equity commitments to the Airport Railway and the Airport from the CIF; expenditure in excess of the approved equity is funded by the borrowing programmes of the MTRC and the AA.

Table 2

Situation on claims against ACP construction contracts
(as at 15 June 2001)

ACP Project	Claims Notified	Claims resolved			Claims unresolved		
	Number	Number	Amount claimed originally (\$M)	Amount awarded (\$M)	Number ⁽¹⁾	Amount claimed (\$M)	Estimated contingent liability ⁽²⁾ (\$M)
CWRF Projects	6 141	4 598	9,937	1,780	1 543	1,455	212
AA- New Airport	12 120	11 409	13,639	4,681	711	2,159	384
MTRC - Airport Railway	8 687	8 687	7,759	3,399	0	0	0
Total	26 948	24 694	31,335	9,860	2 254	3,614	596

Notes :

- (1) Includes rejected claims.
- (2) Includes interim award.