

立法會
Legislative Council

LC Paper No. CB(1)3083/10-11
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EDEV/1

Panel on Economic Development

Minutes of meeting
held on Tuesday, 19 July 2011, at 1:30 pm
in the Chamber of the Legislative Council Building

Members present : Hon Jeffrey LAM Kin-fung, GBS, JP (Chairman)
Hon Ronny TONG Ka-wah, SC (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, SBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon Vincent FANG Kang, SBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon CHIM Pui-chung
Hon Starry LEE Wai-king, JP
Hon IP Wai-ming, MH
Hon Paul TSE Wai-chun, JP
Dr Hon Samson TAM Wai-ho, JP
Hon Tanya CHAN
Hon Albert CHAN Wai-yip

Members attending: Hon LEE Wing-tat
Hon Cyd HO Sau-lan

Members absent: Hon Miriam LAU Kin-ye, GBS, JP
Dr Hon LEUNG Ka-lau
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

**Public officers
attending**

: Agenda item III

Mr YAU Shing-mu
Under Secretary for Transport and Housing

Mr Esmond LEE
Deputy Secretary for Transport and Housing
(Transport)

Ms Jenny CHAN
Principal Assistant Secretary for Transport and Housing
(Transport)

Mrs Miranda YIM NG Chi-kwan
Acting Deputy Commissioner for Tourism

Ms Priscilla LAM
Assistant Director-General of Civil Aviation
(Air Services)

Mr Gabriel CHENG
Acting Chief Traffic Control Officer
(Procedures and Evaluation)
Civil Aviation Department

**Attendance by
invitation**

: Agenda item III

Airport Authority Hong Kong

Mr Stanley HUI
Chief Executive Officer

Mr Wilson FUNG
Executive Director, Corporate Development

Mr Howard ENG
Executive Director, Airport Operations

Ms Olivia LIN
General Manager, Facilities Planning

Ms Julia YAN
General Manager, Strategic Planning & Development

Session 1

Greeners Action

Mr Angus HO Hon-wai
Executive Director

Friends of the Earth (HK)

Mr Thomas CHOI Ka-man
Senior Environmental Affairs Officer

Cathay Pacific Catering Services (HK) Ltd.

Mrs Jenny LAM
Chief Executive Officer

Hong Kong Polytechnic University

Mr HUNG Wing-tat
Associate Professor

Green Sense

Mr Roy TAM
President

Green Council

Ms Linda HO
Chief Executive Officer

Board of Airline Representatives Hong Kong

Mr Joe NG
Vice Chairman

Hong Kong Japanese Tour Operators Association

Mr P T CHOI
Honorable Chairman

Economic Synergy

Dr King WONG
Member

Federation of Hong Kong Industries

Mr Cliff SUN
Honorary President

Hong Kong Taiwan Tourist Operators Association

Mr KAI Chuen-kam
Chairman

Individual

Mr Martin OEI
Political Commentator

Hong Kong General Chamber of Commerce

Mr David O'REAR
Chief Economist

Hong Kong Outbound Tour Operator's Association Ltd.

Mr Brandon LAU
Vice Chairman

Hong Kong Airport Services Ltd.

Ms Mary CHOI Yuk-yi
Head of Human Resources

Civic Party

Mr Albert LAI
Vice Chairman

Hong Kong Shippers' Council

Mr Willy LIN
Chairman

Hong Kong Business Aviation Centre Ltd.

Mr Tony MILLER
Chairman

Liberal Party Youth Committee

Mr Dominic LEE
Chairperson

Individual

Mr Peter SHIU
Eastern District Councillor

Concern Domestic Economy Union

Mr Kenny YUEN
Convenor

The British Chamber of Commerce in Hong Kong

Mr Mark MILLAR
Chair of Logistics Committee

Cathay Pacific Airways Local Management Staff
Consultative Committee

Mr Eddie CHEUNG Kin-hung
Deputy Convenor

Cathay Pacific Airways Local Staff Union

Mr Johnnie LAU Yuk-kwong
Chairman

Cathay Pacific Airways Ltd.

Mr Ivan CHU
Chief Operating Officer

Airline Operator's Committee

Mr Algernon YAU Ying-wah
Chairman

Hongkong Association of Freight Forwarding & Logistics Ltd.

Ir Dr Paul TSUI
Chairman

Dah Chong Hong – Dragonair Airport GSE Service Ltd.

Ms Angel CHEUNG Ka-yan
General Manager

Travel Industry Council of Hong Kong

Mr Michael WU
Chairman

The Chartered Institute of Logistics and Transport in Hong Kong

Dr Stephen HO
President

Nuance-Watson (HK) Limited

Mr Allan YAU Yue-kwong
Financial Controller

Hong Kong Association of Travel Agent

Mr LEUNG Yiu-lam
Chairman

Session 2

Association of Engineering Professionals in Society Ltd.

Mr YIM Kin-ping
Senior Vice Chairman

Hong Kong Dolphin Conservation Society

Mr Samuel HUNG
Chairman

Hong Kong Association of China Travel Organisers Ltd.

Mr CHAN Lup-chi
Executive Council Member & Secretary General

Hong Kong Dragon Airlines Ltd.

Mr Captain Peter SANDERSON
General Manager - Operations

The Hong Kong Institution of Engineers

Ir Dr CHAN Fuk-cheung
President

Hong Kong Professionals And Senior Executives Association

Ir Dr LO Wai-kwok
Vice President

International Chinese Tourist Association Ltd.

Mr Charlie FOO
Executive Committee

Singapore Airlines Ltd.

Mr Harry CHU
Public Relations Manager

Hong Kong Logistics Association

Mr Stephen CHAN
Immediate Past President

Hong Kong Aircrew Officers Association

Mr John FINDLAY
Assistant General Secretary

The Chamber of Hong Kong Logistics Industry

Mr LO Wong-fung
Chairman

J.P. Morgan Securities (Asia Pacific) Ltd.

Mr David LAU
Managing Director

International Air Transport Association

Ms Yvonne HO
General Manager Hong Kong

The Staffs & Workers Union of Hong Kong Civil
Airlines

Mr CHEUNG Shu-wang
Chairman

Hong Kong Air Cargo Terminals Employees Union

Mr CHEUNG Hon-lau
Chairman

Hong Kong Airport Ramp Services Employees Union

Mr LI Wing-foo
Chairman

Hong Kong Air Freight Transport and Express
Transport Employees Union

Mr LAU Pak-yuen
Vice-Chairman

The Staffs & Workers Union of Hong Kong Civil
Airlines (HAECO Branches)

Mr TING Sung-ki
Chairman

Hong Kong Aviation Industry Employees General
Union

Ms LAI Choi-ping
Vice-Chairman

Hong Kong Airport Catering Employees Union

Ms CHIANG Chiu-lin
Chairman

The Chinese Manufacturers' Association of Hong Kong

Mr Jimmy NG Wing-ka
Vice President

Park Island Owners' Committee

Mr LAM Wai-man
Chairman

Hong Kong Construction Association

Mr Russell JONES
Vice-President

China Aircraft Services Limited

Dr Angus CHEUNG
Chief Executive Officer

Hong Kong Dragon Airlines Flight Attendants
Association

Ms Winnie POON
Chairperson

Gate Gourmet Hong Kong Limited

Mr YUEN Wai-keung
Finance Director

Green Corner

Mr WONG Chun-chiu
Member

Hong Kong Air Cargo Terminals Ltd.

Ms Jennifer LAM
Corporate Communications Manager

Hang Seng Management College

Professor LEE Tien-sheng
Vice-President (Research and Academic)

Qantas Airways Limited

Mr Freddy LI
Regional General Manager, North Asia

Hong Kong Ideas Centre

Mr Albert LAM
Airport Study Group Member

Hong Kong – Guang Dong Transportation Drivers and
Employees Association

Mr CHIU Chi-keung
Vice-President

Airport Development Concern Network

Mr Michael MO Kwan-tai
Spokesperson

Session 3

Ocean Corner

Mr TAM Cheuk-man
Member

Green Dream

Ms LEUNG Chung-yan
Member

Hong Kong Airline Pilots Association

Mr Fred WOO
Representative of the Technical and Safety Committee

關注中國解放軍空軍控制全國空域影響航空
業發展聯會香港分會

Mr Rocky YUNG
Chairman

Airport Air Freight Employee's Association

Mr FONG Tin-ho
Assistant Welfare Officer

Individual

Mr Gary WONG Chung-woon

Individual

Mr LAI Ming-chuen

Individual

Mr Raymond SIEW Wai-keung

Hong Kong Airline Service Providers Association

Mr Enoch LAM
Chairman

DHL Aviation (HK) Limited

Mr WONG Tak-kwong
Customs & Regulatory Affairs Manager

Airports Council International Asia-Pacific

Mr S L WONG
Senior Manager - Technical & Industry Affairs

Hong Kong Tourism Board

Mr Paul LEUNG Kin-hang
Senior Manager, Strategic Planning and Research

Individual

Ms Queenie TAM Ming-wai

Community Development Initiative

Mr Terry LEUNG
Researcher

Hong Kong Inbound Travel Association Ltd.

Mr David LUK
Vice President

Hong Kong Construction Industry General Union

Mr FUNG Kin-cho
Secretary

Hong Kong Express Airways Limited

Mr Stanley KAN Ho-yin
Director, HR & Admin

Hong Kong Airways Limited

Ms Eva CHAN Yuen-kwan
Deputy General Manager, Corporate Communication

The Hong Kong Chinese Importers' & Exporters' Association

Mr Peter CHUNG Chee-keung
Committee Member

WWF – Hong Kong

Dr Andy CORNISH
Director of Conservation

Individual

Mr LAU Pui-hoi

Clerk in attendance : Ms Debbie YAU
Chief Council Secretary (1)6

Staff in attendance : Mr Watson CHAN
Head (Research)

Miss Lettice AU YEUNG
Research Officer 5

Miss Jacqueline CHUNG
Council Secretary (1)1

Mr Ken WOO
Council Secretary (1)6

Ms Michelle NIEN
Legislative Assistant (1)6

Miss Michelle LEE
Clerical Assistant (1)6

Action

I Confirmation of minutes of last meeting

(LC Paper No. CB(1)2710/10-11 - Minutes of meeting held on 23
May 2011)

The minutes of the meeting held on 23 May 2011 were confirmed.

II Information paper issued since last meeting

(LC Paper No. - Tables and graphs showing the
CB(1)2625/10-11(01) import and retail prices of major
oil products from June 2009 to
May 2011 furnished by the
Census and Statistics
Department)

2. Members noted the above information paper issued since the last meeting.

III Hong Kong International Airport Master Plan 2030

(LC Paper No. - Administration's paper on
CB(1)2707/10-11(50) undertakings in respect of
conservation of Chinese White
Dolphins in HKIA
Environmental impact
assessments - implementation
status

LC Paper No. CB(1)2707/10-11(51) - Administration's paper on the
number of aircraft noise
complaints (2006 to 2010)

LC Paper No. CB(1)2364/10-11(01) - Administration's paper on Hong
Kong International Airport

Master Plan 2030

- IN18/10-11 - Paper on regulation of aircraft noise in Hong Kong and San Francisco prepared by Research Division of the Legislative Council Secretariat (Information note)
- LC Paper No. CB(1)2707/10-11(01) - Paper on the development of a third runway at the Hong Kong International Airport prepared by the Legislative Council Secretariat (Updated Background brief)
- LC Paper No. CB(1)2754/10-11(01) - Letter dated 15 July 2011 from Environmental Protection Department (English version only)
- LC Paper No. CB(1)2754/10-11(15) - Letter dated 15 July 2011 from Transport and Housing Bureau

Submissions from organizations/individuals not attending the meeting

- LC Paper No. CB(1)2707/10-11(28) - Submission from Mr TSANG Ha-yeung (Chinese version only)
- LC Paper No. CB(1)2707/10-11(29) - Submission from Credit Suisse (Hong Kong) Limited (English version only) (Restricted to members only)
- LC Paper No. CB(1)2707/10-11(30) - Submission from Vogue Laundry Service Limited (English version only)
- LC Paper No. CB(1)2707/10-11(31) - Submission from Green Lantau Association (English version only)
- LC Paper No. CB(1)2707/10-11(32) - Submission from Designing Hong Kong Limited

- LC Paper No. CB(1)2707/10-11(33) - Submission from Mr YAU Yuk-lun, Sai Kung District Councillor (Chinese version only)
- LC Paper No. CB(1)2707/10-11(34) - Submission from Ms Angela CHOW Nga-wing (Chinese version only)
- LC Paper No. CB(1)2707/10-11(35) - Submission from Hong Kong Aircraft Engineering Company Limited (English version only)
- LC Paper No. CB(1)2707/10-11(36) - Submission from Professor YEUNG Yue-man, The Chinese University of Hong Kong (English version only)
- LC Paper No. CB(1)2707/10-11(37) - Submission from Mr KOO Tak-tsai (Chinese version only)
- LC Paper No. CB(1)2707/10-11(38) - Submission from Ms TSUI Hin-tung (Chinese version only)
- LC Paper No. CB(1)2707/10-11(39) - Submission from Mr David LAI, Wan Chai District Councillor (English version only)
- LC Paper No. CB(1)2707/10-11(40) - Submission from LSG Lufthansa Service Asia Ltd. (English version only)
- LC Paper No. CB(1)2707/10-11(41) - Submission from The Federation of Hong Kong Hotel Owners (English version only)
- LC Paper No. CB(1)2707/10-11(42) - Submission from Business and Professionals Federation of Hong Kong (English version only)
- LC Paper No. CB(1)2707/10-11(43) - Submission from Sky Connection Limited (English version only)

- LC Paper No. CB(1)2707/10-11(44) - Submission from The Hong Kong Bird Watching Society Limited (English version only)
- LC Paper No. CB(1)2707/10-11(45) - Submission from Greenpeace (Chinese version only)
- LC Paper No. CB(1)2707/10-11(46) - Submission from Dr CAO Wen, The Chinese University of Hong Kong (English version only)
- LC Paper No. CB(1)2707/10-11(47) - Submission from SSP Asia Pacific Ltd. (English version only)
- LC Paper No. CB(1)2707/10-11(48) - Submission from Transition South Lantau (English version only)
- LC Paper No. CB(1)2754/10-11(11) - Submission from Mr YEUNG Wai-sing, Eastern District Councillor (Chinese version only)
- LC Paper No. CB(1)2784/10-11(25) - Submission from Hong Kong Kowloon Taxi & Lorry Owners' Association Limited (Chinese version only)
(tabled and subsequently issued via email on 21 July 2011)
- LC Paper No. CB(1)2784/10-11(26) - Submission from The Professional Commons
(tabled and subsequently issued via email on 21 July 2011)
- LC Paper No. CB(1)2784/10-11(27) - Submission from Hong Kong Retail Management Association (English version only)
(tabled and subsequently issued via email on 21 July 2011)
- LC Paper No. CB(1)2846/10-11(01) - Submission from The British Chamber of Commerce in Hong Kong (English version only)
(issued on 1 August 2011)
- LC Paper No. CB(1)2861/10-11(01) - Submission from Guangdong-Hong Kong Association for the
(issued on 5 August 2011)

Promotion of Technology Enterprise (HK) Ltd. (Chinese version only)

LC Paper No. CB(1)2916/10-11(01) - Submission from Green Lantau Association (English version only)
(issued on 18 August 2011)

Brief introduction by the Administration

3. The Under Secretary for Transport and Housing (USTH) briefed members on the consultation exercise for the Hong Kong International Airport (HKIA) Master Plan 2030 which outlined two development options between enhancing the present two-runway system (Option 1) and expanding HKIA into a three-runway system (Option 2) for public consultation. In gist, USTH advised that the Government fully supported the public consultation launched by the Airport Authority Hong Kong (AA) on the HKIA Master Plan 2030, which was an important matter as airport development underpinned Hong Kong's economic development. USTH however stressed that HKIA Master Plan 2030 was based on the outcome of preliminary studies carried out at a master planning stage and they were no substitute for the more detailed studies to be conducted at the next stage of work, particularly when it came to environmental impact assessment (EIA) which would be carried out in accordance with the prevailing statutory process and in a more comprehensive and detailed manner. USTH advised that the Government expected AA to submit a recommendation on the way forward in late 2011 and would carefully consider the recommendation, with a view to deciding on the next stage of work, which included funding arrangements, detailed engineering design and statutory EIA. The concern of the public on the environmental impacts on the proposed third runway would also be dealt with at the next stage. USTH said that the Government and AA would continue to engage the public and stakeholders in the process. The views of the deputations attending the current Panel meeting would also be given due consideration along with other views to be collected during the consultation period.

Presentation by deputations

4. The Chairman welcomed deputations attending the meeting and invited them to present their views.

Session 1

Greeners Action (LC Paper No. CB(1)2754/10-11(12))

5. Mr Angus HO Hon-wai, Executive Director, Greeners Action said that Greeners Action was opposed to the construction of the proposed third runway. He expressed grave concerns over the proposed reclamation, and the lack of details in the HKIA Master Plan 2030 in respect of the impact of the third runway on air, noise and marine ecology, especially the habitat of Chinese White Dolphin (CWD). Other important issues such as airspace management within the Greater Pearl River Delta (GPRD) Region had remained unresolved and AA was also unable to provide justifiable grounds to support the three-runway option.

Friends of the Earth (HK) (FoE(HK)) (LC Paper Nos. CB(1)2707/10-11(02) and CB(1)2881/10-11(01))

6. Mr Thomas CHOI Ka-man, Senior Environmental Affairs Officer, FoE(HK) opined that the HKIA Master Plan 2030 was misleading to claim that the Economic Net Present Value (ENPV) up to 2061 under Option 2 could be amounted to \$912 billion as this would only mean an average of \$18.24 billion yearly. It also failed to address the number of deaths and natural disasters to be caused by carbon emissions should a third runway was built and hence the increase in the air traffic movements (ATMs). He was also disappointed about the absence of the Environment Bureau officials at the meeting in view of the profound impact of the proposed option on the environment.

Cathay Pacific Catering Services (HK) Ltd. (CPCS) (LC Paper No. CB(1)2707/10-11(03))

7. Mrs Jenny LAM, Chief Executive Officer, CPCS expressed that the economy of Hong Kong was highly dependent on the growth of the four pillar industries, and the efficient operation of HKIA was paramount to supporting the development of these industries. Without the third runway, HKIA would face capacity constraint by 2020 and this would discourage air services operators from investing further in Hong Kong.

Professor HUNG Wing-tat, Hong Kong Polytechnic University (PolyU) (LC Paper No. CB(1)2784/10-11(01))

8. Professor HUNG Wing-tat, Associate Professor, PolyU queried the sincerity of the Administration and AA in engaging the public in the consultation exercise as in his view the majority of the public did not appear to have been encouraged in the relevant discussion. He criticized that the venue and the invitation of parties to AA's consultation sessions were designed to facilitate only selected individuals. He also considered it

fallacious to say that HKIA as an international aviation hub would be replaced if a third runway would not be built as cooperation between airports in the GPRD Region could be strengthened with a view to complementing each other.

Green Sense (LC Paper No. CB(1)2707/10-11(04))

9. Mr Roy TAM, President, Green Sense was strongly opposed to the construction of the proposed third runway as the associated reclamation would undoubtedly threaten the habitat of CWD. He also highlighted the incompleteness of HKIA Master Plan 2030 in omitting the environmental considerations of the three-runway option, such as the adverse impact on the business and living environment arising from carbon emissions due to more aircraft movements, which should have been properly addressed. He urged the Administration and AA to withdraw the consultation document.

Board of Airline Representatives Hong Kong (BAR) (LC Paper No. CB(1)2707/10-11(05))

10. Mr Joe NG, Vice Chairman, BAR said that BAR was supportive of the three-runway option as HKIA would reach its full capacity between 2015 and 2020 and set to face a more fierce competition with neighbouring airports which kept expanding in scale. The option would also support the growth of the four pillar industries and enhance economic prosperity by creating a large number of job opportunities. He also pointed out that airlines had over the years been working constantly on reducing carbon emissions and noise from aircrafts, and BAR believed that airlines would continue to improve their environmental performance. He urged the Administration and AA to engage all stakeholders in the planning process to ensure a decision balancing all interests would be made.

Hong Kong Japanese Tour Operators Association (HJTOA) (LC Paper No. CB(1)2784/10-11(02))

11. Mr P T CHOI, Honorable Chairman, HJTOA expressed that HJTOA was supportive of the construction of a third and even further runways as HKIA was pivotal to economic prosperity, in particular to the aviation, logistics and tourism industries.

Economic Synergy (ES) (LC Paper No. CB(1)2707/10-11(06))

12. Dr King WONG, Member, ES opined that a third runway was necessary as HKIA was only able to cope with air traffic demand up to 2020 even after pursuing Option 1 by enhancing the current two-runway system.

He pointed out that failure to provide the third runway would result in HKIA's connectivity being eroded over time and shifted to other expanding neighbouring airports. He commented that the third runway would come with its enormous economic benefits and employment opportunities and it would also be conducive to facilitating HKIA's position as an aviation hub that supported high-end logistics services. He further stressed the importance for the Administration to improve the flight procedures and operations, and groom professionals in the field to meet the future challenge.

Federation of Hong Kong Industries (FHKI) (LC Paper No. CB(1)2784/10-11(03))

13. Mr Cliff SUN, Honorary President, FHKI expressed support for the construction of a third runway as this would enable HKIA to meet the unconstrained traffic demand up to and possibly beyond 2030 as well as the increasing demand for the delivery of high-value goods stemmed from the Pearl River Delta (PRD) Region. With the third runway, the operation of the existing South runway could also be avoided at night time in order to reduce noise nuisance posed to the residential communities in Tung Chung.

Mr Martin OEI, Political Commentator

14. Mr Martin OEI said that he was not opposed to the further development of HKIA given the importance of the aviation industry to Hong Kong's economy. He however emphasized in introducing any further development plans, efforts should be made to increase the manpower and raise the operational efficiencies of the Civil Aviation Department (CAD), and resolve PRD airspace issue. Instead of taking forward the proposal of constructing a third runway, he advocated the commission of a second airport at the southern part of the Lantau Island as he considered that it would pose the least impact to CWD and PRD airspace.

Hong Kong General Chamber of Commerce (HKGCC) (LC Paper No. CB(1)2754/10-11(02))

15. Mr David O'REAR, Chief Economist, HKGCC said that HKGCC believed that the third runway was a critically important investment in Hong Kong's future. HKGCC was however concerned that there did not appear to have a publicly available comprehensive plan for transport connectivity within the PRD Region and between the PRD and other regions. The availability of sufficient labour and skills would also be a matter of concern in view of the impending commencement of quite a number of mega infrastructural projects locally in the coming decade. In terms of environmental concern, he said that HKGCC would support benchmarking

expected air quality indicators against the more stringent World Health Organization guidelines.

Hong Kong Airport Services Limited (HAS) (LC Paper No. CB(1)2707/10-11(14))

16. Ms Mary CHOI Yuk-yi, Head of Human Resources, HAS said that HAS expressed full support for the three-runway option for its positive impact on the aviation industry and the great number of employment opportunities offered. Pointing out that HKIA had gradually approached its full handling capacity which would adversely impact on operational safety and flight schedule, she said that the third runway was pivotal in meeting the strong growth in air passenger and cargo throughput and in strengthening HKIA's competitiveness as an aviation and logistic hub.

Civic Party (CP) (LC Paper No. CB(1)2784/10-11(04))

17. Mr Albert LAI, Vice Chairman, CP commented that the information provided by the Administration and AA on HKIA Master Plan 2030 was insufficient and some of which may even be potentially misleading. With reference to the guidelines published by The World Bank and the European Commission on evaluating infrastructural projects which specified that externalities (such as the impact of a project on the society, human health and the environment to be measured in monetary units) should be deducted in measuring ENPV, he noted with concern that these were not taken into account in calculating ENPV for the two development options. Instead, it only measured direct, indirect, and induced contributions to the economy. He quoted the example of the Heathrow airport in which the proposal for the third runway was considered unviable as the externalities were measured about 5 billion pound sterling more than the economic value of the project. He further pointed out that the current consultation should instead be undertaken by the Administration as the development planning of HKIA also touched on other important policy issues such as the rail connections between HKIA and Shenzhen Airport to complement the development of each other.

Hong Kong Shippers' Council (LC Paper Nos. CB(1)2707/10-11(07) and CB(1)2784/10-11(05))

18. Mr Willy LIN, Chairman, Hong Kong Shippers' Council called for expediting the construction of a third runway so that shippers' activities could align with world trade for continuous expansion and prosperity. He remarked that while HKIA had been enjoying the competitive edge among the airports in the PRD Region by providing reliable services and effective customs clearance, it must strive to enhance its handling capacity as airlines

failing to secure flights during the prime hours would be forced to seek alternatives from the competing neighbouring airports. In view that air cargo traffic was expected to grow at an average of 5.6% per annum over the next 20 years and that such growth would even be higher within the PRD Region, he opined that Hong Kong should seize the opportunity to expand the airport infrastructure to meet the future demands.

Hong Kong Business Aviation Centre Ltd. (HKBAC) (LC Paper No. CB(1)2754/10-11(03))

19. Mr Tony MILLER, Chairman, HKBAC said that HKBAC fully supported the construction of a third runway. He pointed out that the airspace constraints of HKIA had affected HKBAC's expansion plans and urged AA to use the opportunity presented by the development of the third runway to rationalize the provision of existing airport facilities.

Liberal Party Youth Committee (LC Paper No. CB(1)2784/10-11(06))

20. Mr Dominic LEE, Chairperson, Liberal Party Youth Committee was concerned about the high unemployment rate for the youth. He urged the Administration to take forward the third runway project expeditiously as it would bring about a large number of employment opportunities which required relatively lower skill and education levels. He was also opposed to the suggestion for greater cooperation with GPRD airports in order to obviate the need for the third runway, as the new runway would greatly benefit the aviation-related industries and promote economic development.

Mr Peter SHIU Ka-fai, Eastern District Councillor (LC Paper No. CB(1)2784/10-11(07))

21. Mr Peter SHIU, Eastern District Councillor expressed support for constructing a third runway at a standard length of 3 800 meters. He opined that a shorter runway as suggested by some members of the community would only result in an insignificant saving but greatly restrict HKIA's handling capacity in the face of a surging demand. He was also opposed to the suggestion for greater cooperation with the Shenzhen Bao'an Airport to obviate the need for the third runway.

Concern Domestic Economy Union (LC Paper No. CB(1)2784/10-11(08))

22. Mr Kenny YUEN, Convenor, Concern Domestic Economy Union expressed preference over the three-runway option as the two-runway option was unable to meet the traffic demand beyond 2020. The new runway would also create a large number of employment opportunities for the

low-skilled and lowly-educated workforce. He also noted with concern the planned developments of the airports in the PRD Region and considered that maintaining HKIA's position as an international aviation hub was pivotal to the sustainable development of the prime industries locally, including financial services, tourism and logistics industries.

The British Chamber of Commerce in Hong Kong (Britcham) (LC Paper No. CB(1)2846/10-11(01))

23. Mr Mark MILLAR, Chair of Logistics Committee, Britcham called for urgent approval to proceed with the three-runway option which would enable Hong Kong to maintain its global leadership role in aviation, commerce, trade and logistics. The operation of a third runway would also provide direct employment opportunities at the airport at entry levels. This would help address the employment needs of manual and low-skilled labour.

Cathay Pacific Airways Local Management Staff Consultative Committee (LC Paper No. CB(1)2707/10-11(08))

24. Mr Eddie CHEUNG Kin-hung, Deputy Convenor, Cathay Pacific Airways Local Management Staff Consultative Committee expressed full support for the three-runway option as the two-runway option would only be able to meet the traffic demand in the short run. He highlighted the expansion plans of the PRD airports and emphasized the importance of the third runway to maintain the competitive edge of HKIA as an international aviation hub.

Cathay Pacific Airways Local Staff Union (LC Paper No. CB(1)2707/10-11(09))

25. Mr Johnnie LAU Yuk-kwong, Chairman, Cathay Pacific Airways Local Staff Union expressed full support for the construction of a third runway as the two-runway option would only be able to meet the traffic demand in the short run. Pointing out the planned developments of the PRD airports, he stressed the need for the third runway to maintain the competitive edge of HKIA as an international aviation hub.

Cathay Pacific Airways Limited (CX) (LC Paper No. CB(1)2707/10-11(10))

26. Mr Ivan CHU, Chief Operating Officer, CX said that CX was supportive of the three-runway option. He did not subscribe to the view that greater cooperation with GPRD airports could obviate the need for the third runway in the light of the unsuccessful experience in New York, London and Tokyo. He also considered the proposal to cooperate with the Shenzhen

Bao'an Airport infeasible as its capacity would also be saturated in ten years. While recognizing the environmental impact of the third runway, he said CX had joined the aviation sector in formulating practical pledges and measures to reduce carbon emissions and aircraft noise. With the introduction of newer and more energy-efficient aircrafts, the aviation sector pledged to stabilize carbon emissions by 2020. The amount of emissions in 2050 would also be halved compared with 2005. As far as aircraft noise was concerned, he remarked that the newer aircraft to be introduced in 2020 would be able to reduce noise by 25% compared with the aircraft currently in use.

Airline Operator's Committee (AOC) (LC Paper No. CB(1)2707/10-11(11))

27. Mr Algernon YAU Ying-wah, Chairman, AOC expressed that AOC endorsed the option of a third runway which was necessary to safeguard HKIA's status as an international aviation hub amid the expanding airports in the PRD Region. He considered the two-runway option undesirable as, with the runways reaching maximum capacity, air traffic control delays would become more common and recovery from any irregularities such as disruption caused by adverse weather would take longer. Without a third runway, HKIA's ability to react to unusual circumstances and cope with disruptions without losing traffic throughput would also be reduced, and air passengers might turn to better alternatives in the PRD Region. He urged the Administration and AA to take on board views of the various stakeholders in the community in respect of environmental impact, funding arrangements and manpower recruitment for the project.

Hongkong Association of Freight Forwarding and Logistics Ltd. (HAFFA) (LC Paper No. CB(1)2707/10-11(12))

28. Ir Dr Paul TSUI, Chairman, HAFFA said that HAFFA fully supported the construction of a third runway to accommodate future growth of air passenger and cargo throughput. He also urged the Administration to conduct feasibility study for a fourth runway as the maximum capacity of the third runway might be saturated soon after 2030 and put forward the Administration's plans on infrastructural developments to tie in with the future development of HKIA. HKIA should also provide airfreight and logistics facilities to complement the initiatives under the National 12th Five-Year Plan for supporting Hong Kong to develop into a high-value goods inventory management centre and plan ahead on the facilities and space required should full scanning for both passenger flights and cargo freighters would be introduced in the near future.

Dah Chong Hong – Dragonair Airport GSE Service Ltd. (DAS) (LC Paper

No. CB(1)2754/10-11(13))

29. Ms Angel CHEUNG Ka-yan, General Manager, DAS said that DAS strongly supported the construction of a third runway as the two-runway option would be unable to meet the long-term air traffic demand. The third runway would also benefit the economy by providing a large number of job opportunities and strengthen HKIA's capability in supporting the economic pillars.

Travel Industry Council of Hong Kong (TIC)

30. Mr Michael WU, Chairman, TIC opined that there was a strong and pressing need for a third runway. Pointing out that the tourism industry was important to the development of related industries like retail, hotel, food and beverage and transportation, he stressed the need for the third runway to sustain the development of the tourism industry. The third runway and hence the unconstrained handling capacity it offered until and possibly beyond 2030 would also be conducive to reinforcing Hong Kong's position as a preferred location for meetings, incentives, conventions and exhibitions (MICE) events. He further remarked that the attractiveness of Hong Kong as a preferred tourist destination would be lost if direct flights to Hong Kong were constrained due to capacity saturation.

The Chartered Institute of Logistics and Transport in Hong Kong (CILTHK)

31. Dr Stephen HO, President, CILTHK expressed support for a third runway which would enhance the capacity of HKIA to meet future challenges. In considering the provision of the third runway, he urged the Administration to consider the need of additional runways, provide transport infrastructure to tie in with the future development of HKIA, provide assistance to the logistics industry and resolve issues such as airspace in the PRD Region and environmental protection.

Nuance-Watson (HK) Limited (LC Paper No. CB(1)2707/10-11(13))

32. Dr Allan YAU Yue-kwong, Financial Controller, Nuance-Watson (HK) Limited expressed full support for a third runway to strengthen HKIA's position as an international aviation hub and gateway to China in both air passenger and cargo throughput. He said that the provision of the third runway would be conducive to the development of tourism and logistics industries in Hong Kong. He also called on the Administration and AA to strike a balance between airport development and environmental preservation in taking forward the expansion project.

Hong Kong Association of Travel Agent (HATA) (LC Paper No. CB(1)2820/10-11(03))

33. Mr LEUNG Yiu-lam, Chairman, HATA expressed support for the construction of a third runway at a length proposed by AA. He opined that the third runway would cater for the increase in the number of tourists visiting Hong Kong with the new cruise terminal and the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link coming into service in the near future. The increase in tourist visitors would in turn stimulate the growth of the tourism-related industries and promote the formulation of better Government policies. He urged the Administration and AA to resolve the airspace issue and work with the green groups with a view to maximizing the benefits of the third runway.

Hong Kong Taiwan Tourist Operators Association (TTOA) (LC Paper No. CB(1)2820/10-11(01))

34. Mr KAI Chuen-kam, Chairman, TTOA said that he was supportive of expanding HKIA with a third runway in order to meet the increasing demand for aviation service and to stay competitive among the expanding airports in the GPRD Region.

Hong Kong Outbound Tour Operator's Association Ltd. (OTOA) (LC Paper No. CB(1)2820/10-11(02))

35. Mr Brandon LAU, Vice Chairman, OTOA expressed full support for constructing a third runway. He opined that the third runway would not only enable HKIA to meet the traffic demand up to 2030, but also enhance the air connectivity and attract investments in Hong Kong as a result of enhanced image. The choice of tourist destinations for Hong Kong people would also be increased with the capacity of HKIA expanded to make it possible for direct flights to these places. He further highlighted the development plans with the neighbouring airports and cautioned that the competitiveness of HKIA would be gradually eroded if the third runway would not be provided timely.

Green Council (GC) (LC Paper No. CB(1)2707/10-11(49))

36. Ms Linda HO, Chief Executive Officer, GC said that a third runway was necessary to meet HKIA's future operational needs but the Administration should strike a balance between the infrastructural development and environmental protection in taking forward the project. Environmental-friendly technologies and materials should also be used as far as practicable. Considering that the third runway was built for a better

future for the next generation, she suggested the Administration and AA to actively engage students in the discussion of the project. She further pointed out that information on the preservation of the ecology in implementing the project, such as the preservation of the habitat of CWD, could be considered for display at HKIA for educational purpose.

37. The responses of the Administration and AA, and members' discussion were consolidated in paragraphs 93 to 117.

Session 2

Association of Engineering Professionals in Society Ltd. (AES) (LC Paper No. CB(1)2707/10-11(15))

38. Mr YIM Kin-ping, Senior Vice Chairman, AES opined that HKIA had to be expanded to meet the increasing demand and to maintain its competitiveness as an international aviation hub. While expressing support for the construction of a third runway, he was of the view that the master planning should seek to meet the traffic demand up to 2040 as the third runway would only be able to meet the unconstrained traffic demand up to 2030 and probably the few years beyond. Considering that the fourth runway was impossible due to geographical constraint of the airport island, he suggested the Administration and AA to proceed on the planning of a second airport subsequent to the commissioning of the third runway.

Hong Kong Dolphin Conservation Society (HKDCS) (LC Paper No. CB(1)2707/10-11(16))

39. Mr Samuel HUNG, Chairman, HKDCS criticized AA for failing to provide proper response to HKDCS's concerns on the third runway. In anticipation that approval for EIA for the three-runway option was unlikely, he urged AA to release the full report on the preliminary EIA for the third runway and address the impacts of the option now instead of during the statutory EIA process to facilitate early discussions of the public on the way forward.

Hong Kong Association of China Travel Organisers Ltd. (HACTO) (LC Paper No. CB(1)2754/10-11(04))

40. Mr CHAN Lup-chi, Executive Council Member & Secretary General, HACTO opined that in evaluating the three-runway option, consideration should be given to factors like financial viability, employment opportunities, economic benefits, and the competition of the aviation industry in the region. He also called for rational discussion of the development options.

Hong Kong Dragon Airlines Ltd. (Dragonair) (LC Paper Nos. CB(1)2784/10-11(09) and CB(1)2784/10-11(10))

41. Mr Captain Peter SANDERSON, General Manager - Operations, Dragonair expressed full support for the construction of a third runway. He considered that having a number of airports already in the GPRD Region was not a reason to allow HKIA to stagnate without maintaining Hong Kong's competitive edge. He also addressed the public's concerns with regard to the constraints on terrain, meteorological conditions and airspace as detailed in Dragonair's submissions.

The Hong Kong Institution of Engineers (HKIE) (LC Paper No. CB(1)2784/10-11(11))

42. Ir Dr CHAN Fuk-cheung, President, HKIE was supportive of the three-runway option and opined that it would promote the longer-term growth to both HKIA and the economy of Hong Kong. In the light of the grave concerns on the environmental impact of the third runway, he suggested AA to provide supplementary information accordingly and ensure that the benefits of the option would only be reaped at the expense of the environment and ecology in a manageable and reasonable extent. He said that HKIE was of the view that state-of-the-art engineering technology should be explored and applied in the project with a view to achieving optimal efficiency in carrying out the project and alleviating impacts on the environment. He further considered that more knowledge on civil aviation could be disseminated to the public in view of the keen public discussions currently taking place.

Hong Kong Professionals And Senior Executives Association (HKPASEA)

43. Ir Dr LO Wai-kwok, Vice President, HKPASEA opined that the two-runway option could only serve as an interim measure and a third runway would better meet the future air transport needs and enhance the competitiveness of Hong Kong. In respect of the construction of the third runway, he suggested AA to provide more detailed assessment on the environmental impacts, devise prudent funding arrangements, release the details of the 15 alignment options studied for the third runway, quantify the benefits of the third runway for other industries, evaluate the impact of the project on airport facilities and services in use with suggested remedial measures, and ensure that the fees and charges levied by HKIA would be competitive.

International Chinese Tourist Association Ltd. (ICTA)

44. Mr Charlie FOO, Executive Committee, ICTA expressed support for the construction of a third runway and the related ancillary facilities but pointed out that these should be provided at the least expense of the environment. He urged that the project should be taken forward expeditiously as any delay would push up further the construction costs.

Singapore Airlines Ltd. (SIA) (LC Paper No. CB(1)2820/10-11(04))

45. Mr Harry CHU, Public Relations Manager, SIA said that SIA was supportive of the three-runway option as it anticipated that both air passenger and cargo throughput would continue to grow while the development of the airports in the Mainland was rapid. He also urged AA to address the concerns of the public on the environmental impact of the third runway.

Hong Kong Logistics Association (HKLA) (LC Paper No. CB(1)2820/10-11(05))

46. Mr Stephen CHAN, Immediate Past President, HKLA said that in a survey conducted recently by HKLA among mainly practitioners and users in the logistics industry, 89% of the respondents supported the construction of a third runway for enhancing the competitiveness of HKIA as an aviation hub and supporting the growth of the logistics industry. HKLA was supportive of the three-runway option in the light of the survey findings and the positive response received from the trade.

Hong Kong Aircrew Officers Association (HKAOA) (LC Paper No. CB(1)2707/10-11(17))

47. Mr John FINDLAY, Assistant General Secretary, HKAOA said that HKAOA supported the construction of a third runway for the benefits it offered in terms of employment opportunities, tourism development, business investments and economic prosperity. Pointing out the expansion of CX in the number of employments and the fleet of aircraft over the years, he said that the development of both CX and the aviation industry would be impeded with HKIA reaching saturation level.

The Chamber of Hong Kong Logistics Industry (CHKLI) (LC Paper No. CB(1)2820/10-11(06))

48. Mr LO Wong-fung, Chairman, CHKLI said that it was necessary to take forward the three-runway option expeditiously to complement the National 12th Five-Year Plan for supporting Hong Kong to develop into a high-value goods inventory management and regional distribution centre.

He opined that a number of related industries including construction, logistics, tourism and retail would benefit from the third runway. He believed that aircraft noise and carbon emissions would be greatly reduced in the future with the introduction of technologically-advanced aircraft.

J. P. Morgan Securities (Asia Pacific) Ltd. (J.P. Morgan) (LC Paper No. CB(1)2707/10-11(18))

49. Mr David LAU, Managing Director, J. P. Morgan expressed support for the construction of a third runway. He remarked that HKIA as an international aviation hub had attracted multi-national companies to set up their Asia headquarters in Hong Kong. Apart from enjoying the benefits of creating a large number of employment opportunities for the workforce and stimulating economic growth, he said that the third runway would also safeguard Hong Kong's position as an aviation hub and financial centre.

International Air Transport Association (IATA) (LC Paper No. CB(1)2754/10-11(14))

50. Ms Yvonne HO, General Manager Hong Kong, IATA said that IATA was fully supportive of the construction of a third runway as this would meet the growth in the demand in the long run. She remarked that even with the long-term development of the airports in the GPRD Region, there would still be capacity shortages in 2030 which called for an additional runway in Hong Kong. Noting further that the aviation industry currently employed 250 000 people and contributed to 8% of Hong Kong's Gross Domestic Product (GDP), she opined that failure to provide adequate handling capacity at HKIA would affect Hong Kong's economy. She also urged AA to work towards the mitigation of noise and carbon emissions associated with the operation of the third runway.

The Staffs & Workers Union of Hong Kong Civil Airlines (LC Paper No. CB(1)2784/10-11(12))

51. Mr CHEUNG Shu-wang, Chairman, the Staffs & Workers Union of Hong Kong Civil Airlines said that the Union was supportive of the three-runway option as this would cater for the growth in the demand for aviation services and maintain Hong Kong's competitiveness as an aviation hub. He noted that the midfield of HKIA was now very congested which had affected the operation of the flights and even the occupational health and safety of workers. He relayed the concerns of ground support workers on the undesirable working environment and conveyed their support for taking forward the three-runway option expeditiously to improve the working environment.

Hong Kong Air Cargo Terminals Employees Union (LC Paper No. CB(1)2784/10-11(13))

52. Mr CHEUNG Hon-lau, Chairman, Hong Kong Air Cargo Terminals Employees Union called for expediting the three-runway project. He relayed the concerns of ground support workers on the busy and congested working environment in the midfield and conveyed their request for optimizing the working environment along with the construction of a third runway. He also urged the Administration and AA to take care of the environment in the course of expanding the airport.

Hong Kong Airport Ramp Services Employees Union (LC Paper No. CB(1)2784/10-11(14))

53. Mr LI Wing-foo, Chairman, Hong Kong Airport Ramp Services Employees Union expressed support for the three-runway option. Noting that the capacity and facilities for ground support had reached a saturation level in the busy midfield, he said that ground support workers had been working under great pressure. He opined that the construction of the third runway with improvements made to the ancillary facilities could allow more time and better environment for the loading/unloading of cargoes, hence providing a safer and better working environment for the workers.

Hong Kong Air Freight Transport and Express Transport Employees Union (LC Paper No. CB(1)2784/10-11(15))

54. Mr LAU Pak-yuen, Vice-chairman, Hong Kong Air Freight Transport and Express Transport Employees Union was supportive of the three-runway option. Noting the increasing air passenger and cargo throughput while HKIA was reaching its saturation level, he considered it necessary for HKIA to be expanded timely to maintain its competitiveness as an international aviation hub amid the expanding airports in the GPRD Region.

The Staffs & Workers Union of Hong Kong Civil Airlines (HAECO Branches) (LC Paper No. CB(1)2784/10-11(16))

55. Mr TING Sung-ki, Chairman, the Staffs & Workers Union of Hong Kong Civil Airlines (HAECO Branches) supported the three-runway option. Highlighting the aging facilities and space constraint for aircraft maintenance at HKIA, he said that the third runway would be conducive to attracting investments on aircraft maintenance by improving the quality of the maintenance facilities along with the working environment and employment terms of aircraft maintenance staff.

Hong Kong Aviation Industry Employees General Union (LC Paper No. CB(1)2784/10-11(17))

56. Ms LAI Choi-ping, Vice-Chairman, Hong Kong Aviation Industry Employees General Union expressed support for the construction of a third runway. She considered that enhancing the capacity of HKIA would greatly promote the development of tourism and logistics industries. She suggested AA to take the expansion opportunity to improve the working environment for airport workers in order to attract more people to join the industry.

Hong Kong Airport Catering Employees Union (LC Paper No. CB(1)2784/10-11(18))

57. Ms CHIANG Chiu-lin, Chairman, Hong Kong Airport Catering Employees Union was supportive of the three-runway option. She considered that the third runway would benefit the development of the catering industry and further enhance the reputation of Hong Kong as a "Gourmet Paradise". She urged AA to take the expansion opportunity to improve the working environment in the airport in order to attract young people to join the aviation industry.

The Chinese Manufacturers' Association of Hong Kong (CMA) (LC Paper No. CB(1)2707/10-11(26))

58. Mr Jimmy NG Wing-ka, Vice President, CMA urged for the construction of a third runway in order to support the four pillar industries which relied heavily on HKIA's air connectivity. He opined that enhancement to the two-runway system would be a waste of resources as it could not meet the long-term air traffic demand. He also considered it beneficial to invite private developers to take part in the construction of the ancillary facilities in order to expand the source of capital investment for the project.

Park Island Owners' Committee (LC Paper No. CB(1)2707/10-11(19))

59. Mr LAM Wai-man, Chairman, Park Island Owners' Committee noted that the number of aircraft noise nuisance reaching 80 decibels or even higher in Ma Wan at night times had increased from one in 1999 to over 300 each year since 2007. He criticized CAD for failing to provide an updated Noise Exposure Forecast (NEF) contour for Ma Wan, put in place a proper monitoring mechanism and impose penalty for controlling aircraft noise. He said that the Park Island Owners' Committee would object to the construction of a third runway if the Administration failed to propose

mitigation measures on aircraft noise accordingly.

Hong Kong Construction Association (HKCA) (LC Paper No. CB(1)2754/10-11(05))

60. Mr Russell JONES, Vice-President, HKCA expressed strong support for a third runway. Instead of merely positioning Hong Kong as an aviation hub serving, inter alia, the transfer of air passengers and transshipment of cargo, he considered that the third runway could have a more robust Net Present Value if Hong Kong was primarily positioned as a destination for business activities and investments.

China Aircraft Services Limited (CASL) (LC Paper No. CB(1)2754/10-11(06))

61. Dr Angus CHEUNG, Chief Executive Officer, CASL expressed support for the three-runway option for the large number of employment opportunities it would create and the long-term benefits it would bring to the economy. He noted that Hong Kong's air connectivity would be constrained and its competitiveness as an international aviation hub would be adversely impacted on without the third runway. These would further constraint the growth of the four pillar industries and the positioning of Hong Kong as an international centre for financial services, trading and shipping.

Hong Kong Dragon Airlines Flight Attendants Association (LC Paper No. CB(1)2846/10-11(02))

62. Ms Winnie POON, Chairperson, Hong Kong Dragon Airlines Flight Attendants Association opined that a number of concerns had to be properly addressed before taking forward the three-runway option. These included according priority to the employment of the local workforce, protecting the environment and ecology, utilizing fully the handling capacity of the existing runways and the related infrastructures, and resolving the PRD airspace issue.

Gate Gourmet Hong Kong Limited (LC Paper No. CB(1)2820/10-11(07))

63. Mr YUEN Wai-keung, Finance Director, Gate Gourmet Hong Kong Limited expressed preference over the three-runway option for the greater economic benefits and employment opportunities to be generated. He also urged the Administration and AA to further consider the need for more runways in the future further to the option chosen.

Green Corner

64. Mr WONG Chun-chiu, Member, Green Corner said that he was opposed to the construction of a third runway in view of the increased emissions of carbon and pollutants. He queried the economic benefits of the third runway as its usage might not be fully utilized as expected due to the constraints imposed by the terrain surrounding HKIA and the PRD airspace. He also criticized the Administration for failing to release the NEF contour for Ma Wan and Tuen Mun Pier which would be subject to severe aircraft noise nuisance.

Hong Kong Air Cargo Terminals Ltd. (HACTL) (LC Paper Nos. CB(1)2707/10-11(20) and CB(1)2784/10-11(19))

65. Ms Jennifer LAM, Corporate Communications Manager, HACTL said that HACTL expressed full support for the construction of a third runway as the overall competitiveness of Hong Kong would be affected if HKIA was unable to undergo timely expansion to cater for the increasing demand. She considered the suggestion for greater cooperation with GPRD airports in order to obviate the need for the third runway infeasible as these airports also faced the problem of insufficient capacity.

Hang Seng Management College (HSMC) (LC Paper No. CB(1)2707/10-11(21))

66. Professor LEE Tien-sheng, Vice-President (Research and Academic), HSMC emphasized that airport capacity determined the future of the aviation industry. He pointed out that when HKIA's capacity was stretched to its limit, airlines would be forced to keep only the more profitable routes and it would in turn limit the choices of both air passengers and freight forwarders. Operating at capacity would hinder HKIA from handling effectively any unanticipated events. With HKIA's handling capacity expanded, he opined that airlines could benefit from operating direct flights to emerging markets, and HKIA could achieve a win-win situation with the airports in the PRD Region by attracting more leisure travelers who would choose to fly domestically at PRD airports.

Qantas Airways Limited (Qantas)

67. Mr Freddy LI, Regional General Manager, North Asia, Qantas expressed full support for the construction of a third runway. He said that due to capacity constraint of the then Kai Tak International Airport, Qantas had chosen Singapore as its hub in 1995 for operation of flights between Australia and the United Kingdom, and now the Singapore Airport handled five times more than HKIA in the operation of flights to these places. Remarking further that 60% of the flights in HKIA were operated by foreign

airlines, he cautioned that these airlines and the prospective new players might switch to other unconstrained airports in the Asia Pacific Region for better time slots if the capacity of HKIA was saturated.

Hong Kong Ideas Centre (Ideas Centre) (LC Paper No. CB(1)2707/10-11(22))

68. Mr Albert LAM, Airport Study Group Member, Ideas Centre called for expediting the construction of a third runway. Noting that the third runway was an important infrastructure for Hong Kong, he suggested the Government to provide financial support to the project and to strengthen the communication with the Mainland authority on resolving issues related to PRD airspace. He also urged AA to work out the financial arrangements to avoid overspending as in the case of the construction of HKIA and the Passenger Terminal 2 (T2). AA should also conduct EIA for the three-runway option in order to address the public's concerns. Referring to a study conducted by the National Air Traffic Services (NATS) which originally found that the practical maximum runway capacity of HKIA could be increased to 74 ATMs per hour by 2015, he sought clarification from the Administration of the reason for publicizing the relevant figure as 68. He also considered it unrealistic to conclude that the three-runway system could support a practical maximum runway capacity of 102 ATMs per hour.

Hong Kong – Guang Dong Transportation Drivers and Employees Association

69. Mr CHIU Chi-keung, Vice-President, Hong Kong – Guang Dong Transportation Drivers and Employees Association expressed support for the three-runway option. He noted that of the some five million trips of cargo delivery by cross-boundary container vehicles using the Huanggang and Lok Ma Chau Control Points annually since 2006, about 70% and 30% of the cargoes were delivered to the container terminal and HKIA respectively for further processing. The situation had however reversed for the first four months in 2011 in which about 70% of the cargoes were delivered to HKIA. This had exerted increased pressure to the handling capacity of HKIA with the handling time for a cargo unit lengthened from half an hour to one previously to two to three hours at present. He also remarked that there was insufficient capacity at the Super Terminal 1 at HKIA and container vehicles had to pay for the parking facilities provided by the Airport Freight Forwarding Centre Company Limited and Asia Airfreight Terminal Company Limited in the vicinity and this had raised the operation cost of the trade. In view of the above, he urged that the third runway be provided expeditiously to reduce the cargo processing time at HKIA and lower the operation cost of the trade.

Airport Development Concern Network (LC Paper Nos. CB(1)2707/10-11(23) and CB(1)2784/10-11(20))

70. Mr Michael MO Kwan-tai, Spokesperson, Airport Development Concern Network was strongly opposed to the three-runway option. He expressed doubt on the effectiveness of the third runway on enhancing the handling capacity of HKIA in the light of the PRD airspace constraint and the ineffectiveness of the air navigation systems currently in use by CAD.

71. The responses of the Administration and AA, and members' discussion were consolidated in paragraphs 93 to 117.

Session 3

Ocean Corner

72. Mr TAM Cheuk-man, Member, Ocean Corner expressed objection to the three-runway option. Apart from pointing out that the construction and the reclamation activities would undoubtedly impact on the habitat of CWD, he opined that the residential communities in close proximity to HKIA would also be adversely affected by the increased aircraft noise and the emissions of pollutants arising from the operation of the third runway. Considering that the third runway should not be built at the expense of the health of the residents, he suggested the Administration to invest in air improvement projects instead to boost the growth of the tourism industry.

Green Dream

73. Miss LEUNG Chung-yan, Member, Green Dream said that she was opposed to the construction of the third runway as it would not only damage the habitat of CWD and aggravate the noise nuisance at Hong Kong Gold Coast and Tuen Mun Pier, but also put the public health at risk due to the increased emissions arising from more aircraft movements.

Hong Kong Airline Pilots Association (HKALPA) (LC Paper No. CB(1)2754/10-11(07))

74. Mr Fred WOO, Representative of the Technical and Safety Committee, HKALPA expressed support for the three-runway option but urged that the airspace surrounding HKIA be rationalized to realize the full capacity increase of the runways, which would enable HKIA to adopt new flight procedures that were more environmental-friendly and safer.

關注中國解放軍空軍控制全國空域影響航空業發展聯會香港分會 (LC Paper No. CB(1)2707/10-11(24))

75. Mr Rocky YUNG, Chairman, 關注中國解放軍空軍控制全國空域影響航空業發展聯會香港分會 expressed concern on the use of airspace in the Mainland.

Airport Air Freight Employee's Association (AAFEA) (LC Paper No. CB(1)2784/10-11(21))

76. Mr FONG Tin-ho, Assistant Welfare Officer, AAFEA expressed support for the construction of a third runway. Highlighting the difficulties faced by airport workers in terms of congested working environment and low remuneration, he urged AA to improve the ancillary facilities and hence the working environment along with the construction of the new runway and put in place measures to ensure fair working conditions and remuneration packages for airport workers.

Mr Gary WONG Chung-woon

77. Mr Gary WONG Chung-woon expressed objection to the construction of a third runway as he considered that HKIA Master Plan 2030 had failed to address the public concerns on the impact of the third runway on the environment, in particular the well-being of CWD and residents. He also criticized the Government for failing to effectively resolve the issue of air pollution which had adversely affected the standard of living and the investment sentiment of multi-national companies.

Mr LAI Ming-chuen

78. Mr LAI Ming-chuen said that he was opposed to the three-runway option. Apart from expressing concern on the lack of sufficient coverage about the environmental concerns of the three-runway option in HKIA Master Plan 2030, he also criticized AA for failing to present a full picture of carbon emissions associated with the construction and operation of the third runway.

Mr Raymond SIEW Wai-keung (LC Paper No. CB(1)2707/10-11(25))

79. Mr Raymond SIEW Wai-keung was gravely concerned about the huge capital investment for the three-runway option which in his view was equivalent to almost one-fourth of the fiscal reserve as in March 2011 and about half of the total government expenditure in 2010. He also considered it unrealistic to project the airport traffic for the next 20 years based only on

the traffic from 2008 to 2010. He further criticized AA for failing to develop the area reserved on the airport island when HKIA was originally planned but now sought to go for the three-runway option which would bring adverse impact to the environment.

Hong Kong Airline Service Providers Association (HASPA) (LC Paper No. CB(1)2784/10-11(22))

80. Mr Enoch LAM, Chairman, HASPA said that both HASPA and its member companies supported the three-runway option as HKIA's capacity would become constrained shortly even after pursuing the two-runway option. Noting the congestion and hence the constrained airport operations in nearly all aspects of HKIA, he considered it beneficial to take forward the three-runway project on a timely manner to cater for the industrial growth and benefit the economy.

DHL Aviation (HK) Limited (DHL) (LC Paper No. CB(1)2754/10-11(08))

81. Mr WONG Tak-kwong, Customs & Regulatory Affairs Manager, DHL highlighted that DHL's North-Asia Hub was now being constructed in Shanghai in response to the growth in the need for express services globally. He further stressed that the third runway was required to meet the territory's future need for cargo handling capacity and maintain economic competitiveness.

Airports Council International Asia-Pacific (ACI Asia-Pacific) (LC Paper No. CB(1)2707/10-11(27))

82. Mr S L WONG, Senior Manager – Technical & Industry Affairs, ACI Asia-Pacific said that a third runway would be an essential piece of infrastructure for Hong Kong and the Asia-Pacific Region and in maintaining Hong Kong's position as a leading aviation hub in the region. Noting that the number of air passengers was projected to be doubled in the next 20 years and that other airports in the Asia-Pacific Region were expanding aggressively, he opined that the third runway was important for HKIA to stay competitive. He also considered that capacity constraint at HKIA being a regional hub would not only hinder expansion of airline flight networks and result in possible flight delays, but also hinder the economic development of countries in the Asia-Pacific Region.

Hong Kong Tourism Board (HKTB) (LC Paper No. CB(1)2784/10-11(23))

83. Mr Paul LEUNG Kin-hang, Senior Manager, Strategic Planning and Research, HKTB expressed that as the three-runway system would enable

HKIA to handle increasing demand up to 2030 and possibly beyond, this would help ensure the air connectivity of Hong Kong and hence its advantages as an international business and transport hub, as well as a premier travel destination. In considering the future development of HKIA, he said that HKTB reckoned the importance of maintaining sustainability and the need to take into account the concerns of various stakeholders in the community.

Miss Queenie TAM Ming-wai

84. Miss Queenie TAM Ming-wai queried the need for the third runway and she called for preserving the environment in the course of economic development.

Community Development Initiative (CDI)

85. Mr Terry LEUNG, Researcher, CDI considered HKIA Master Plan 2030 incomprehensive as it failed to provide more possible options and the related details to facilitate the discussion of the public. The third runway might not achieve the intended outcomes as the main cause to the capacity constraint currently faced by HKIA lay on PRD airspace constraint and the ineffectiveness of the air navigation systems currently in use by CAD. He further explained that the removal of the airspace constraint would increase the number of flight paths and hence raise the handling capacity of HKIA, and that the use of the Global Position System-based Required Navigation Performance instead of Instrument Landing System as currently used by CAD would also raise the number of aircraft movements and minimize the areas affected by aircraft noise. He therefore requested that the above two issues be resolved before considering the three-runway option.

Hong Kong Inbound Travel Association Ltd. (HKITA)

86. Mr David LUK, Vice President, HKITA noted with concern the expanding airports in the PRD Region and considered a third runway necessary in safeguarding the competitiveness of Hong Kong as an aviation hub. He stressed the importance of timely expansion of HKIA as capacity constraint would mean giving up business opportunities to the competing airports and would impact on the logistics, aviation, tourism and trading industries locally.

*Hong Kong Construction Industry Employees General Union (HKCIEGU)
(LC Paper No. CB(1)2820/10-11(08))*

87. Mr FUNG Kin-cho, Secretary, HKCIEGU expressed support for the

three-runway option for the large number of employment opportunities it offered to manual and low-skilled workers. He also urged the Administration and AA to conduct the statutory EIA to address the public's concern on the environmental impact of the project. The said project should also be taken forward expeditiously to avoid the construction costs being pushed up further.

Hong Kong Express Airways Limited (LC Paper No. CB(1)2754/10-11(09))

88. Mr Stanley KAN Ho-yin, Director, HR & Admin, Hong Kong Express Airways Limited called for expediting the construction of the third runway to meet the upsurge in air passenger and cargo throughput and optimize the operation of HKIA. He noted with concern the aggravating condition of congestion at HKIA and pointed out that airlines operating narrow-bodied aircraft had already been arranged to park at a distance away from the passenger terminal, and this would drive transit passengers away from HKIA to the neighbouring airports. He considered that the third runway would provide jobs also for the more educated workforce and attract talents to join the aviation industry.

Hong Kong Airlines Limited (LC Paper No. CB(1)2754/10-11(09))

89. Ms Eva CHAN Yuen-kwan, Deputy General Manager, Corporate Communication, Hong Kong Airlines Limited expressed support for the three-runway option as there was a high potential for further developing the aviation industry. She said that Hong Kong Airlines Limited had invested in expanding its aircraft fleet for the years to come in the light of the vast business opportunities presented for the aviation industry.

The Hong Kong Chinese Importers' & Exporters' Association (HKCIEA) (LC Paper No. CB(1)2754/10-11(10))

90. Mr Peter CHUNG Chee-keung, Committee Member, HKCIEA expressed support for the construction of a third runway. He said that the success of HKIA was pivotal in securing the position of Hong Kong as an Asian financial centre and supporting the growth of the four pillar industries. The third runway would also be conducive to creating a large number of employment opportunities for construction workers of a great variety of skill set. Noting that more than half of the air passengers using HKIA were transit passengers, he cautioned that these passengers would go for other competing airports if HKIA's handling capacity was saturated.

WWF – Hong Kong (WWF) (LC Paper No. CB(1)2784/10-11(24))

91. Dr Andy CORNISH, Director of Conservation, WWF said that the environmental impacts and costs were the key considerations for the construction of the third runway. While WWF had estimated that the social cost of short-haul aviation emissions could range from \$3 to \$59 billion per year for the next 20 years, the total cost for carbon emissions and payers remained unknown. WWF called for the consultation to be suspended until the full cost details were available.

Mr LAU Pui-hoi

92. Mr LAU Pui-hoi said that he acknowledged the National 12th Five-Year Plan for supporting Hong Kong to develop into a high-value goods inventory management and regional distribution centre. In anticipation that HKIA was approaching its maximum capacity, a detailed EIA for the three-runway option should have been conducted to address public's concern about environmental protection years ago when it was proposed in the Master Plan 2025. He also suggested the Administration and AA to study the experience of Singapore and Kuala Lumpur in the provision of terminal facilities for low-cost carriers at HKIA to meet the transport needs of the grassroots.

Responses of the Administration and AA

93. USTH thanked deputations' views. While a majority of the deputations recognized the impending need for expanding HKIA with a third runway to maintain Hong Kong's competitiveness as an aviation hub in the region, the Administration noted the various concerns on the three-runway option, including PRD airspace issue, capital investment, funding arrangements and environmental impacts such as the preservation of CWD and noise nuisance to residential communities in Tuen Mun and Ma Wan. Highlighting that AA had since the commissioning of HKIA addressed the airport's long-term needs by the preparation of a 20-year Master Plan which was subject to review and update every five years, he did not subscribe to the criticism that the Government had not played an active role in the process as it had all along been involved in the relevant planning and supporting AA to conduct the consultation. USTH hoped that the public consultation would bring about an informed consensus in the community on the broad direction of the future development of the airport. At present, the Government and AA had yet to commit to either option.

94. USTH also said that, while AA was responsible for the expansion project, the Government played an important role in facilitating the development of the aviation industry and providing the relevant infrastructures. CAD, the Civil Aviation Administration of China and the

Macao Civil Aviation Authority had set up a tripartite standing working group to improve the use of airspace and co-ordination of air traffic management in the PRD Region. The working group had reached a consensus on the management of PRD airspace to ensure that the airspace arrangement would meet the operational needs of the three places in the future. With the concerted effort of the working group, the number of flight delays for HKIA had been reduced in 2010. USTH however stressed that the major constraint faced by HKIA was capacity saturation and not airspace, as only 22% of the total flights departing from HKIA would need to go through PRD airspace. In terms of infrastructural provisions, he said that the connection point of the Hong Kong Section of the Hong Kong-Zhuhai-Macao Bridge would be situated near HKIA, and the Tuen Mun-Chek Lap Kok Link would also connect HKIA to Tuen Mun and north-west New Territories to facilitate the operation of the logistics industry.

95. Mr Stanley HUI, Chief Executive Officer, AA said that HKIA Master Plan 2030 was released with a view to consulting the public on the future development of HKIA and AA welcomed the views of all stakeholders of the community. He remarked that a set of the consultants' reports relating to HKIA Master Plan 2030 had been provided to the Legislative Council (LegCo) and would be placed at the office of AA for the reference of the public.

96. On working environment of workforce at HKIA, Mr Stanley HUI of AA expressed that AA had been in close touch with the relevant staff unions on understanding their concerns on airport operations and making improvements to the working environment as far as possible. He also considered it incorrect to play up the impact posed by PRD airspace on the effectiveness of the third runway as only 22% of the total flights departing HKIA would need to go through PRD airspace. In addition, he emphasized that the practical maximum runway capacity of HKIA's two-runway and three-runway systems at 68 and 102 ATMs per hour respectively had been verified by NATS and CAD. He also clarified that air traffic projections as contained in HKIA Master Plan 2030 were arrived at using a simple linear regression model based on Hong Kong GDP. It had been tested that there was a close correlation between the historical traffic derived from the regression model and the actual traffic from 1993 to 2008.

97. As regards aircraft noise, Mr Stanley HUI of AA said that AA would continue to liaise with the local community of Ma Wan on the issue. In addition, as the NEF contours published in 1998 were projected based on the maximum capacity of the two-runway system, he considered that re-projection of the NEF contours at the moment was not necessary as HKIA was still operating well under the planned maximum capacity. However, to

minimize noise nuisance caused to the residential communities in Ma Wan, he said that there was a standing policy by Air Traffic Control to direct departing flights to fly southbound instead of eastbound at night if the wind direction allowed.

98. On the environmental impact of the three-runway option, Mr Stanley HUI of AA said that AA had recognized that the environmental impact for Option 2 was greater than Option 1, and the relevant environmental challenges had been explained in detail at the HKIA Master Plan 2030 Technical Report. Highlighting that a preliminary EIA had been conducted and the details of which had been incorporated into HKIA Master Plan 2030 for the consideration of the public, he stressed that AA was emphatic on the impact of the works on the environment and it would conduct a statutory EIA as required for the development option chosen.

99. Responding to the view that it was misleading for HKIA Master Plan 2030 to claim that ENPV up to 2061 under Option 2 could be \$912 billion as this would only be amounted to \$18.24 billion yearly, Mr Wilson FUNG, Executive Director, Corporate Development, AA advised that ENPVs for the development options were not calculated simply by adding up the net economic benefit in each year over a period of 50 years. Instead, it was derived by projecting value-added economic benefit in each year over a period of 50 years followed by subtracting projected economic cost from it to determine a net economic benefit for each year. The figures were then discounted to the present values using an appropriate discount rate and the present values were then further added up to arrive at ENPV.

100. As regards the omission of externalities in the calculation of ENPV for the two development options, Mr Wilson FUNG of AA explained that in estimating the value-added economic benefit for the three-runway option, the inclusion of direct, indirect and induced benefits alone without counting catalytic benefit already suggested that it was a worthwhile investment. Catalytic benefit was not counted in the calculation of ENPV as there was no general consensus within the community as to what to count and what not to count as externalities, and inclusion of externalities into the calculation of ENPV would thus lead to unnecessary argument. He further advised that AA had made reference to the Transportation Research Board in the United States when deciding on the use of the current model in calculating ENPV.

Discussion

Benefits of the three- runway option

101. Mr CHAN Kam-lam declared that he was a member of the Board of

AA. He concurred with the views of the Liberal Party Youth Committee that the third runway project had to be taken forward in order to sustain the economic development of Hong Kong and provide employment opportunities for the next generation. He urged the Administration and AA to reach out to secondary and tertiary students to brief them about the benefits of the project. Mr CHIU Chi-keung of Hong Kong – Guang Dong Transportation Drivers and Employees Association elaborated his support for the third runway. He reiterated that the capacity of Super Terminal 1 at HKIA was insufficient and container vehicles had to shoulder higher costs for facilities provided by the Airport Freight Forwarding Centre Company Limited and Asia Airfreight Terminal Company Limited in the vicinity. He was worried that the costs would continue to rise in the future and bring adverse impact on the competitiveness of the logistics industry. In this connection, he urged the Administration to press ahead with the construction of the third runway without delay.

102. Mr Paul TSE declared that he was an owner of a travel agent, a member of TIC, and an adviser and legal adviser to a number of travel agencies. Referring to HKCA's view that it would be more beneficial to position Hong Kong as a destination for business activities and investments than an aviation hub, Mr TSE enquired about the respective figures for flights and air passengers using HKIA as a destination or as for transit purpose. Ms Yvonne HO of IATA considered that the third runway would be conducive to attracting tourists to visit Hong Kong as a premier destination while maintaining its attraction as a transit hub. She remarked that transit passengers might choose to use other airports in the PRD Region, Singapore or South Korea if there was insufficient capacity at HKIA.

103. Referring to CP's concerns and AA's subsequent explanation on the means of calculation of ENPV and externalities, Ms Cyd HO asked whether CP was convinced of the explanation. Mr Albert LAI of CP reiterated that ENPV for the third runway as presented by AA was potentially misleading, as it failed to take into account the cost of externalities as advocated by The World Bank and the European Commission in the calculation of ENPV. He commented that in the absence of detailed and accurate information, the public would be misled in the relevant consideration and would not be able to give the development options a fair assessment. In response, Mr Wilson FUNG of AA explained that while there existed a generally-accepted view in some countries on the calculation of externalities in deriving ENPV, the same model had not been adopted by Hong Kong in deciding whether to take forward major infrastructural project. Given the large number of airports in the United States and the divided views held between the states on the calculation of externalities, the Transportation Research Board in the United States had applied a model which did not take into account the externalities,

and AA had modelled on the practice in the light of its representativeness.

104. Responding to Mr IP Wai-ming's concern on improving the working environment at HKIA, Mr Stanley HUI of AA responded that AA would be working towards the enhancement of occupational safety of airport workers, and it would continue the discussion with the unions concerned on working out the details.

Airspace issue

105. Ms Emily LAU invited the Ideas Centre to elaborate on the issues of possible overspending and airspace problem. Mr Albert LAM of Ideas Centre said he understood that both the construction of HKIA and T2 had incurred cost overrun. Referring to his capacity as the former Director-General of Civil Aviation, he said that he was personally involved in the discussion of PRD airspace issue in a meeting held on 25 February 2004 by a tripartite standing working group established by CAD, the Civil Aviation Administration of China and the Macao Civil Aviation Authority. He however commented that he was not too confident that PRD airspace issue could be effectively resolved in the future in view of the slow progress being made in recent years.

Environmental concerns

106. Mr CHAN Kam-lam considered that economic development and environmental protection were not necessarily in conflict with each other and they could co-exist. He agreed with GC's suggestion that advanced technologies should be applied as far as practicable to mitigate the environmental impacts of the project. He also called for rational public discussion and urged the Administration and AA to actively address the various concerns of the community about the project. Mr Roy TAM of Green Sense considered that environmental protection had always been sacrificed to give ways for economic development. He highlighted the profound environmental impact of the three-runway option in terms of reclamation, the habitat of CWD and carbon emissions. Mr Martin OEI reiterated that the construction of a second airport would pose less impact to the environment.

107. Ms Emily LAU said that she was concerned whether a consensus could be reached in respect of the development option in the light of the divided views presented by the attending deputations. Referring to the Administration's indication that it would strike a balance between economic development and environmental protection in taking forward the project, she invited FoE(HK) and Greeners Action to suggest the ways in which this

could be better attained. In response, Mr Thomas CHOI Ka-man of FoE(HK) referred to the information presented by AA to the green groups on the air pollution index at the airport island and considered that the information should also be disclosed to the public to facilitate their consideration of the development plans. He commented that the information as presented by AA on HKIA Master Plan 2030 was incomplete and this would prevent the public from making a well-informed decision. Mr Angus HO Hon-wai of Greeners Action opined that a strategic EIA on the three-runway option should be conducted before the statutory EIA for the reference of the public. Apart from consulting the business community, he considered that a more balanced view to the future development of HKIA could be obtained by consulting also the local committees and resident groups.

108. Mr IP Wai-ming declared that he was the Vice Secretary-General of the Staffs & Workers Union of Hong Kong Civil Airlines. He asked whether the Administration could proceed on conducting an EIA for the three-runway option now to facilitate the discussion of the public. USTH advised that the statutory EIA would be conducted after a consensus was reached in respect of the development option as considerable resources would be required in such process, and the Administration had to be prudent in the use of public monies. In the light of the Administration's response, Mr Paul TSE urged the Administration to consider the feasibility of conducting a more detailed EIA in the interim before proceeding in full swing the statutory EIA to give the public more information about the environmental impact of the three-runway option.

109. Referring further to WWF's call for the consultation to be suspended until the full cost details of the three-runway option were available, Ms Emily LAU asked whether the information as requested could be released for the inspection of the public. USTH responded that both the Administration and AA would strive to provide the relevant information for the discussion of the public. Mr Stanley HUI of AA replied that AA had been in touch with the green groups. A set of the consultants' reports relating to HKIA Master Plan 2030 had also been provided to LegCo and would be placed at the office of AA for the reference of the public. Ms LAU urged AA to engage in active dialogue with the green groups.

110. Ms Emily LAU opined that it would be difficult for the public to engage in the relevant discussion in the absence of a more detailed EIA and other detailed information on the three-runway option. Mr Paul TSE shared similar concerns and he urged the Administration and AA to provide the most critical information in order facilitate the public's consideration of the development options. Referring to AA's response to the deputations that a

set of the consultants' reports relating to HKIA Master Plan 2030 had been provided to LegCo and would be placed at the office of AA, Ms LAU urged AA to make available the soft copy of such information for the ease of access of the public. The Chairman said that he would follow up the issue with AA after the meeting.

(Post-meeting note: AA had indicated in its letter to the Panel dated 1 August 2011 that it would upload the set of consultants' reports for HKIA Master Plan 2030 onto its website in about a week or so. Panel members were duly notified about this on 3 August 2011 vide LC Paper No. CB(1)2856/10-11(01).)

Concerns of Ma Wan residents on aircraft noise

111. Noting the worries of residents of Park Island on the expansion project, Ms Emily LAU urged the Administration and AA to actively address their concerns. Mr Paul TSE also asked about the concrete measures that had been put in place in response to the complaints made by residents of Ma Wan on aircraft noise.

112. In response, the Assistant Director-General of Civil Aviation (Air Services) advised that the Administration had all along been communicating with the Park Island Owners' Committee and other related bodies on the noise nuisance issue. The Administration had also commissioned a consultancy study in 2010 to examine the feasibility of slightly adjusting the flight path so as to reduce the aircraft noise to Ma Wan. The relevant report had been completed and the Administration would continue the discussion with the relevant parties in taking forward the recommendations.

113. The Chairman declared that he was a member of the Board of AA and a non-executive director of a travel agency. He invited the Park Island Owners' Committee to respond to the Administration's reply. Mr LAM Wai-man of Park Island Owners' Committee said that residents of Ma Wan had been suffering from severe aircraft noise at night as a majority of flights departing from HKIA at the time would fly over Ma Wan. The Park Island Owners' Committee had discussed in detail with the Administration on the consultant's recommendations and indicated its disagreement to the Administration's proposal of flight path change which would only reduce the aircraft noise at Ma Wan by a few percent. Instead, Ma Wan residents preferred another option set out in the report which would increase the number of severe noise nuisance of another district by 12 times but reduce the number at Ma Wan by 40% out of more than 3 000 times yearly. He urged the Administration to pursue this option by consulting with the affected district. The Chairman urged CAD to take on board views of the Park

Island Owners' Committee with a view to coming up a solution.

Impact of the Mainland's high-speed rail network on air traffic demand

114. Mr Fred LI enquired about the impact of the Mainland's high-speed rail network which was being developed in full swing on the air traffic demand for HKIA. Mr Michael WU of TIC pointed out that of the some 30 million tourists visiting Hong Kong yearly, some 18 million visitors were from countries other than the Mainland. While it was envisaged that a certain amount of visitors coming from the Mainland would travel by the Mainland's high-speed rail network instead of air, there was still a need to ensure HKIA's capacity could facilitate the development of outbound tourism and make Hong Kong a preferred destination for MICE events.

115. In response to the Chairman's concern, Mr Wilson FUNG of AA advised that according to the demand forecast conducted, the high-speed rail could potentially pose some competition to overlapping air routes between Hong Kong and short-haul Mainland destinations within a travelling time of six hours. However, all these regional Mainland routes combined contributed only about 3% of HKIA's passenger throughput in 2010. He also added that experiences in Europe and Japan had clearly shown that while the introduction of high-speed rail might negatively affect short-haul and overlapping aviation markets in the short term, it would increase people's willingness to travel and, in the medium to long term, increase the overall size for both the rail and aviation markets.

Way forward

116. Summing up, the Chairman expressed that while there were supports for the construction of the third runway for its long-term benefits to the economy and the employment opportunities created for different levels, there were concerns on the impact of the third runway on the costs to the society and the environment. He urged the Administration and AA to take heed of the views and suggestions expressed by members and deputations and to provide a detailed response to the views collected during the consultation.

Admin/
AA

117. Ms Emily LAU urged the Administration and AA to provide a written response to the views expressed at the meeting. She enquired about the way forward. Pointing out that the consultation would end on 2 September 2011, Mr Stanley HUI of AA advised that the Social Sciences Research Centre of the University of Hong Kong had been appointed to collect and compile public views on the development options independently. It was expected that the relevant report would be submitted to AA by the end of October 2011. The report would then be considered by the Board of AA

Action

Admin

before a recommendation was made to the Government. USTH added that the Government expected AA to submit a recommendation on the way forward in late 2011 with a view to deciding on the next stage of work. At the request of Ms Emily LAU and the Chairman for conducting a further briefing to the Panel on the chosen development option, USTH undertook to liaise with the Chairman on the relevant arrangement.

IV Any other business

118. The Chairman thanked members and representatives of the Administration for attending the last Panel meeting of the 2010-2011 legislative session and their contribution in past meetings.

119. There being no other business, the meeting ended at 7:50 pm.

Council Business Division 1
Legislative Council Secretariat
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