

Legislative Council Subcommittee
to Follow Up Issues Relating to the
Three-runway System at the Hong Kong International Airport

**Three-Runway System Project at the Hong Kong International Airport:
Overview, Need and Urgency and Latest Progress**

3 November 2015



Milestones for 3RS Development



Mid 2011



Mar 2012



Mar 2015



MP2030 sets out two development options for HKIA

**Enhancing the
Existing Two-
Runway System**

**Expanding into a
Three-Runway
System**

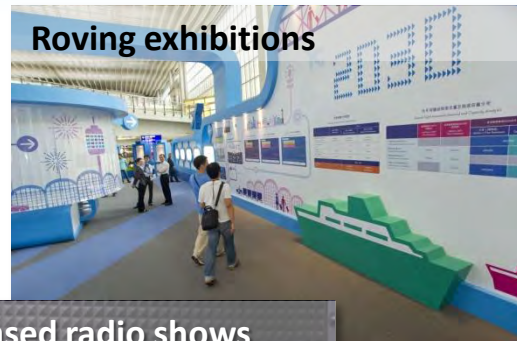


194 briefings on MP2030 were held during the 3-month public consultation period (Jun – Sep 2011)

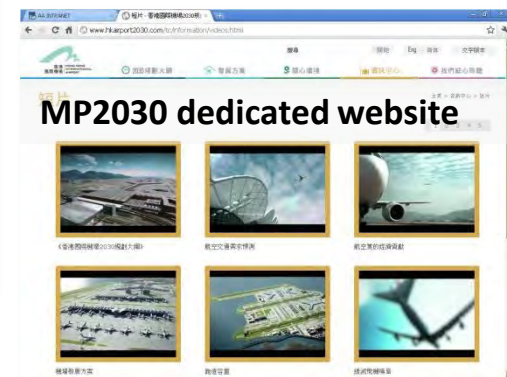
Discussions with academics



Roving exhibitions



MP2030 dedicated website



Web-based radio shows



Seminars



TV programmes



Youth exchange platforms



YouTube hits



Consultation in the Dark



Scenario planning workshops

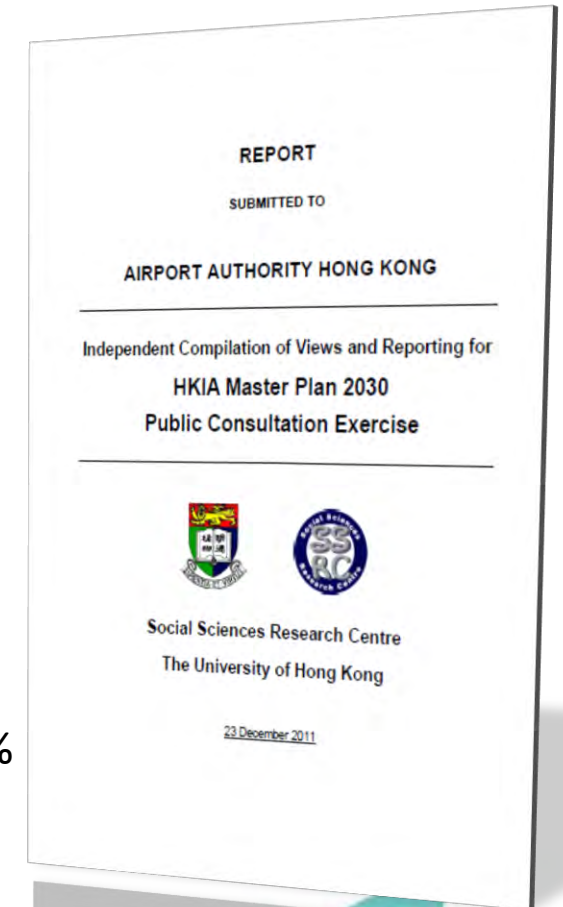
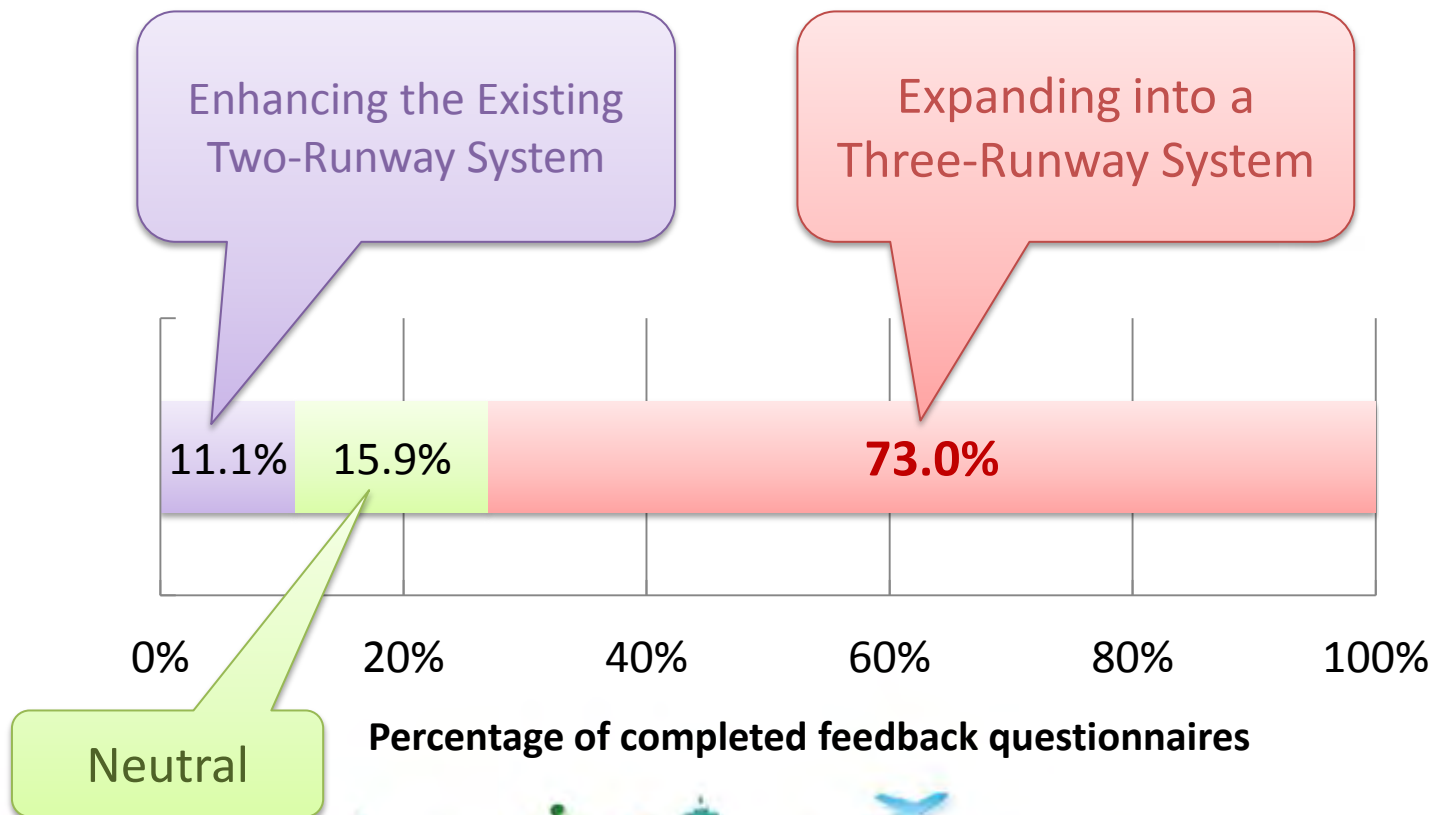


Roundtable Forums



AAHK appointed HKU's SSRC to independently compile and analyse views collected during a 3-month public consultation period

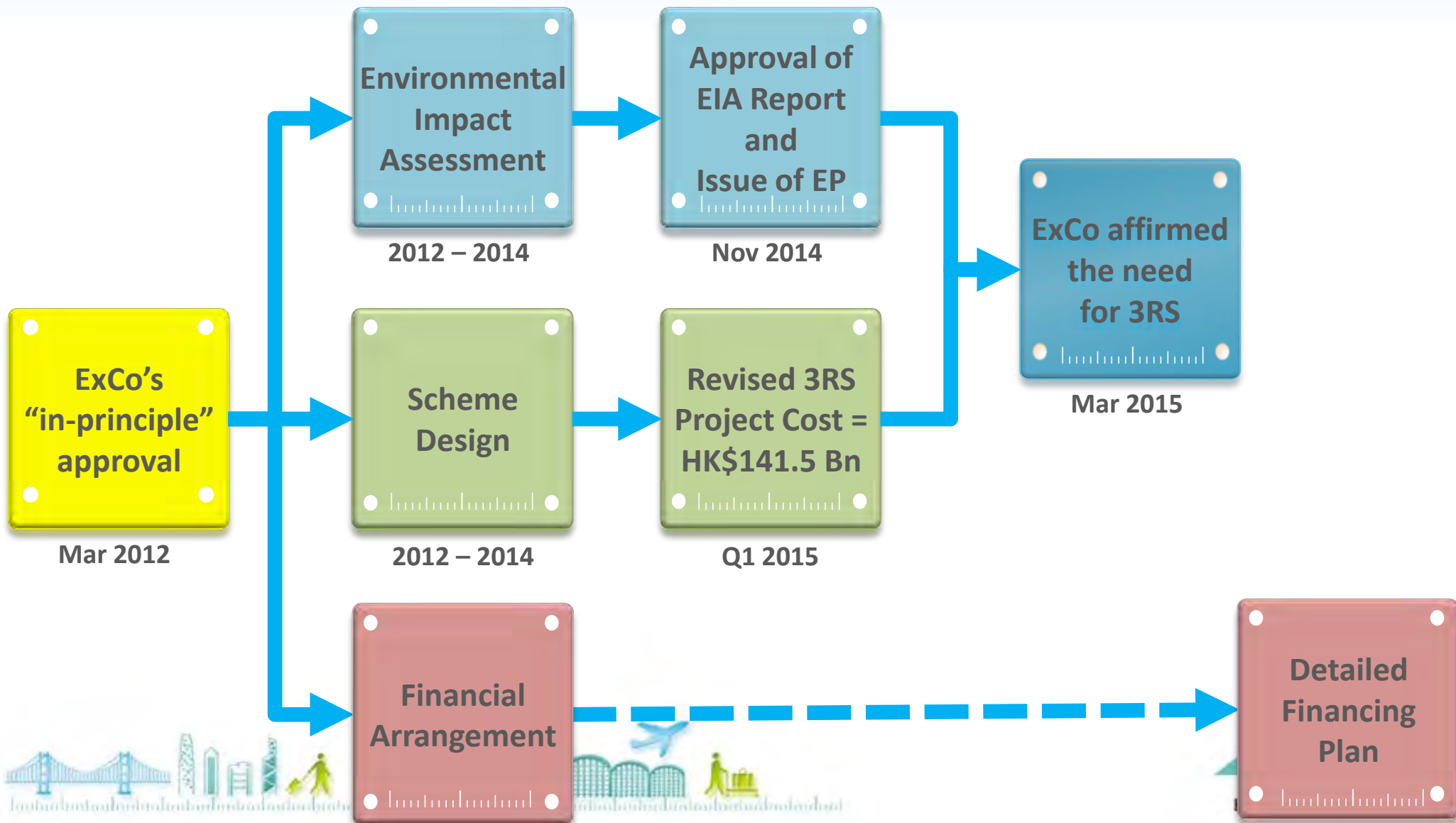
- Of the 24,242 questionnaires received, there was a clear preference for the 3RS.



Milestones for 3RS Development



Follow-up actions after ExCo gave approval in principle for AAHK to adopt the 3RS



Environmental Impact Assessment



Environmental Impact Assessment (“EIA”)

In August 2012, Director of Environmental Protection (“DEP”) issued a Study Brief covering **12 key aspects**.



12 key assessment aspects



700 engagement activities on EIA were held from 2012 to 2014

Briefings to resident groups



Public forums on EIA

Public Forum on the Environmental Impact Assessment for the Three-Runway System Project
三跑道系統計劃環境影響評估



Exhibitions for EIA



Visits for secondary schools



Visits to brief public on HKIA's environmental initiatives



Exhibitions for EIA

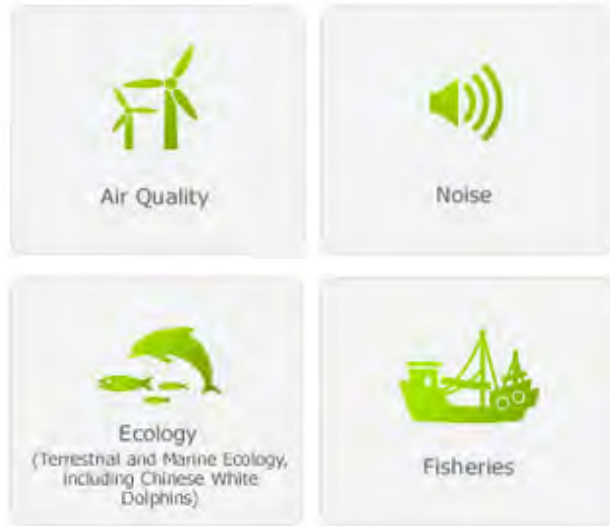


Visits for Owners' Committees and Neighbouring Communities



Establishment of dedicated engagement platforms: Technical Briefing Groups and Community Liaison Groups

Technical Briefing Groups (“TBGs”)



- Comprising **28 members** from industry and academia with technical expertise of the 4 areas.
- No. of meeting held: **12**

Community Liaison Groups (“CLGs”)



- Serves as **advisory platforms** for community leaders to exchange views.
- No. of meeting held: **20**



Over 250 initiatives formulated under the EIA to address the environmental issues

Environmental Aspect	Construction Phase With Mitigation where applicable	Operation Phase With Mitigation where applicable
Air Quality	Acceptable	Acceptable
Hazards to Human Life	Acceptable	As Low As Reasonably Practicable
Noise	Acceptable	Acceptable
Water Quality	Acceptable	Acceptable
Sewerage and Sewage Treatment	N/A	Acceptable
Waste Management	Acceptable	Acceptable
Land Contamination	Acceptable	N/A
Terrestrial & Marine Ecology	Acceptable	Acceptable
Fisheries	Acceptable	Acceptable
Landscape and Visual	Acceptable	Acceptable
Cultural Heritage	Acceptable	Acceptable
Health	N/A	Acceptable



Approval of the EIA Report and the Issue of Environmental Permit (“EP”)

香港機場
OUR REF: (2) in EP2/G/B/162 Pt.15
YOUR REF:
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FAX NO.: 2591 0558
E-MAIL: lpic@epd.gov.hk
HOME PAGE: <http://www.epd.gov.hk>

Environmental Protection Department
Branch Office
25th Floor, Southern Centre,
130 Hennessey Road,
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環境保護署
環境保護署分處
香港灣仔
軒尼詩道
一百三十號
修頓中心廿八樓

7 November 2014
By Registered Post & Fax: 2182 8168

Airport Authority Hong Kong, HKIA Tower

Environmental Impact Assessment (EIA) Ordinance, Cap. 499, Section 6(2)
Application for Environmental Permit


Expansion of Hong Kong International Airport into a Three-Runway System
(Application No: AEP-489/2014)

I refer to your application of 17 April 2014 for an Environmental Permit under Section 10(1) of the EIA Ordinance.

Subsequent to our letter of EIA report approval issued to you today, please find attached the Environmental Permit (Permit No. EP-489/2014) for the construction and operation of the captioned Designated Project for your use. Under Section 15 of the EIA Ordinance, the Environmental Permit will be placed in the EIA Ordinance Register for public information, and it will be uploaded to the EIA Ordinance website (www.epd.gov.hk/cia).

Please note that if you are aggrieved by any of the conditions imposed in this Permit, you may appeal under Section 17 of the EIAO within 30 days of receipt of this Permit.

Should you have any query concerning the above application, please contact my colleague Mr Lawrence NGO on 2835 1751.

Yours faithfully,

(Louis P.L. CHAN)
Principal Environmental Protection Officer
(Regional Assessment)
for Director of Environmental Protection

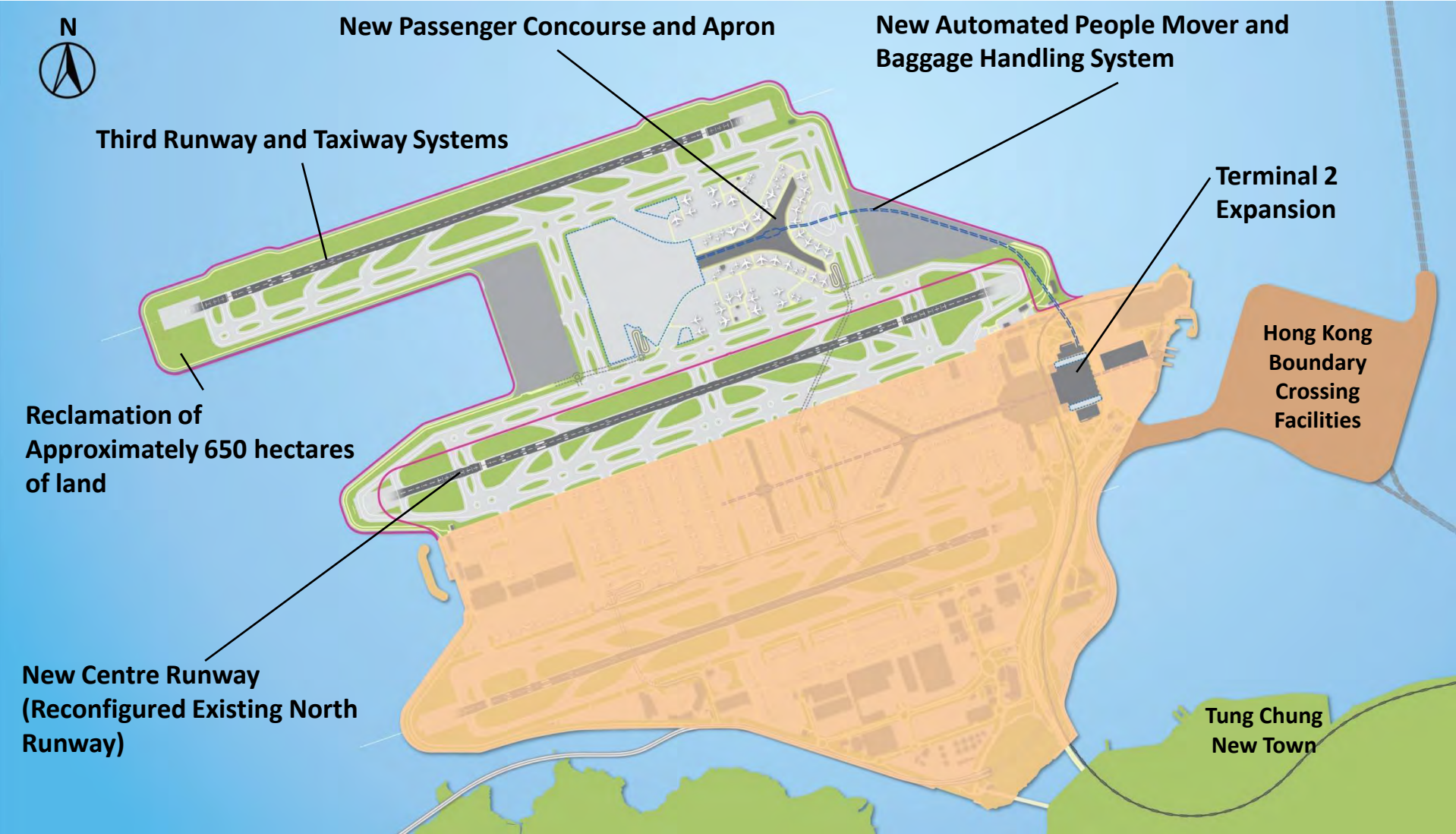


On 7 November 2014,
DEP granted the EP for
the 3RS project to AAHK.
56 conditions to be
fulfilled under the EP.

Design and Cost of the 3RS Project



3RS Project Layout Plan



 Reclamation Footprint

3RS Project Cost (Scheme Design)

Three-Runway System	3RS Scheme Design (HK\$ billion)
Land formation	36.8
Runway and taxiway systems	6.5
New passenger concourse and apron	16.8
Expansion of and modifications to Terminal 2	9.5
Automated people mover system	6.1
Baggage handling system	4.5
Road network and transportation facilities	4.3
2010 Dollars	HK\$ 84.5 bn
MOD	HK\$ 141.5 bn





“Joint Contribution and User-Pay” Principle

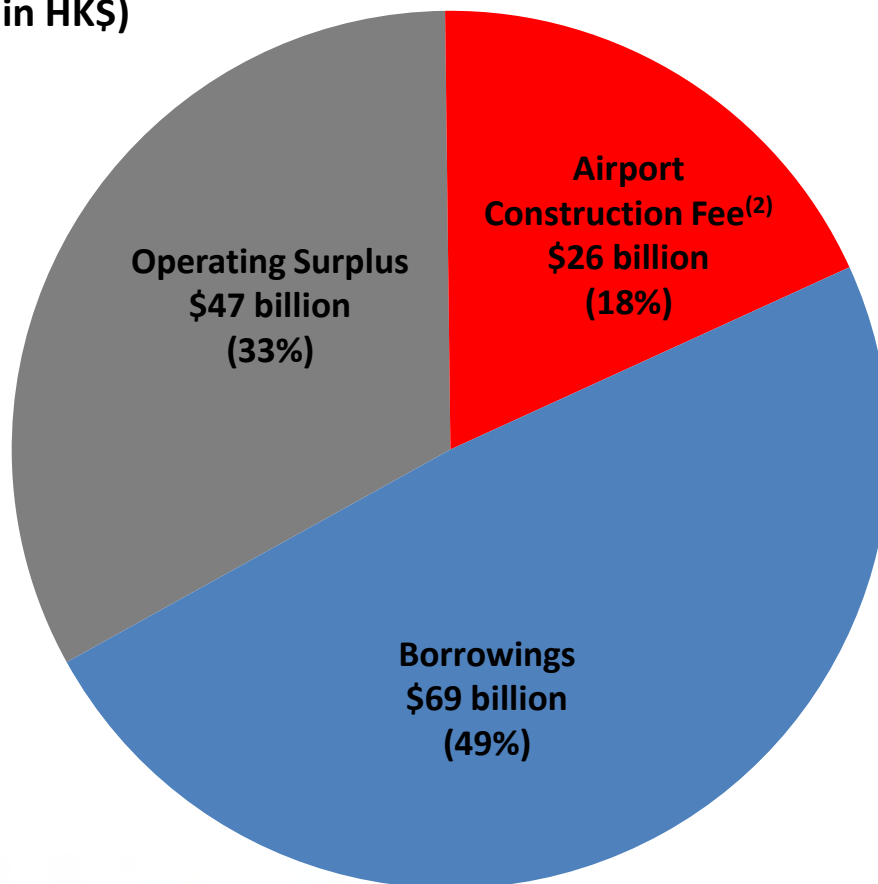
From three major sources:

1. Third party debts raised from the market leveraging on AAHK's financial capability and credit rating;
2. Operating surplus after reviewing and adjusting existing fees and charges; and
3. Introduction of a new Airport Construction Fee (“ACF”).



Financial Arrangement

(in HK\$)



Notes:

- (1) The above mentioned Financial Arrangement is subject to rounding.
- (2) After tax and expenses.

ACF Charging Regime

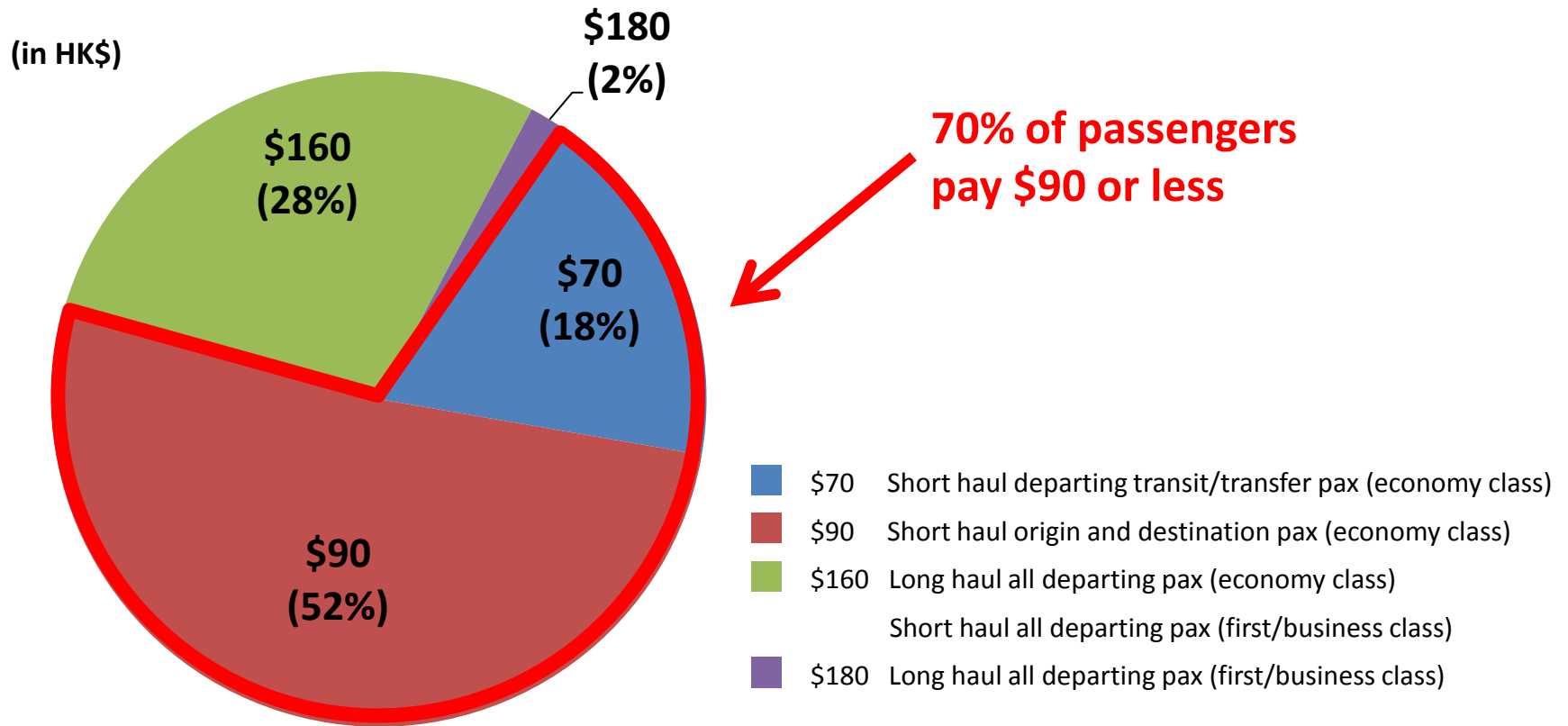
- Comprises differentiated charges for flying distance (long/ short haul), ticket class (first and business/ economy class) and origin & destination (OD)/ transit or transfer (TT).

All Departing Passengers (OD and TT)		
Per departing Pax (HK\$)	First / Business Class	Economy Class
Long haul	\$180	\$160
Short haul	\$160	\$90*

*To maintain the competitiveness of HKIA's hub status, ACF for short haul economy TT passengers is set at HK\$70.



Most passengers pay \$90 or less for ACF



Note:

(1) Subject to rounding.

(2) Based on FY2014/15 passengers.

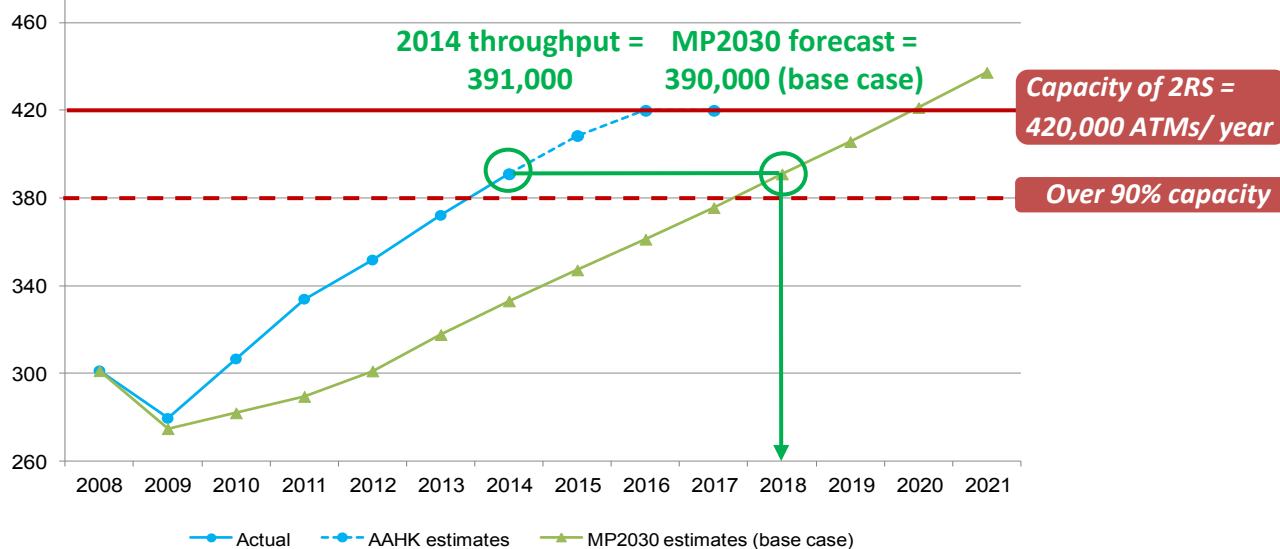
Need and Urgency of the 3RS Project



2014 air traffic movements showed that 3RS is urgently required



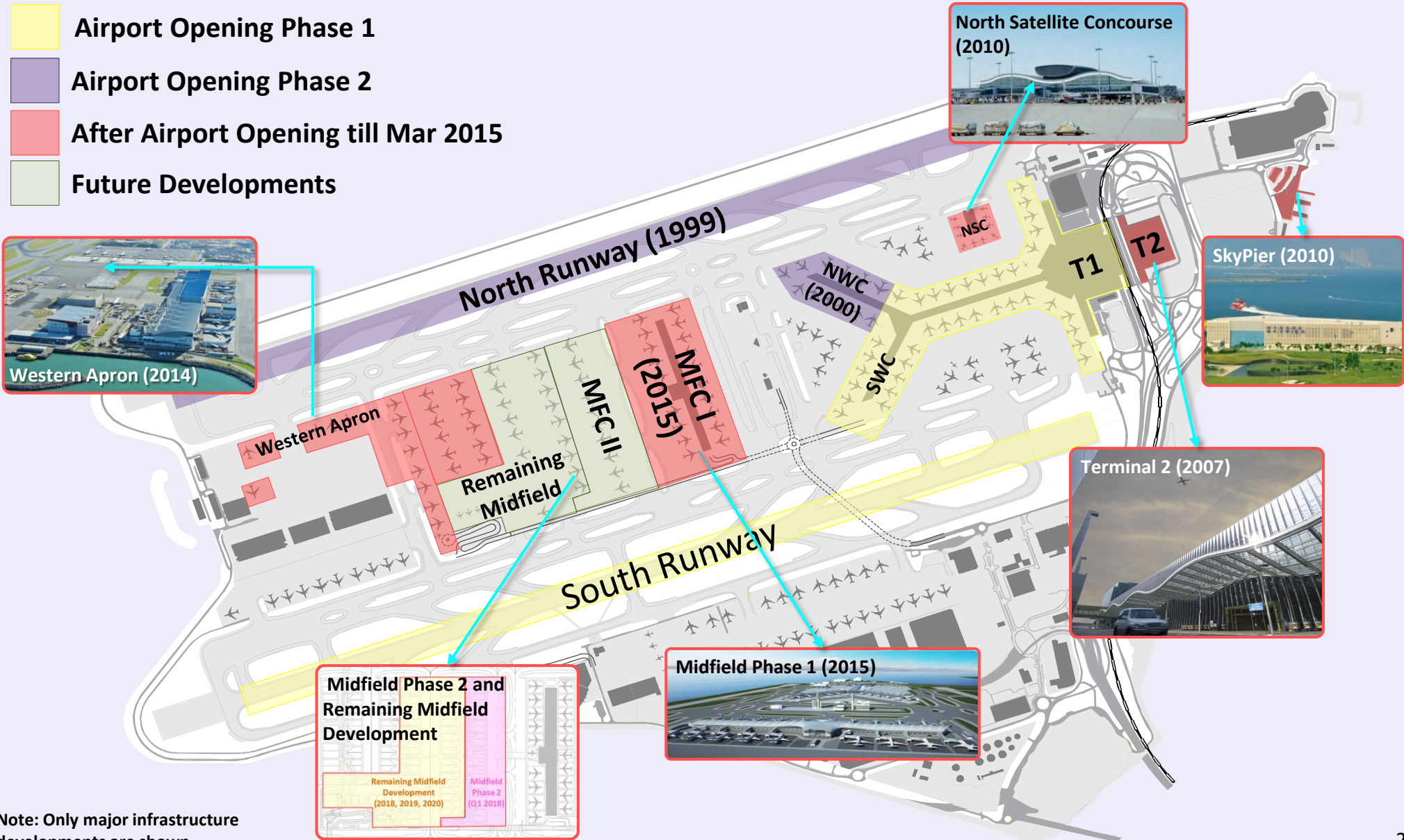
Air Traffic Movements (ATMs)/ year
(‘000)



Source: IATA Consulting estimates; AAHK for actual statistics and estimates



HKIA's Infrastructure Development Follows Demand



HKIA acts as a key driver to support the economy of Hong Kong

Direct, indirect
and induced
contributions to
Hong Kong

HK\$94 Bn



4.6%
of HK's GDP*

Support
the

4

Pillar Industries
of Hong Kong

Financial services



Trading and
logistics



Professional
And Producer
Services



Tourism



58%
of HK's GDP^

*HKIA's economic contribution to HK GDP is in 2012 dollars.

^Four pillar industries' contribution to HK GDP is in 2013 dollars.

Source: Enright, Scott & Associates Ltd (2015); Census and Statistics Department (15 April 2015)

香港 HONG KONG
國際機場 INTERNATIONAL
AIRPORT

Airport expansion benefits the people of Hong Kong

- The **3RS** will spur the economic growth of Hong Kong and strengthen its status as an international and regional aviation hub.

Provide More Than

123,000 Jobs



More Jobs

- To provide more than 100,000 direct employment opportunities

Deliver More Than

\$450 Billion
Additional Economic Benefits

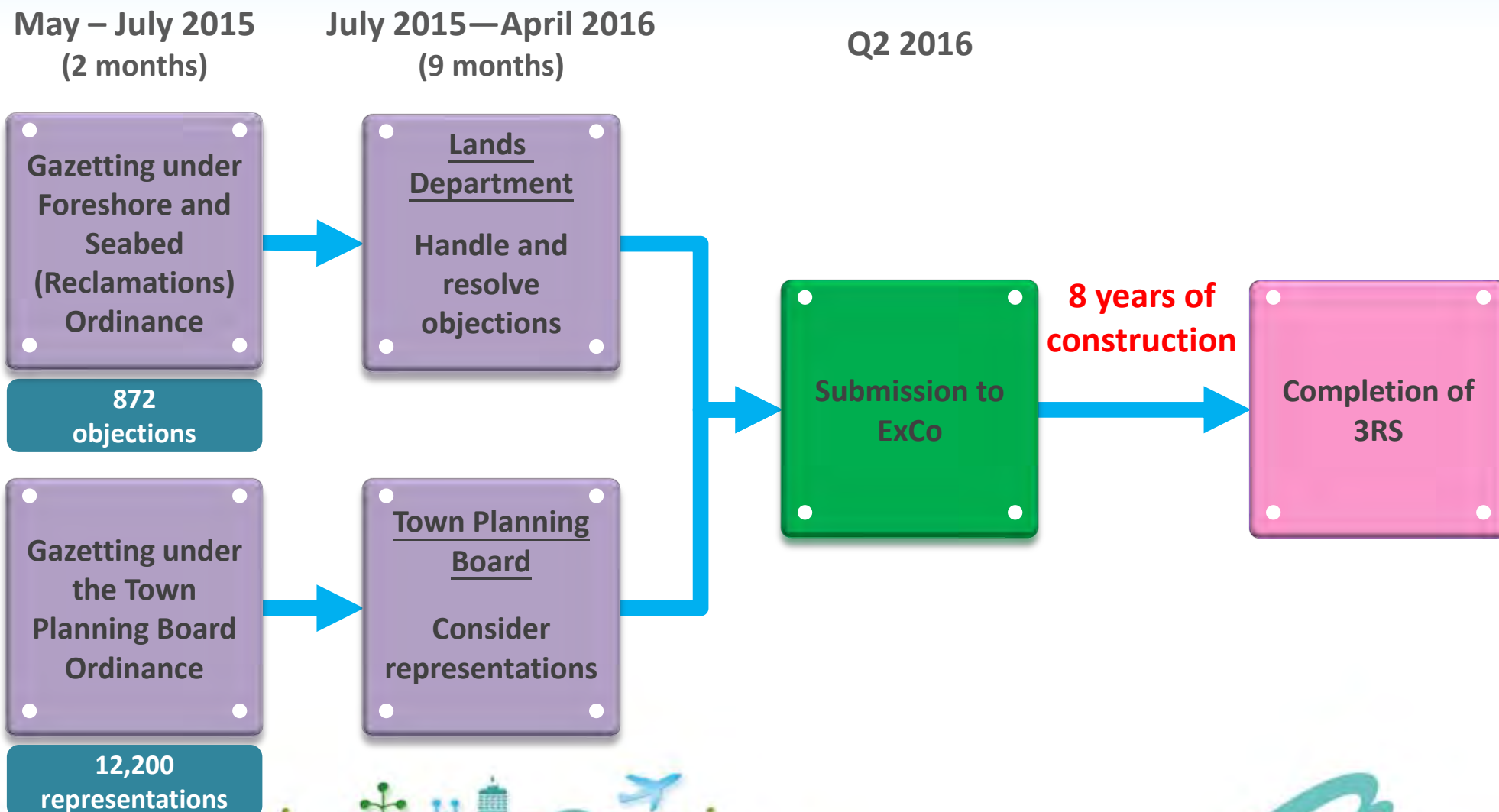


More Economic Benefits

- To deliver more than \$450 billion additional economic benefits
- The airport will generate economic contributions equivalent to about 5% of local GDP in 2030



Way Forward



THANK YOU

