

政府總部  
運輸及房屋局  
運輸科  
香港添馬添美道 2 號  
政府總部東翼



**Transport and Housing Bureau**  
**Government Secretariat**  
**Transport Branch**  
East Wing, Central Government Offices,  
2 Tim Mei Avenue, Tamar, Hong Kong

本局檔號 OUR REF.: THB(T)AEP 5/30/1  
來函檔號 YOUR REF.:

電話 Tel. No.: 3153 2915  
傳真 Fax No.: 2522 2697

15 June 2018

Mr Keith WONG  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

Dear Mr Wong,

### **Establishment Subcommittee**

#### **Follow-up to the meeting on 29 May 2018**

At the meeting of the Establishment Subcommittee of the Legislative Council (“LegCo”) on 29 May 2018, we consulted Members on the proposed creation of the three supernumerary directorate posts in the Airport Expansion Project Coordination Office (“AEPCO”) under the Transport Branch of the Transport and Housing Bureau. The Government was requested to provide supplementary information about (a) Airport Authority Hong Kong’s (“AAHK”) follow up actions with the Three-runway System (“3RS”) contractors on the irregularities identified during safety inspections; (b) AAHK's mechanism and measures in place to respond to feedback from 3RS workers on safety provisions and staff welfare improvements; (c) Government’s negotiations with contractors to reduce the amount of compensations under public works projects; (d) AAHK’s profit in the last three financial years; (e) job duties of the proposed Administrative Officer Staff Grade C (“AOSGC”) post during the implementation of the 3RS project; (f) Transport Department’s enhancement measures to improve the public transport in areas near the airport; and (g) latest progress of AAHK's SKYCITY development. We have consulted the

Development Bureau (“DEVB”), the Transport Department (“TD”) and AAHK, and our consolidated reply is as follows.

(a) AAHK’s follow up actions with the Three-runway System (“3RS”) contractors on the irregularities identified during safety inspections

AAHK regularly conducts safety inspections, both regular and surprise ones, to ensure that the 3RS contractors comply with construction safety requirements.

All cases of potential construction safety hazards and non-compliance with construction safety requirements identified during the site safety inspections will be recorded. For cases which do not involve hazards of imminent danger, the contractors concerned will be required to submit reports with evidence showing rectification work has been carried out within three days for AAHK’s verification. For non-compliance which may induce imminent danger, e.g. potential fall-of-person, the works concerned will be suspended immediately. The contractor will be required to take immediate rectification. The construction works can only be resumed upon AAHK’s approval.

If the contractor failed to carry out the necessary rectification, the construction works will be suspended until such rectification is made. AAHK will also discuss with the senior management of the contractor to address and follow up on the issue.

(b) Mechanism and measures in place to respond to feedback from 3RS workers on safety provisions and staff welfare improvements

AAHK welcomes feedback from the 3RS construction workers with a view to enhancing construction safety and staff welfare.

On the safety front, AAHK has established two channels, namely “Near Miss Reporting Scheme” and “Dynamic Safety Performance Assessment”, for workers to provide feedback on the enhancement of 3RS construction safety. Under the Near Miss Reporting Scheme, contractors and workers are encouraged to report any near miss incidents to AAHK, together with the details of the corrective actions implemented. The scheme aims to promote a near

miss reporting culture, as well as to eliminate or reduce accidents and incidents in the 3RS construction. AAHK has also undertaken a Dynamic Safety Performance Assessment for the reclamation works contractors, whereby a safety assessment will be conducted to solicit feedback from all the workers involved in the reclamation works. Upon reviewing the feedback collected, enhancement measures will be implemented where necessary. For instance, AAHK and the reclamation works contractors have improved the boat transfer safety by providing additional handrails on top of the existing safety measures, such as non-slippery floors, lighting for night time operation, etc.. AAHK is planning to extend the Dynamic Safety Performance Assessment to the land-based contracts.

AAHK holds monthly safety meetings and regular discussions during site inspections to collect feedback from contractors and workers. In responses to their comments and requests, some welfare enhancement measures have been introduced. For instance, AAHK has discussed with the contractors to enhance the transportation to the works sites. At present, the reclamation contractor provides its staff with free shuttle bus services connecting the airport island with Tuen Mun, Kowloon Tong, Wan Chai, Mei Foo and Tung Chung. AAHK is also planning to introduce a number of facilities, such as staff canteens and a medical centre, in 2020 to further enhance the welfare of the 3RS workers.

(c) Government's negotiations with contractors to reduce the amount of compensations under public works projects

As advised by the DEVB, contractors' claims could generally be grouped into the two categories.

One category refers to the claims for extension of time. If contractors encountered delays in the progress of work due to the reasons stated in the contracts or other unforeseen circumstances, such as inclement weather or changes to the project programme due to changes in the legislation, the contractors may notify the Engineers as stated in the contracts ("the Engineers") in writing for claim submissions. The Engineers would assess the extension of time in accordance with the situations stipulated in the contracts. The extension of time claims may also involve monetary claims.

The other category refers to the monetary claims. The contractors may make such claims based on different circumstances. Examples may include: (i) in case the actual site condition does not match with the design, the Engineers may, subject to the terms of the contracts, issue variation orders to the contractors; (ii) the progress of works is materially affected due to circumstances which are not caused by the contractors and resulted in additional expenditures; and (iii) additional expenditures incurred by the contractors due to the extension of the construction period. The contractors may claim for these additional expenditures from the Government.

Regardless of the circumstances, the contractors' claims must be based on the relevant provisions stipulated in the contracts and must submit a set of complete records, including the site diary, workers attendance records and subcontractors' documents etc. in order to substantiate the claims. The Engineers would assess the contractors' claims in a fair and impartial manner and in accordance with the provisions of the contracts. If the claims are justified, the Engineers would adopt the contract prices or the market prices, in case the contract prices are not applicable, to calculate and determine the amount payable to the contractors.

Most of the claims can be handled according to the above mentioned mechanism. However, in a few cases, when the contractors disagree with the Engineers' decisions, there may be contractual disputes. These disputes may eventually be resolved by mediation and/or arbitration etc..

In recent years, the Development Bureau is actively promoting the adoption of the "New Engineering Contract ("NEC")" form. The NEC is a suite of contracts developed by the Institution of Civil Engineers in the United Kingdom. It encompasses contract provisions to encourage contracting parties to adopt a partnering approach to take forward construction works, thereby avoiding or minimising disputes. This contract form attaches great importance to risk mitigation and management, and embraces a collaborative risk management mechanism, which helps further reduce project risks. This contract form emphasises cooperation, mutual trust and collaborative risk management between contracting parties. This will enable speedy resolution of issues arising in the course of contract thus providing a good control of the contract cost.

(d) AAHK's profit in last three financial years

AAHK's profit after tax in last three financial years is as follows :

Financial Year*	2016-17	2015-16	2014-15
Profit after tax for the year (in HK\$ million)	8,310	8,374	7,270

\* Note: AAHK's FY2017-18 financials are yet to be approved and will be made available to the public by end June 2018.

(e) Job duties of the proposed AOSGC during the implementation of the 3RS project

The main duties of the AOSGC (D2) post (i.e. Principal Assistance Secretary (AEPCO) ("PAS(AEPCO)")) is to assist Head(AEPCO) in overseeing the work of AEPCO and co-ordinating with AAHK and relevant Bureaux/Departments ("B/Ds") on policy-related/interfacing issues concerning the 3RS project. For example, various Government departments will require additional staffing resources at different stages to handle work and tasks relating to the 3RS project: to plan for the associated Government facilities, and to provide the necessary public services to tie in with the operation of the 3RS. In this regard, PAS(AEPCO), with a holistic view of the progress of the 3RS project, coordinates internal Government process with a view to assisting these departments to obtain the necessary resources.

To assist senior officials to provide high-level steer and engage key stakeholders of the aviation industry, PAS(AEPCO) assumes the role of the secretary to both the Steering Committee chaired by the Financial Secretary and the Aviation Development and Three-runway System Advisory Committee chaired by the Secretary for Transport and Housing. These two committees, which are platforms for the Government to provide steer to AAHK and for members from various sectors to offer advice in respect of the aviation

development of Hong Kong, will continue to operate throughout the implementation of the 3RS project.

To timely report the progress of the 3RS project to the LegCo, PAS(AEPCO) has been assuming a co-ordinating role within the Government for providing inputs relating to the 3RS project for discussion at relevant panels and subcommittees of LegCo. PAS(AEPCO) will continue to co-ordinate inputs in this respect and assist AAHK in submitting half-yearly reports on the progress of the 3RS project to the LegCo throughout the whole construction period of the 3RS. In addition, PAS(AEPCO) works with AAHK to formulate public engagement/consultation plans. He/she also participates in certain engagement meetings to address the concerns of the stakeholders.

Whilst the 3RS project is implemented and self-financed by AAHK, PAS(AEPCO) liaises with AAHK and monitors its implementation of the financial arrangements plan for the 3RS project in consultation with relevant B/Ds, and continues to collaborate and communicate with the relevant authorities with respect to the financial arrangement and manpower demand of the 3RS works, with a view to providing advice to AAHK. PAS(AEPCO) also assists AAHK in the liaison with the relevant Mainland authorities regarding the supply of fill materials.

In addition to the above duties, PAS(AEPCO) will undertake the co-ordination work between Government B/Ds at the later stage of the 3RS project, especially the preparatory works for the operational readiness of the third runway as well as the whole 3RS. The effective discharge of the above duties requires dedicated policy input commanding rich administrative/policy formulation experience and political acumen, which would be appropriate for an AOSGC (D2) officer.

(g) Transport Department's enhancement measures to improve the public transport in areas near the airport

At present, apart from the Airport Express of the Mass Transit Railway, there are more than 50 franchised bus routes connecting the Airport with various districts of Hong Kong. There are also 28 employees' service routes serving staff working on the airport island,

five of which were newly introduced in the past two years. Upon the commissioning of the Hong Kong-Zhuhai-Macao Bridge (“HZMB”), three new franchised bus routes connecting the Hong Kong Port of the HZMB with the airport, Tung Chung and Sunny Bay will be introduced. A new green minibus circular route connecting the Hong Kong Port with Tung Chung North with en-route stop at the Catering Services Area of the airport will also be introduced. In addition, TD put forward a number of service improvement proposals in the 2018-19 Bus Route Planning Programme of Islands District to enhance the services between the airport and other districts, including increasing frequency of existing routes and introducing new routes (details at Annex). TD will continue to closely monitor the public transport services serving the Airport and to work with the bus operators to review and improve the routeing and frequencies in a timely manner with a view to meeting passenger needs.

(h) Latest progress of AAHK’s SKYCITY development

With a view to further strengthening Hong Kong International Airport’s (“HKIA”)’s position as an international aviation hub and capturing the opportunity to be brought by the Hong Kong-Zhuhai-Macao Bridge, AAHK is actively taking forward the development of SKYCITY. SKYCITY will feature retail, dining and entertainment facilities, hotel and office complex in an approximately 25 hectares of land at the north of the airport island. SKYCITY will be developed in phases. The Phase 1 development consists of a multi-storey hotel and a mega size retail, dining and entertainment facilities development.

In May 2018, AAHK awarded the right to develop and manage a world-class destination commercial development (“the Development”) in SKYCITY at HKIA to Roxy Limited, a subsidiary wholly-owned by New World Development Company Limited. Under the agreement, Roxy Limited will design, construct, finance and manage the Development, which will be the largest integrated retail, dining and entertainment development in Hong Kong.

Scheduled to be opened in phases from 2023 to 2027, the Development will provide a maximum gross floor area of 350 000 square metres, of which about 195 000 square metres for dining and retail outlets and 53 000 square metres each for experience-based

entertainment facilities and office space. The remaining floor area will be used for public facilities and carparks.

Apart from the Development, a hotel is being developed on another 6 650 square metres site of SKYCITY, for which Regal Hotels Group has been awarded the development and management right in February 2017. With a permissible gross floor area up to 33 700 square metres, the hotel will provide over 1,000 guest rooms and suites and is scheduled to be opened in the year 2020-21.

Yours sincerely,



(Charvis LI)

for Secretary for Transport and Housing

c.c.:

Development Bureau (Attn.: Ms Joyce Li)

Transport Department (Attn.: Ms Candy Kwok)

Airport Authority Hong Kong (Attn.: Ms Rachel Wong)



**Service improvement proposals put forward by the  
Transport Department in the 2018-19 Bus Route Planning  
Programme of Islands District**

1. Long Win Route NA31 (Tsuen Wan (Nina Tower) – Airport (Ground Transportation Centre))
  - Recommend formalising the operation of the overnight airport bus route NA31 to provide overnight airport bus services connecting the Tsuen Wan District and Kwai Tsing District with the Airport.
  - Implemented in May 2018.
  
2. Long Win Route NA32 (Kwai Chung Estate – Airport (Ground Transportation Centre))
  - Recommend formalising the operation of the overnight airport bus route NA32 to provide overnight airport bus services connecting the Kwai Tsing District with the Airport.
  - Implemented in May 2018.
  
3. Long Win Route NA47 (Tai Po (Fu Heng) – Airport (Ground Transportation Centre))
  - Recommend formalising the operation of the overnight airport bus route NA47 to provide overnight airport bus services connecting the Tai Po District with the Airport.
  - Implemented in May 2018.
  
4. Long Win Route A31P (Discovery Park Bus Terminus – Airport (Ground Transportation Centre))
  - Recommend operating special departures of A31P via Tsing Lung Tau, and increasing the frequency of the special departures from one departure to four departures for both Tsuen Wan bound and Airport bound.
  - Expected to be implemented in the 2<sup>nd</sup> quarter of 2018.
  
5. Long Win Route A33(Tuen Mun (Yuet Wu Villa) – Airport (Ground Transportation Centre))

- Recommend that the bus company to deploy buses to enhance the service level of route A33 when the passenger demand meets the criteria on service improvement.
  - Expected to be implemented in the 3<sup>rd</sup> quarter of 2018.
6. Citybus (Franchise 2) Route NA12 (Siu Sai Wan (Island Resort) to Airport (Ground Transportation Centre))
- Recommend formalising the operation of the overnight airport bus route NA12 to provide overnight airport bus services connecting Siu Sai Wan with the Airport.
  - Expected to be implemented in the 2<sup>nd</sup> quarter of 2018.
7. Citybus (Franchise 2) Route E21C (Tai Kok Tsui (Island Harbourview) Bus Terminus – Airport (Aircraft Maintenance Area))
- Recommend re-routeing via Tsing Yi North Coastal Road and North West Tsing Yi Interchange in lieu of the original routeing via Tsing Yi Road West and Cheung Tsing Highway.
  - Expected to be implemented in the 3<sup>rd</sup> quarter of 2018.
8. Citybus (Franchise 2) Route E23 (Tsz Wan Shan (South) - Airport (Ground Transportation Centre))
- Recommend re-routeing Route E23 by observing Tung Chung North during the following periods, and renaming the route number to Route E23A:
    - (i) Tsz Wan Shan bound: From the first departure to about 1:00 p.m.; and
    - (ii) Airport bound: From about 1:00 p.m. to the last departure
  - Expected to be implemented in the 3<sup>rd</sup> quarter of 2018.
9. Citybus (Franchise 2) Route S52 (Tung Chung (Yat Tung Estate Public Transport Interchange) – Airport (Aircraft Maintenance Area))
- Recommend changing the origin of one special departure in the morning peak period to Tung Chung North (Wai Tung Road), and renaming the route number to Route S52A.
  - Recommend operating one additional departure each in morning peak period and evening peak period to connect Tung Chung North and Aircraft Maintenance Area.
  - Expected to be implemented in the 3<sup>rd</sup> quarter of 2018.

10. Citybus (Franchise 2) Route A17 (Shum Wan Road Public Transport Terminus - Airport (Ground Transportation Centre))
  - Recommend introducing a new route A17 connecting Wong Chuk Hang, Ocean Park, Shouson Hill (Nam Fung Road), Happy Valley, Queen's Road East and the Airport.
  - Expected to be implemented in the 2<sup>nd</sup> quarter of 2019.
  
11. Citybus (Franchise 2) Route A23 (Tsz Wan Shan (North) - Airport (Ground Transportation Centre))
  - Recommend introducing a new route A23 connecting Tsz Wan Shan, Fu Shan, Kai Tak, To Kwa Wan, Whampoa, West Kowloon Station and the Airport.
  - Expected to be implemented in the 2<sup>nd</sup> quarter of 2019.
  
12. Citybus (Franchise 2) Route S56 (Tung Chung Station Bus Terminus - Airport (Ground Transportation Centre) (Circular))
  - Recommend that the bus company to deploy buses to enhance the service level of route S56 when the passenger demand meets the criteria on service improvement.
  - Expected to be implemented in the 2<sup>nd</sup> quarter of 2019.