

**立法會**  
**Legislative Council**

LC Paper No. CB(4)1536/17-18  
(These minutes have been seen  
by the Administration)

Ref : CB4/PL/EDEV

**Panel on Economic Development**

**Minutes of meeting**  
**held on Monday, 23 April 2018, at 10:45 am**  
**in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon Jeffrey LAM Kin-fung, GBS, JP (Chairman)  
Hon Alvin YEUNG (Deputy Chairman)  
Hon James TO Kun-sun  
Hon WONG Ting-kwong, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, SBS, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon Charles Peter MOK, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP  
Hon Dennis KWOK Wing-hang  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Andrew WAN Siu-kin  
Hon CHU Hoi-dick  
Hon Jimmy NG Wing-ka, JP  
Dr Hon Junius HO Kwan-yiu, JP

Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai  
Hon CHAN Chun-ying  
Hon LUK Chung-hung  
Hon Jeremy TAM Man-ho

**Member attending** : Hon YUNG Hoi-yan

**Public Officers attending** : Agenda item III

Transport and Housing Bureau

Ms Angela LEE  
Deputy Secretary for Transport and Housing  
(Transport) 5

Ms Louisa YAN  
Principal Assistant Secretary for Transport and Housing  
(Transport) 10

Marine Department

Mr WONG Sai-fat  
Deputy Director of Marine

Mr HO Wing-hong  
Assistant Director (Special Duties)

Mr LEE Wing-chung  
Senior Surveyor of Ships (Special Duties)

Agenda item IV

Transport and Housing Bureau

Dr Raymond SO, BBS, JP  
Under Secretary for Transport and Housing

Mr Wallace LAU, JP  
Deputy Secretary for Transport and Housing  
(Transport) 4

Mr Kelvin NG  
Assistant Secretary (Airport Expansion Project  
Coordination Office) A

Airport Authority Hong Kong

Mr Wilson FUNG  
Executive Director, Corporate Development

Mr Kevin POOLE  
Executive Director, Third Runway

**Clerk in attendance** : Ms Shirley CHAN  
Chief Council Secretary (4)5

**Staff in attendance** : Ms Shirley TAM  
Senior Council Secretary (4)5

Ms Lauren LI  
Council Secretary (4)5

Ms Zoe TONG  
Legislative Assistant (4)5

Miss Mandy LUI  
Clerical Assistant (4)5

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Action

**I. Information papers issued since the last meeting**

(LC Paper No. CB(4)846/17-18(01) — Administration's paper on tables and graphs showing the import and retail prices of major oil products from March 2016 to February 2018

LC Paper No. CB(4)932/17-18(01) — Joint letter dated 6 April 2018 from Hon Dennis KWOK, Hon Alvin YEUNG and Hon Jeremy TAM suggesting the holding of a joint meeting of Panel on Commerce and Industry, Panel on Economic Development and Panel on Financial Affairs to discuss the issues relating to the impact of a possible trade war between China and the United States on Hong Kong's economy (Chinese version only)

Members noted the above papers issued since the last regular meeting.

Joint-Panel duty visit to the Guangdong-Hong Kong-Macao Bay Area ("Bay Area")

2. The Chairman reported to the Panel that the delegation of the Panel on Economic Development, Panel on Financial Affairs, Panel on Commerce and Industry and Panel on Information Technology and Broadcasting had smoothly completed a three-day joint-Panel duty visit to five cities of the Bay Area, namely Guangzhou, Shenzhen, Foshan, Dongguan and Zhongshan. Through visiting various enterprises including the innovative technology and start-up business, as well as meeting and exchanging views with representatives of the local Governments, Members had further understanding on the development of the Bay Area. He expressed gratitude to the Legislative Council ("LegCo") Secretariat for the efforts made in preparing the duty visit.

3. Members noted that a report on the duty visit would be submitted to the four Panels and the House Committee ("HC") in due course. Members also agreed that the HC's agreement would be sought for the priority allocation of a debate slot on the delegation's report at a future Council meeting.

Discussion on the "Report of the Transport and Housing Bureau's Investigation into Staff Conduct in the Marine Department in relation to the Vessel Collision Incident near Lamma Island on 1 October 2012" ("the Report")

4. Noting the Administration's further response on this subject which was tabled at the meeting (subsequently issued to members vide LC Paper No.

CB(4)968/17-18(02)), Mr James TO, Ms Claudia MO and Mr Jeremy TAM, who had previously perused the Report, expressed strong dissatisfaction with the Administration's stance of not making further arrangements for LegCo Members to peruse and discuss the redacted version of the Report under the confidentiality undertaking. They pointed out that the Administration's earlier arrangements in 2015 and 2017 were intended to facilitate LegCo Members' discussion of the related matters upon perusal of the Report at one or more closed meeting of this Panel. As the Report had reviewed some problems which LegCo Members should continue to follow up so as to monitor the work of the Administration, they considered that further arrangements should be made by the Administration to enable other LegCo Members to peruse the Report, and to follow up on the related matters so identified.

5. Mr Holden CHOW was disappointed that the discussion of the Report was not acceded to by the Administration. He requested the Administration to provide detailed information on measures to strengthen the marine regulatory regime and enhance marine safety with clear timeline for implementation.

6. Instead of focusing on pursuing the re-opening of the redacted version of the Report for LegCo Members' perusal, Ir Dr LO Wai-kiwok considered it more pragmatic to follow up on measures to prevent future occurrences of similar incident and enhance marine safety.

7. The Chairman said that he would convey members' views to the Administration for further follow-up.

*(Post-meeting note: Letters from the Clerk to the Administration and the Administration's response on this subject were circulated to members vide LC Paper Nos. CB(4)1260/17-18(01) to (03) on 21 June 2018.)*

## **II. Items for discussion at the next meeting**

(LC Paper No. CB(4)928/17-18(01) — List of outstanding items for discussion

LC Paper No. CB(4)928/17-18(02) — List of follow-up actions)

8. Members agreed to discuss the following items at the next regular meeting scheduled for Monday, 28 May 2018 at 10:45 am –

(a) Resources proposals relating to the Government facilities and

equipment to support the three-runway system at the Hong Kong International Airport; and

- (b) Proposed creation of two directorate posts in the Civil Aviation Department in support of the three-runway system project at the Hong Kong International Airport.

### **III. Reform of regulatory regime for local pleasure vessels**

(LC Paper No. CB(4)928/17-18(03) — Administration's paper on reform of the regulatory regime for local pleasure vessels)

#### Presentation by the Administration

9. At the invitation of the Chairman and with the aid of the powerpoint presentation material, Deputy Secretary for Transport and Housing (Transport) 5 ("DSTH5") briefed members on the legislative proposal to take forward the reform of regulatory regime for local pleasure vessels, i.e. Class IV vessels. The proposal covered new plan approval, survey and structural requirements for new Class IV vessels of not less than 24 metres in length and Class IV vessels for hire or reward, and enhancement of navigational and communications equipment on certain Class IV vessels. Details of the legislative proposal were set out in LC Paper No. CB(4)928/17-18(03).

*(Post-meeting note: The powerpoint presentation material provided by the Administration was issued to members vide LC Paper No. CB(4)954/17-18(01) on 23 April 2018.)*

#### Discussion

##### *The proposal*

10. Mr James TO noted that Class IV vessels of more than "150 gross tonnage" were currently subject to tighter plan approval and survey requirements due to their large size. Under the proposal, vessels of not less than "24 metres in length" would be required to fulfill new structural requirements in various aspects. He asked about the justification for changing the current threshold. Concerning the resultant impact on the pleasure vessel trade as raised in the submission (LC Paper No. CB(4)966/17-18(01)), he asked if the Administration intended to require more pleasure vessels to fulfill the new structural requirements.

11. Deputy Director of Marine ("DD of M") explained that vessel length was a more widely-adopted international parameter in determining the size of pleasure vessels. In addition, various jurisdictions, such as the United Kingdom, had adopted 24 metres in length to define large pleasure vessels with more stringent safety requirements. In Hong Kong, the majority of Class IV vessels currently let for hire or reward were less than 24 metres in length. Mr James TO requested the Administration to provide supplementary information on the proposed adoption of a new threshold in defining whether a pleasure vessel was large in size.

*(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(4)1124/17-18(01) on 24 May 2018.)*

12. While supporting the direction to enhance marine safety, Mr Jeremy TAM raised concerns about the difficulties in complying with the new structural requirements by existing pleasure vessel owners.

13. DSTH5 said that it would not be practicable to require existing Class IV vessels that were licensed before the commencement date of the proposed legislation ("existing Class IV vessels") to comply with the new structural requirements. As such, only the Class IV vessels which were licensed for the first time after the commencement of the proposed legislation, as well as Class IV vessels licensed before the commencement date but had undergone substantial alterations on or after the commencement date (collectively known as "new Class IV vessels") would be subject to the new structural requirements. Existing Class IV vessels would only be required to provide adequate lifebuoys to facilitate speedy escape in case the vessels were in distress.

14. Mr Frankie YICK relayed the trade's concerns that the new structural requirements imposed on new Class IV vessels, including water tightness, stability and structural fire protection, were too harsh. In view of the high construction cost to meet these requirements, he shared the concerns raised in the submission that the sustainability of the pleasure vessel trade might be smothered.

15. DSTH5 explained that MD had been consulting the local vessel trade on the proposed reform since September 2016. Discussion with the trade on the specific requirements to be incorporated in the Code of Practice – Safety Standards for Class IV Vessels ("CoP") was still on-going and the Administration would take into account the views of the trade before finalizing the requirements in detail.

16. Mr Jeremy TAM noted that, under the proposal, certain Class IV vessels would be required to have at least one crew member with the certificate of competency for using Very High Frequency Radiotelephone ("VHF radio") on board. He was concerned about the implementation of such a requirement.

17. Mr Steven HO strongly opposed to the proposal. He considered it impractical to require crew members of Class IV vessels to take the VHF radio examination, as the passing rate of such examination among the crew members of Class I vessels was less than 10%. He urged the Administration to review the current mode of VHF radio examination. Mr Frankie YICK shared a similar concern.

18. Pointing out that the current operation of the pleasure vessel trade was rather smooth and safe, Ms YUNG Hoi-yan cast doubt on the necessity of the reform which would significantly affect the trade. In particular, some crew members concerned were incompetent in English and hence, they might have difficulties in taking the VHF radio examination conducted in English.

19. DSTH5 explained that the Administration acknowledged the trade's concerns in relation to the VHF radio examination. The Marine Department ("MD") had been working with the Office of the Communications Authority to review the format of the VHF radio examination. The commencement date of the proposal would be determined later having taken into account the number of persons who had passed the VHF radio examination. DD of M supplemented that, in view of the tightening safety requirements for pleasure vessels imposed by other jurisdictions in recent years, it was essential to tighten the regulation of Class IV vessels in Hong Kong.

20. In order to facilitate members' consideration on the legislative proposal, Mr Steven HO requested the Administration to provide the number of local pleasure vessels as well as the number of people engaged in the pleasure vessel trade (including employees of such people) to be affected by the legislative proposal.

*(Post-meeting note: The Administration's response was circulated to members vide LC Paper No. CB(4)1124/17-18(01) on 24 May 2018.)*

#### *Consultation and way forward*

21. Mr Jimmy NG was concerned about the impact brought on owners of large-sized pleasure vessels or those owners who let their vessels for hire and rewards occasionally. He enquired whether the Administration had consulted the pleasure vessel owners in addition to the trade.



22. DD of M advised that MD had conducted several rounds of consultations in respect of the reform proposal since September 2016, including operators of private marinas, representatives of sightseeing cruises and private vessel owners. They were generally supportive of the objective to improve marine safety as well as the proposed amendments.

23. Mr YIU Si-wing was of the view that, although it was necessary to enhance marine safety, this proposal would substantially change the operation of the pleasure vessel trade and might smother its sustainability. Pointing out the strong objection raised in the submission, he cast doubt on the scope and effectiveness of the consultation, and suggested that the proposal should be shelved so that the Administration could discuss further with the stakeholders.

24. DD of M replied that, during the consultation period, MD had met with various stakeholders on many occasions, including the Local Vessels Advisory Committee and its Sub-committees. Based on the consensus previously reached regarding the reform, MD was now consulting the trade on the detailed amendments to be made to the CoP.

25. Mr Frankie YICK stressed that he was fully in the picture throughout MD's consultation with the trade, and there was no consensus reached on the reform details apart from the common goal to enhance marine safety. He urged the Administration to shelve the proposal and discuss with the trade further before resubmitting the proposal.

26. Mr Steven HO expressed disappointment with the Administration's plan to submit the proposal to LegCo in the 2018-2019 legislative session without fully consulting the trade. He understood that the trade did not support the proposal. He opined that the trade had all along been complying with the relevant marine safety standards. To improve marine safety, the Administration should first strengthen MD's internal governance instead of imposing restrictions on the trade.

27. Ir Dr LO Wai-kwok opined that the public was generally supportive of the enhancement of marine safety following the Lamma incident in 2012. He supported the broad directions proposed by the Administration in regulating local pleasure vessels. He suggested the Administration discuss with the pleasure vessel trade further to work out the details of the reform so as to ensure a smooth implementation of the proposal.

28. DSTH5 responded that the current proposal was put forward with a view

to safeguarding public interest and enhancing marine safety which were objectives also shared by the trade. The trade's views had been taken into account in formulating the proposal. For example, instead of imposing the tightened requirements to the existing 9 900 pleasure vessels, the proposed reform measures mainly targeted at local pleasure vessels that were let or hire or reward and those that had a high carrying capacity thus making them more of a concern from a public safety angle. In addition, Class IV vessels currently let for hire or reward would have a grace period of 12 months to seek MD's approval for continuing its business. MD would continue to consult the trade on the CoP through a dedicated working group. The working group would consider members' views in its future discussion.

Motion

29. Mr Frankie YICK moved the following motion which was seconded by Mr Steven HO, Mr YIU Si-wing, Dr Elizabeth QUAT, Mr Jimmy NG, Mr CHAN Chun-ying and Ms YUNG Hoi-yan –

"有鑒於政府對本地遊樂船隻規管制度改革建議過於嚴苛，現行的遊樂船業無法依循，扼殺行業的生存空間；考慮到業界對建議有強烈反彈，本會要求運輸及房屋局先行暫緩建議，並盡快與本地遊樂船業就規管事宜會面商討後，再提交改革建議予事務委員會討論。"

(Translation)

"Given that the Government's proposal to take forward the reform of the regulatory regime for local pleasure vessels is so stringent that the existing pleasure vessel trade cannot comply with it and the room for survival of the trade will be smothered, this Panel, having regard to the trade's strong reaction to such proposal, calls on the Transport and Housing Bureau to shelve the proposal and expeditiously discuss regulatory matters with the local pleasure vessel trade before resubmitting a reform proposal for the Panel's deliberation."

30. The Chairman ruled that the motion was directly related to the agenda item under discussion. Members agreed that the motion should be dealt with at the meeting.

31. The Chairman put the motion to vote. A majority of members took part in the voting voted for the motion. The Chairman declared that the motion was carried.

*(Post-meeting note: The Administration's response to the motion was issued to members vide LC Paper No. CB(4)1124/17-18(01) on 24 May 2018.)*

#### **IV. Update on the development of the three-runway system at the Hong Kong International Airport**

(LC Paper No. CB(4)928/17-18(04) — Airport Authority Hong Kong's paper on update on the development of the three-runway system at the Hong Kong International Airport

LC Paper No. CB(4)928/17-18(05) — Paper on the development of the three-runway system at the Hong Kong International Airport prepared by the Legislative Council Secretariat (background brief))

#### Declaration of interest

32. The Chairman, Mr Steven HO and Mr Frankie YICK declared that they were members of the Board of the Airport Authority Hong Kong ("AAHK").

#### Presentation by the Administration and AAHK

33. At the invitation of the Chairman, Under Secretary for Transport and Housing ("USTH") briefed members on an update on the developments of the three-runway system ("3RS") at the Hong Kong International Airport ("HKIA"). With the aid of the powerpoint presentation material, Mr Kevin POOLE, Executive Director, Third Runway of AAHK, briefed the Panel further on the details of the updates. Details of the briefing were set out in AAHK's paper (LC Paper No. CB(4)928/17-18(04)).

*(Post-meeting note: The powerpoint presentation material provided by AAHK was issued to members vide LC Paper No. CB(4)954/17-18(02) on 23 April 2018.)*

Discussion

*Cost and schedule of the 3RS project*

34. Mr Steven HO noted that various contracts under the 3RS project had been awarded. He enquired if the prices of such contracts were within the budget estimates. He also sought information on the prices of the construction materials used for the 3RS works, and enquired whether cost overrun might occur as a result of the increase in prices of construction materials.

35. Noting that the 3RS project also comprised the provision of a new automated people mover system ("APM") and high-speed baggage handling system ("BHS"), Mr CHAN Chun-ying enquired if the prices of the design and build contracts for these two systems fell within the budget estimates, and whether the two systems would be completed as scheduled.

36. Mr Kevin POOLE of AAHK advised that 14 major contracts, including the ones for the APM and BHS, had been awarded so far, and that all the contracts were awarded on schedule and within the estimates of AAHK. The \$141.5 billion budget had included allowance for inflation.

37. To facilitate members' monitoring, Mr Jeremy TAM requested the Administration to provide information of the major contracts awarded by AAHK for the 3RS project, including the awarded contract prices and implementation schedules vis-à-vis the original estimated budgets and timings.

*(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(4)1126/17-18(01) on 24 May 2018.)*

38. On members' enquiry about the completion date of the 3RS project, Mr Wilson FUNG, Executive Director, Corporate Development of AAHK, advised that the construction works of the 3RS project were progressing on schedule. The new third runway would be completed by 2022, after which the existing North Runway would be closed for reconfiguration. The full commissioning of 3RS was all along targeted for end 2024. Mr Kevin POOLE of AAHK added that the construction period for the whole 3RS project was estimated to be around 8 years.

39. Ir Dr LO Wai-kwok was glad to learn that the aviation fuel pipeline diversion works and the Deep Cement Mixing works had been substantially completed. He enquired about the commissioning date of the diverted pipelines. Noting that the mass reclamation of 3RS would commence in May

2018, he urged AAHK to consider using more filling materials from the public fill so as to relieve the problem of public fill overflow in Hong Kong.

40. Mr Kevin POOLE of AAHK advised that while connection of one pipeline had been completed, the other one was currently under testing. The two pipelines would be commissioned in summer 2018, while the old ones would be disused by then. On the use of fill materials, he assured members that AAHK was committed to maximizing the use of public fill.

41. Ir Dr LO Wai-kwok considered that the public would welcome more information on the technical and ecological aspects in connection with the 3RS construction works. He therefore suggested AAHK should consider displaying such information in the public areas of HKIA. Mr Wilson FUNG of AAHK replied that AAHK would consider Ir Dr LO's suggestion.

*Financial arrangement and bond issuance*

42. Mr CHAN Chun-ying noted that according to AAHK's detailed funding plan for the 3RS project, a United States dollar ("USD") 500 million or Hong Kong dollar ("HKD") 4 billion equivalent bond with a 10-year tenor and an HKD 5 billion retail bond with a three-year tenor would be issued starting from 2018-2019. In this regard, he enquired about the progress of the relevant funding activities.

43. Mr Wilson FUNG of AAHK advised that AAHK had adequate cash flow to meet all the recurrent operating expenditure and capital expenditure for the year. He reassured members that there was sufficient time for AAHK to arrange the necessary financing according to their plan. AAHK had started preparatory work for the near term funding activities, including beginning dialogues with financial institutions.

44. Mr CHAN Chun-ying considered that the recent interest rate hike would largely affect the borrowing cost of bond issuance. In this connection, he asked if the interest rate increase was within the expected range of AAHK.

45. Mr Wilson FUNG of AAHK advised that in the funding model for 3RS, AAHK had built in a cost of borrowing of 5% per annum throughout the entire period of 3RS construction. He was confident that AAHK's financial arrangement was able to cope with the future changes in interest rate.

46. Mr CHU Hoi-dick noted that AAHK was preparing for the near term funding activities which included issuing bonds starting from 2018-2019. He

enquired about the timetable for making public the relevant detailed arrangements.

47. Mr Wilson FUNG of AAHK advised that AAHK planned to start bond issuance in late 2018 and/or early 2019. Preparatory work for bond issuance, such as beginning dialogues with financial institutions concerned, was underway. He added that an HKD retail bond would be issued in the near-term financing stage of the detailed funding plan for the 3RS project, and that relevant documents would be made public as and when appropriate. At the request of Mr Jeremy TAM, he agreed to provide the latest indicative implementation timeline of the detailed funding plan for the 3RS project.

*(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(4)1126/17-18(01) on 24 May 2018.)*

48. Mr CHU Hoi-dick was concerned about the content of the upcoming Master Plan 2035 ("the Plan") for HKIA and enquired if the Plan would involve new expansion projects. If so, whether the associated costs would affect the bond offerings in the first stage of 3RS' detailed funding plan. He also enquired why the 3RS project could be qualified for green bond issuance, given that 3RS was not a carbon reduction infrastructure.

49. Mr Wilson FUNG of AAHK advised that the Plan, which would outline developments of HKIA up to 2035, was planned to be released in late 2018. With the anticipated improvement in AAHK's finances after the commissioning of 3RS in 2023-2024, the debt level was expected to fall substantially in 2030-2035. Future developments beyond 2024 would unlikely affect the financing of 3RS. He also pointed out that there were plenty of green features in the 3RS project, e.g., the design of the Third Runway Passenger Building. He was confident that such investments would meet the international requirements of green bond issuance.

50. Mr YIU Si-wing noted that AAHK had started levying an Airport Construction Fee ("ACF") on departing passengers from HKIA since August 2016. Considering that ACF was a major source of funds for the 3RS project, Mr YIU enquired about the total amount which had been levied so far, and whether the amount collected was within the estimates of AAHK. He further said that the Travel Industry Council of Hong Kong had recently engaged the Hong Kong Polytechnic University to conduct an independent study into the cost for travel agents to collect ACF on behalf of AAHK. He suggested that AAHK should discuss the matter with the travel trade after the release of the study report.

51. Mr Wilson FUNG of AAHK advised that as at March 2017, a total of \$1.94 billion of ACF had been collected. The latest figure would be available in AAHK's upcoming annual report. He confirmed that the amount collected, as well as the mix of departing economy and business class passengers, were within AAHK's original estimates. He added that AAHK would remain open to the views of the travel trade.

*Construction safety and environmental conservation*

52. Mr Steven HO thanked AAHK for its efforts in liaising with the fishing industry regarding the 3RS project. Besides, he pointed out that since some parts of the fairway in the vicinity of the 3RS marine works area were shallow, there were still occasional incidents involving fishing boats in the area. He considered the availability of information on the number of accidents and clearer categorization of such accidents to the public essential, in particular the causes of any deaths/injuries. He was also concerned whether such accidents would affect the progress of the relevant construction works.

53. Mr Kevin POOLE of AAHK advised that AAHK had strived to continue to liaise with fishermen's groups as well as other concern groups. Furthermore, he advised that the Marine Traffic Control Centre of AAHK would manage all the works within the 3RS marine works area, and that AAHK would continue to monitor vessels coming in and out of the works area. He said that taking account the limited space and the shallow depths in the vicinity, AAHK would strive to keep the fairway near the works area clear as well as to maintain the highest standards in both construction and marine safety.

54. Mr Jeremy TAM learnt that two marine accidents involving a feeder vessel and a fireboat occurred in the vicinity of the 3RS marine works area on 21 March 2018 and 30 August 2017 respectively. He thus expressed concern about marine safety in relation to the 3RS works, and sought information on the abovementioned accidents, in particular the cause(s) of such accidents.

55. Mr Kevin POOLE of AAHK advised that AAHK accorded high priority to construction safety. As regards the accident on 21 March 2018, he informed the meeting that a passenger boat, which was picking up 37 passengers from other work boats, hit an underwater obstruction. The passenger boat was subsequently holed and leaked. AAHK immediately implemented its response mechanism coordinated by the Marine Traffic Control Centre and took measures to secure the passengers. All 39 passengers and two crew members of the boat were safely evacuated from the boat before it sank.

56. Mr Jeremy TAM noted that as of March 2018, the 12-month rolling Accident Frequency Rate per 1 000 workers per year for the 3RS project was 2.1. In this connection, he asked if any fatalities were involved in accidents relating to 3RS construction works. Mr Kevin POOLE of AAHK replied that there were no such fatalities.

57. Ms Claudia MO was concerned about the measures devised by AAHK to conserve marine ecology. She sought information on the Administration's efforts in monitoring and protecting Chinese White Dolphin ("CWD") in Hong Kong waters.

58. Mr Steven HO relayed the public's concern about environmental protection measures relating to the 3RS construction works, in particular the ones concerning the conservation of CWDs and various marine resources.

59. Mr POOLE of AAHK assured members that AAHK had been conducting extensive monitoring of CWDs within Hong Kong waters.

*Labour supply*

60. Mr LUK Chung-hung expressed dissatisfaction that the reclamation contractor's application to import skilled labour under the Supplementary Labour Scheme had been approved. He opined that the contractor had been giving all kinds of excuses to import 518 workers, and questioned AAHK's gate-keeping role in the matter. Mr LUK enquired about the measures to be devised by AAHK to ensure an adequate local labour supply for 3RS' construction works, and avoid its contractors from abusing the Supplementary Labour Scheme. He also urged AAHK to establish a mechanism to ensure the salary level of the construction workers concerned was in line with the market price.

61. Mr Kevin POOLE of AAHK advised that AAHK was committed to filling all job vacancies with local labour where possible. In the case Mr LUK Chung-hung mentioned, workers were only imported after extensive advertising in Hong Kong and the skills required were not readily available in Hong Kong. To address the matter, AAHK had set up a scheme with the Construction Industry Council to provide training for marine specialists.

62. The Chairman noted from the paper provided by AAHK that starting from 2020, the demand for skilled labour would increase gradually and reach the peak level in 2021-2022, with about 9 000 workers to be deployed on the



construction of the major airfield infrastructure works, tunnels and terminal buildings. He considered that training was not a viable option for providing enough workers to fill all the 9 000 posts in the short run, nor could the problem be solved by merely importing labour. In this connection, he enquired about AAHK's plan in meeting the future labour demand, and the implications of labour shortage on the progress and cost of the 3RS project.

63. Mr Kevin POOLE of AAHK advised that the Supplementary Labour Scheme only allowed employers to import workers with skills that were not available in the local market. AAHK had been liaising closely with the Government and relevant authorities to project the capacity of the local labour market to ensure a sufficient supply of skilled labour. AAHK would also continue to monitor the labour supply situation in the local market.

64. USTH advised that since the special skills required for the 3RS marine construction works were not readily available in the local labour market, the reclamation contractor had to resort to importing such skilled labour. In order to prioritise recruitment of local labour, the "first-hire-then-train" approach was adopted. Besides, in order to capitalize on the workers' experience and skills gained in the construction works of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"), some workers of the HZMB works were hired for the 3RS' construction works after completion of the HZMB works.

#### *Future development of HKIA*

65. Mr Michael TIEN noted that AAHK had been preparing 20-year Master Plans for the purpose of assessing and planning for HKIA's long-term needs. Such Master Plans were reviewed and updated every five years. In 2011, AAHK published the Master Plan 2030 which, among other things, put forward the option of building a third runway at HKIA in order to meet the air traffic growth up to 2030. Mr TIEN also noted that AAHK was about to publish its Master Plan 2035 soon. He suggested that the Master Plan 2035 should be prepared on a 25-year basis up to 2040 instead of the planned 2035 to facilitate longer term development options for HKIA, for example, construction of a new airport instead of expanding the existing one.

66. Mr Wilson FUNG of AAHK advised that Master Plans were usually prepared on a 20-year basis, which would allow AAHK to have more accurate market information to project the air traffic growth of HKIA. The next Master Plan, i.e. the Master Plan 2035, would be prepared along the same planning horizon.

67. Ms Claudia MO said that the airspace of the third runway would overlap with that of Shenzhen's. As such, it might limit the increase in runway capacity of HKIA even after the commissioning of the third runway. She was therefore of the view that construction of the new runway was not cost effective in meeting the growth in air traffic demand in future.

68. Deputy Secretary for Transport and Housing (Transport) 4 advised that according to the "Pearl River Delta Region Air Traffic Management Planning and Implementation Plan (Version 2.0)" drawn up in 2007, the long-term target maximum runway capacity was 102 air traffic movements per hour under the 3RS operation. He remarked that this target had remained unchanged.

69. The Chairman expressed concern that runway capacity might soon be saturated after the commissioning of the third runway due to the rapid increase in air traffic demand. He foresaw that the development of the Guangdong-Hong Kong-Macao Bay Area would bring more investors and corporations to Hong Kong for business opportunities, which would pose pressure on the capacity of HKIA in future. He thus urged the Administration and AAHK to expedite the work in meeting the future growth in air traffic demand in Hong Kong.

70. Mr Wilson FUNG of AAHK advised that as projected in the Master Plan 2030, HKIA would be able to handle a practical maximum capacity of 620 000 flight movements per year with 3RS. AAHK and the Civil Aviation Department had kept in view the latest developments in aviation and air traffic management technologies, with a view to exploring ways to enhance the runway capacity at HKIA.

**V. Any other business**

71. There being no other business, the meeting ended at 12:33 pm.