

## **ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE**

**HEAD 158 – GOVERNMENT SECRETARIAT:  
TRANSPORT AND HOUSING BUREAU  
(TRANSPORT BRANCH)**

**Subhead 000 Operational expenses**

Members are invited to recommend to Finance Committee the creation of the three supernumerary directorate posts in the Airport Expansion Project Coordination Office, Transport Branch of Transport and Housing Bureau for about seven years up to 31 March 2025 with immediate effect upon approval of Finance Committee –

1 Principal Government Engineer  
(D3) (\$191,300 - \$208,800)

1 Administrative Officer Staff Grade C  
(D2) (\$164,500 - \$179,850)

1 Chief Engineer  
(D1) (\$138,500 - \$151,550)

### **PROBLEM**

The construction works of the Three-Runway System (3RS) at the Hong Kong International Airport (HKIA) formally commenced on 1 August 2016. It is expected that the construction works will be completed in end 2024. To provide continued dedicated support so as to continue monitoring the work of the

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Airport Authority Hong Kong (AAHK) and co-ordinating with relevant parties the implementation of the 3RS project, the Transport Branch of the Transport and Housing Bureau (THB(TB)) needs to create the directorate posts on a time-limited basis until the full commissioning of the system which is targeted in end 2024.

2. We propose to create the following three supernumerary directorate posts in the Airport Expansion Project Coordination Office (AEPCO) under THB(TB) for about seven years up to 31 March 2025 with immediate effect upon approval of Finance Committee (FC) to help take forward the 3RS project –

- (a) one Principal Government Engineer (PGE) (D3) designated as Head(AEPCO);
- (b) one Administrative Officer Staff Grade C (AOSGC) (D2) designated as Principal Assistant Secretary (AEPCO) (PAS(AEPCO)); and
- (c) one Chief Engineer (CE) (D1) designated as Chief Assistant Secretary (AEPCO) (CAS(AEPCO)).

3. The above directorate posts will be supported by 11 time-limited non-directorate posts<sup>1</sup> in the disciplines of Engineer, Administrative Officer, Executive Officer, as well as clerical and secretarial grades. The organisation Encls. 1 & 2 charts of THB(TB) and AEPCO are at Enclosure 1 and Enclosure 2 respectively.

## JUSTIFICATIONS

### AEPCO's achievements and the latest progress of the 3RS project

4. The overall roles and functions of AEPCO are to monitor the work of AAHK and co-ordinate efforts of relevant parties in the implementation of the 3RS project. Since its establishment in July 2012, AEPCO has assisted AAHK in completing the statutory procedures of the project for the relevant reclamation works and the outline zoning plan amendments under, respectively, the Foreshore and Seabed (Reclamations) Ordinance (Cap. 127) and the Town Planning Ordinance (Cap. 131) in April 2016. AEPCO has also engaged the support of independent expert consultants to monitor the work of AAHK to ensure its full compliance with relevant statutory requirements and technical standards, and closely monitored AAHK's formulation of detailed implementation plans to fulfil the various marine ecology and fisheries enhancement commitments made in the 3RS Environmental Impact Assessment (EIA) report and the conditions in the

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<sup>1</sup> At present, AEPCO is supported by ten non-directorate staff. An additional non-directorate post will be created in 2018-19 and the total number of non-directorate staff will then be 11.

Environmental Permit (EP) granted by the Director of Environmental Protection. With concerted efforts, AAHK was able to commence the construction works in August 2016. The scope of the 3RS project comprises reclamation of some 650 hectares of land, expansion of the existing Passenger Terminal 2, construction of Third Runway Passenger Building, Automated People Mover (APM), Baggage Handling System (BHS) and related infrastructures. At present, Deep Cement Mixing works are being carried out to strengthen the seabed. In addition, reclamation is underway. A number of construction works or design-build contracts have commenced including the North Runway Cross-over Taxiway works, APM and BHS tunnel works on the existing airport island, and the APM system modification works for existing Terminal 1 line and the APM system works for Third Runway Passenger Building line. AEPCO has played an important role in areas such as cost control, progress monitoring, works quality assurance and risk management. On financial arrangement, AEPCO has advised AAHK to reduce the Airport Construction Fee (ACF) (see paragraph 19 for details).

### **Major tasks of AEPCO in future**

5. Looking ahead, as the 3RS project moves into the construction stage, the focus of the work of AEPCO will gradually shift to providing assistance and advice to AAHK in resolving highly technical and complex interfacing issues, monitoring the administration of a large number of contracts, and facilitating AAHK in delivering the project in an environmentally sound and safe manner during the construction stage. Moreover, the role of AEPCO in co-ordinating with government departments will become more important. Apart from co-ordinating the manpower resources, equipment and facilities required by relevant authorities to support the implementation of the 3RS project, AEPCO also needs to assist AAHK in closely liaising with various authorities regarding building plan approval and the use of fill materials, to tie in with the construction programme of the 3RS project.

6. In particular, AEPCO will assist, monitor and support AAHK in undertaking the following tasks –

- (a) detailed designs, contract procurement and administration of construction works of the 3RS project to ensure that the construction works are cost-effective, fit-for-purpose and value-for-money;
- (b) EIA-related works where AAHK will need to fulfil the commitments made in the 3RS EIA report and the conditions of the EP;
- (c) co-ordination between various government bureaux/departments (B/Ds), particularly in seeking resources for the provision of government facilities required for the operation of the 3RS and taking

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forward its design and construction in conjunction with the 3RS project;

- (d) liaison with Mainland authorities on issues relating to the implementation of the 3RS project;
- (e) implementation of financial arrangement proposal for the development of the 3RS project including the detailed funding plan in accordance with AAHK's prudent financial management principles and prevailing market situation; and
- (f) formulation and execution of public engagement strategies in promoting the 3RS and HKIA, and relevant stakeholder engagement plans to address concerns and views relating to the 3RS development.

7. As the 3RS is a mega project which is highly complex and involves a number of B/Ds on various aspects in different stages, it is necessary to retain AEPCO, with the necessary resources at directorate level, to continue monitoring the 3RS project and the co-ordination work between various B/Ds and AAHK in implementing the 3RS project.

### **Engineering aspect and project management**

8. After the completion of the scheme design and statutory authorisation process, the 3RS project has proceeded to the detailed design and construction stages. In the years to come, the workload relating to the engineering aspect will increase tremendously. All the design and construction contracts involve highly specialised and advanced construction techniques with complex contract interfaces among different works packages. As each works package has to be planned, designed and constructed with due regard to other works packages, the role and involvement of AEPCO in providing independent views and comments on the engineering front are becoming more important. Furthermore, as the construction works have to be carried out at or in the vicinity of HKIA, which is one of the world's busiest airports operating round-the-clock, the experience of the staff of AEPCO in handling large-scale public works projects is vital in giving sound and practical advice to AAHK.

9. Given that more than 100 contracts, each involving substantial contract value, will need to be procured at the initial to medium stages of the construction phase, AEPCO will also provide advice on the preparation of tender documents and formulation of contract procurement strategy with particular focus on claims avoidance and mechanism for dispute resolution. It is of particular

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importance to minimise the risk of cost overrun of the project. Furthermore, AEPCO is keeping a close watch on the construction process with emphasis on cost control, progress monitoring, works quality, risk management and contract interfacing through regularly scrutinising progress reports provided by AAHK, regular progress meetings with AAHK and routine site visits. It also liaises with Mainland authorities on issues relating to, for example, the supply of fill materials from the Mainland for the 3RS project.

10. The working conditions and occupational safety at the construction sites will also constitute an important aspect of AEPCO's monitoring work. According to AAHK's latest projection, there will be more than 10 000 workers working at the 3RS construction sites when the project is in full swing. AEPCO will continue to work closely with AAHK to ensure that its contractors will fully comply with all relevant statutory requirements on worker-related issues.

11. In addition, it is the common goal of the Government and AAHK to ensure that the 3RS project is cost-effective. With the assistance of independent engineering consultants and their teams of professional quantity surveyors, AEPCO will scrutinise the construction cost plan submitted by AAHK throughout the construction period to ensure that AAHK's estimations of the construction cost are accurate and reasonable. In fact, since its establishment, AEPCO has given a lot of useful advice on cost-effectiveness, in order to contain the estimated total project cost within \$141.5 billion. AAHK plans to award construction contracts progressively in the next one to two years in respect of the main works of the expansion of the existing Terminal 2 and construction of the Third Runway Passenger Building. With the assistance of the monitoring and verification consultants, AEPCO will continue to closely monitor AAHK's work in relation to project progress, cost control, contract interfacing and risk management, so as to further enhance the cost-effectiveness of the 3RS. We will continue to assist AAHK in securing sufficient amount of marine sand, manufactured sand and public fill through different channels. To further enhance cost-effectiveness of the project, AEPCO and its consultants will assist AAHK in co-ordinating and rationalising the design approval process of the terminal buildings and airfield infrastructure, with a view to streamlining the whole design process as soon as possible to facilitate smooth implementation of the project, thereby achieving cost control. In addition, to achieve better risk management and cost control, we will assist and monitor AAHK in conducting mock-up trial of the Terminal 2 roof structure to confirm its technical and programme feasibility before the commencement of the construction works.

12. On environmental protection, with the assistance of the monitoring and verification consultants, AEPCO will monitor and examine the compliance of 3RS reclamation works with the technical specifications and the requirements

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stipulated in the EP. AEPCO will examine the structure and layout of the passenger buildings to ensure that they are designed to enhance flexibility and promote the use of recycled materials, so that construction can be carried out in the most cost-effective and environmentally-conscious manner. In addition, with the assistance of independent consultants, AEPCO will work with AAHK to reduce carbon emission, achieve energy conservation and use renewable energy to further strengthen the environmental features of HKIA. This will help AAHK raise funds through issuing green bonds in future.

13. As far as EIA-related works are concerned, the EP sets out a total of 56 conditions covering proposed environmental mitigation measures, monitoring, and submission requirements during different stages of the project. Eighteen submissions were required to be made before the commencement of 3RS construction works, and they were all fulfilled in accordance with the EP conditions. Looking ahead, AEPCO will continue to play a key role in assisting AAHK to achieve ‘development alongside environmental conservation’ throughout the implementation of the 3RS project. Since the 3RS is a mega project, AEPCO has set up a liaison group with relevant B/Ds. The liaison group will assist AAHK, through regular meetings, in fully complying with the requirements set out in the EIA and EP throughout the whole construction process.

14. Furthermore, AEPCO will serve as the communication bridge of AAHK, the B/Ds concerned, and the stakeholders in implementing different environmental mitigation measures. The EIA requirement for AAHK to designate a 2 400-hectare marine park before the operation of the 3RS is an example. In the years to come, AEPCO will work closely with AAHK and stakeholders to work out the proposal, taking into account the environmental effectiveness, practicality and marine traffic safety. It will also participate in stakeholders’ consultation in soliciting views and comments from relevant advisory committees, fishing industry, green groups, non-governmental organisations, marine users, etc.

15. One of the EIA requirements is that AAHK should maximise the use of fill materials generated from concurrent projects or suitable public fill of the Government’s Public Fill Reception Facilities in reclamation works. To this end, AEPCO has been assisting AAHK in working out the detailed arrangements to tackle various logistics and marine traffic management issues with the relevant B/Ds, so as to facilitate the timely deployment of construction vessels for delivery of fill materials to the 3RS reclamation works areas. At present, AEPCO is assisting AAHK in liaising with relevant authorities on the installation of facilities at the fill banks at Tseung Kwan O Area 137 and Tuen Mun Area 38 for sorting out suitable materials for reclamation. AEPCO will continue to assist AAHK and

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relevant authorities in maximising public fill intake in 3RS reclamation which will not only help reuse the public fill locally, but also benefit both the 3RS project and the environment. AEPCO has also set up a liaison group with relevant B/Ds and AAHK to have regular discussions on issues relating to the arrangements for public fill intake in 3RS reclamation. The work on this front is expected to last until the completion of the reclamation works.

### **Facilitation of works between AAHK and B/Ds**

16. AEPCO performs a key function to facilitate the work between AAHK and relevant B/Ds to ensure the smooth implementation of the 3RS project. AEPCO assists AAHK in complying with relevant statutory requirements, safety and technical standards in a more effective manner through prior communication with B/Ds concerned and co-ordinating inter-departmental meetings to resolve issues that may affect the work efficiency of both AAHK and B/Ds, thereby enabling the better use of public resources. It has to be stressed that the exercise of statutory powers rests fully and truly with the relevant statutory authorities.

17. As an example, the detailed design of the 3RS project will involve the submission of enormous number of designs and drawings, in particular designs of airfield (including the new runway and taxiways) that are not general building design works, for statutory approvals by the Buildings Department (BD) in the next few years. With the support of independent engineering consultants, AEPCO seeks to ensure the quality of design and plan submissions by AAHK and its consultants in order to facilitate timely and smooth vetting process by the BD which is crucial for the timely delivery of the 3RS project.

### **Co-ordination in relation to government facilities and manpower resources**

18. Apart from the 3RS works, there are a number of new government facilities required for the operation of 3RS. These include a new air traffic control tower, fire stations, a police station, a weather monitoring system, additional immigration, customs and quarantines and port health facilities, etc. AEPCO has been playing an important role in co-ordinating input from relevant B/Ds in planning and developing schematic design of these government facilities for seeking resources for the provision of the facilities in a timely manner to support the commissioning/operation of the 3RS. Apart from the facilities mentioned above, various government departments will need additional staffing resources at different stages to provide input and advice to AAHK as it takes forward the 3RS project, to plan for the associated facilities, and to provide the necessary public services to tie in with the operation of the 3RS. AEPCO will continue to

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co-ordinate these resource requirements. We expect that the focus of our work in the next one to two years will be seeking the funding approval from the Legislative Council (LegCo). We also need to continue co-ordinating the resource requirements of B/Ds until the full commissioning of the 3RS, for example, the manpower requirements of B/Ds for provision of public services.

### **Financial arrangements for the 3RS project**

19. In terms of funding, AAHK will fund the 3RS project through retaining AAHK's operating surplus; levying an ACF; and borrowing/raising funds from the market. Under AAHK's original proposal, the ACF would be set at \$180 per departing passenger (excluding transit passengers). However, the Government and stakeholders considered the amount was relatively high. Therefore, AAHK has reviewed the charging level of the ACF, taking into account the views of the Government and the stakeholders, and reduced the ACF to below \$180 and applied differential charging levels which distinguish long haul passengers from short haul passengers, first class and business class passengers from economy class passengers, and origin/destination passengers from transfer/transit passengers. With the revised ACF scheme, AAHK estimated that there would be some \$16 billion less in net revenue as compared to the original proposal for funding the 3RS project. AAHK would therefore need to raise additional debt from the market to cover the shortfall. To this end, APECO has engaged an independent financial consultant to vet AAHK's revised proposal to increase borrowings from the market to cover the additional shortfall arising from the reduced ACF charging level. The Government's independent consultant was satisfied that, given AAHK's strong balance sheet and excellent credit rating, the revised borrowing was still viable.

20. As part of the whole financial arrangement, AAHK engaged the Hong Kong and Shanghai Banking Corporation as its financial consultant in December 2016 to study the detailed plan for raising the fund of \$69 billion. The aim of the study is to analyse different financing structures and identify appropriate financial instruments, and make recommendations on the use of financial instruments (in relation to timing, size, tenor, etc.) that would enable AAHK to finance the 3RS project in the most optimal manner. The detailed funding plan was completed in September 2017 and has been uploaded onto the website of AAHK<sup>2</sup>. It was discussed at the meeting of the LegCo Subcommittee to Follow Up Issues Relating to the Three-runway System at the Hong Kong International Airport (the Subcommittee) in the same month. In gist, the detailed funding plan can be divided

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<sup>2</sup> <https://www.threerunwaysystem.com/en/information/publications/3rs-detailed-funding-plan/3rs-detailed-funding-plan-report/>



into three parts, namely preparatory work (through to the end of the first half of 2018-19 financial year), near-term funding activities (from the second half of 2018-19 financial year to 2019-20 financial year) and medium-term funding activities (from 2020-21 financial year to the completion of the 3RS project). Financial instruments include commercial bank loans (HK\$20 billion to HK\$30 billion), institutional bonds (HK\$23 billion to HK\$33 billion United States Dollar institutional bonds (including green bonds)), HK\$7 billion to HK\$10 billion Hong Kong Dollar institutional bonds) and retail bonds (HK\$5 billion). AAHK has also signed a revolving credit facility to provide liquidity and loans to be drawn on a temporary basis. AAHK will continue to assess the financial risks and take mitigation measures when necessary. The financial consultant has reiterated in this detailed funding plan that AAHK does not require any form of financial backing or guarantee from the Government in the financing of the 3RS project.

21. While the financial arrangement plan is being implemented, AEPCO will continue to liaise with AAHK and provide input/advice on its detailed funding plan in consultation with relevant B/Ds as and when appropriate. As the 3RS is a mega project and the funds to be raised will be substantial, the financing arrangements should tie in with the Government's policy. For example, the Government is committed to promoting the development of green finance. AEPCO has encouraged AAHK to maximise the issuance size of green bonds in its detailed funding plan for the 3RS project, and will support AAHK to adopt a number of environmental protection and sustainable measures in terms of design, construction and operation, with a view to assisting AAHK in satisfying the necessary green bond framework and guidelines, and preparing for the issuance of green bonds in future.

22. Some members of this Subcommittee have expressed concern about whether there has already been a cost overrun for the 3RS project which involves a number of construction contracts with a budget of \$141.5 billion under an eight-year construction period. As at 8 February 2018, AAHK has already awarded 14 main construction contracts with a total contract value of \$41.1 billion. The details are at Enclosure 3. Among these contracts, the total value of contracts for land formation and marine works is around \$29 billion. AAHK has advised that the total value of the above construction contracts falls within the pre-tender estimates.

### **Provision of secretariat support and stakeholders' engagement**

23. As far as providing high-level steer and engaging key stakeholders of the aviation industry are concerned, AEPCO provides secretariat support for the high-level Steering Committee on Three-Runway System and North Commercial District (Steering Committee) chaired by the Financial Secretary (FS) for steering

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the implementation of the 3RS project, as well as the Aviation Development and Three-Runway System Advisory Committee (ADTAC) chaired by the Secretary for Transport and Housing (STH). The Steering Committee, which was established in 2014, comprises representatives of the senior management of the relevant bureaux<sup>3</sup> and AAHK. Since its establishment, a total of five meetings have been held to provide high-level steer on the development and implementation of the 3RS project and the Northern Commercial District at the policy level, including monitoring the works progress of the 3RS project, and overseeing AAHK in the formulation and implementation of its financial arrangement plan and detailed funding plan. In particular, AAHK was requested to pay heed to the management of financial risks and to maximise the issuance size of green bonds, so as to tie in with the Government's initiatives to promote the development of green finance. The Steering Committee has also given advice on AAHK's public engagement plan for the 3RS project and encouraged AAHK to actively promote the 3RS project to the public. The ADTAC was established in 2015 to advise the Government on broad policy matters concerning Hong Kong's civil aviation and the development of HKIA, as well as issues concerning the implementation of the 3RS project at HKIA. Members of ADTAC are from various sectors, including engineering, architectural, commercial and financial, aviation, environmental protection, legal, logistics and transportation, tourism, and academic research. A total of eight meetings have been held since its establishment to discuss a wide range of topics covering construction and design, financial arrangement and environmental measures of the 3RS project, enhancement of the existing airport, establishment of the Hong Kong International Aviation Academy, regulation of unmanned aircraft systems, etc.. We envisage that the Steering Committee and ADTAC, with AEPCO providing secretariat support, will continue to provide respectively high-level steer and advice on the development and implementation of the 3RS project and the Northern Commercial District at the policy level, and an effective platform for members from various sectors to offer valuable advice during the construction of the 3RS that would facilitate the development of aviation industry and the implementation of the 3RS project.

24. To timely report the progress of the 3RS project to the LegCo, 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 the LegCo. The Subcommittee was established in 2015 on a one-year term and was subsequently extended for a further year. It held 18 meetings during 2015 to 2017 to discuss various issues relating to the 3RS project, including its feasibility, scope and design details, financial

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<sup>3</sup> The Steering Committee involves government representatives from Development Bureau, Environment Bureau, Financial Services and the Treasury Bureau, Commerce and Economic Development Bureau, and Transport and Housing Bureau. Depending on the issues to be discussed, the secretariat will invite other relevant B/Ds to attend the meetings for discussion.

arrangement, existing capacity of HKIA, environmental impacts and related matters. AEPCO will continue to co-ordinate input within the Government and assist AAHK in submitting half-yearly reports on the progress of the 3RS project to the LegCo Panel on Economic Development throughout the whole construction period of the 3RS.

### **Need for dedicated directorate support**

#### *(a) Need for a PGE (D3) post*

25. In view of the substantial investment of the 3RS project, and the complexity, breadth and importance of the tasks involved, we propose to create the PGE (D3) post (i.e. Head(AEPCO)) to spearhead AEPCO in order to provide the requisite policy and technical steer in taking forward the 3RS project. Looking ahead, the tasks to be carried out by AAHK (and therefore to be monitored by AEPCO) are highly technical, involving detailed design of different airport and related facilities, management of mega construction contracts, fulfilment of EIA commitments and EP conditions for the 3RS project, ensuring the cost-effectiveness of the construction works, and implementation of the financial arrangement (including the funding arrangement) in a prudent manner. In addition, taking into account the breadth and complexity of the issues, as well as the numbers of government departments involved, substantial liaison with different parties/government departments would be required in addressing and resolving various interfacing matters. To ensure that AEPCO is led by a sufficiently senior directorate officer who possesses the necessary engineering knowledge, administrative experience and political acumen to steer through the complicated tasks in the implementation of the 3RS project (see paragraphs 5 to 24 above), it is necessary and appropriate for the dedicated Head(AEPCO) post to be ranked at PGE (D3) level. The job description of the Head(AEPCO) post is at Enclosure 4.

Encl. 4

#### *(b) Need for an AOSGC (D2) post*

26. It is necessary to create the AOSGC (D2) post (i.e. PAS(AEPCO)) to assist Head(AEPCO) in overseeing the work of AEPCO and co-ordinating with AAHK and relevant B/Ds on all policy-related/interfacing issues concerning the 3RS project, including formulating public engagement/consultation plans with AAHK, and assisting relevant B/Ds on their resource and manpower requirements for providing the government facilities and services that are essential for the operation of the 3RS. In addition, PAS(AEPCO) will assume the role of the secretary to both the Steering Committee chaired by FS and the ADTAC chaired by STH. PAS(AEPCO) will also co-ordinate inputs to the LegCo in relation to the 3RS project. PAS(AEPCO) will also assist in the liaison with the relevant

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Mainland authorities regarding supply of fill materials, and 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. In addition to the above duties, AEPCO has to continue to undertake co-ordination work between government B/Ds at the later stage of the 3RS project, especially co-ordinating the preparatory works for the operational readiness of the third runway as well as the whole 3RS. The effective discharge of the above duties will require dedicated policy input commanding rich administrative/policy formulation experience and political acumen. Therefore, it would be appropriate for a D2 rank officer to serve and support the various high-level committees established within the Government and LegCo overseeing the 3RS implementation. Given the complexity and nature of the work involved, it is necessary and appropriate for the PAS(AEPCO) post to be ranked at AOSGC (D2). The job description of the PAS(AEPCO) post is at Enclosure 5.

Encl. 5

*(c) Need for a CE (D1) post*

27. In the light of the complexity of the technical issues involved in the 3RS project, we consider it appropriate to create the CE (D1) post (i.e. CAS(AEPCO)) to provide professional support to Head(AEPCO) in engineering and project management matters of the 3RS project and leading the engineers in AEPCO to co-ordinate with other B/Ds in resolving interfacing issues relating to detailed design and construction of the 3RS project and the government facilities. CAS(AEPCO) will also ensure that the 3RS project is carried out in full compliance with the relevant statutory requirements, administrative procedures and technical standards. CAS(AEPCO) will be substantially involved in supporting Head(AEPCO) on day-to-day liaison and co-ordination with AAHK and other government departments on complex technical issues such as detailed design and fulfilment of the EIA commitments/EP conditions, so as to assist AAHK in enhancing cost-effectiveness throughout the construction process. Moreover, CAS(AEPCO) will be responsible for scrutinising the performance and work of the various monitoring and verification consultants appointed by THB(TB) to evaluate the detailed design, contract procurement and construction works undertaken by AAHK. Accordingly, substantial engineering knowledge and experience in monitoring public works of mega scale would be required for CAS(AEPCO) to effectively carry out the above duties. Therefore, pitching the CAS(AEPCO) post at D1 level in the civil engineering discipline is necessary and appropriate having regard to the nature, intensity and schedule of work. The job description of the CAS(AEPCO) post is at Enclosure 6.

Encl. 6

**/Non-directorate .....**

**Non-directorate support**

28. Besides, AEPCO has 11 non-directorate staff members providing support in areas of engineering, administration and clerical/secretarial work. Among the 11 time-limited non-directorate posts, eight of them, which will lapse on 1 April 2018, will be extended until 2024-25. The remaining three posts (including the additional non-directorate post to be created in 2018-19) will last until 2024-25 and retention is therefore not required for the time being. To ensure that AEPCO can operate effectively under the leadership of dedicated officers, we have an urgent need to create the three supernumerary directorate posts.

**ALTERNATIVES CONSIDERED**

29. We have critically examined the possibility of redeploying existing directorate officers within THB(TB) to take on the tasks. All other directorate officers are already fully occupied with their own schedule of duties which span extensively across a wide range of areas and a number of major infrastructure projects. They also need to oversee and house-keep a wide range of subjects under the policy areas of land transport, railway development, cross-boundary transport, road safety and management, ferry services, marine and shipping, logistics services development, air services negotiations and civil aviation management. It is operationally not possible for them to take up the duties of the three directorate posts in AEPCO without adversely affecting the discharge of their current duties. The respective schedule of responsibilities of these directorate officers is summarised at Enclosure 7.

Encl. 7

30. Furthermore, AAHK's work for the 3RS project is highly technical and extremely complicated in nature. We must have senior directorate officers with substantial engineering knowledge to lead the monitoring work. However, most of the staff within the establishment of THB(TB) are officers from non-professional grades. For instance, there is no directorate officer from the Engineering Grade in Division 4 which is responsible for aviation development and management. Hence, we must create the three supernumerary directorate posts of AEPCO in order to ensure the effective monitoring of AAHK's work.

31. As mentioned in the first paragraph, the construction works of 3RS is expected to be completed by end 2024. To provide continued dedicated support so as to continue monitoring the work of AAHK, THB(TB) needs to create the three directorate posts on a time-limited basis until the full commissioning of the system which is targeted in end 2024.

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## FINANCIAL IMPLICATIONS

32. The proposed creation of the three supernumerary directorate posts in AEPCO will incur an additional notional annual mid-point salary cost of not exceeding \$6,291,600, as follows –

<b>Rank</b>	<b>Notional annual salary cost at mid-point (\$)</b>	<b>No. of post</b>
PGE (D3)	2,431,800	+1
AOSGC (D2)	2,094,600	+1
CE (D1)	1,765,200	+1
<b>Total</b>	<b>6,291,600</b>	<b>+3</b>

33. The additional full annual average staff cost, including salaries and staff on-costs, is about \$8,910,000. As regards the 11 non-directorate staff, the additional notional salary cost at mid-point will not exceed \$8,286,210. The full annual average staff cost, including salaries and staff on-cost, is about \$12,254,000. We have included the necessary provision in the draft Estimates of 2018-19 to meet the staff cost and will reflect the resources required in the Estimates of subsequent years.

## PUBLIC CONSULTATION

34. We consulted the LegCo Panel on Economic Development on 27 November 2017 on the proposed retention of the three supernumerary directorate posts, namely the PGE, AOSGC and CE. Members generally supported the proposal. Some Members enquired how AEPCO would monitor the implementation of the 3RS project by AAHK to ensure that the delivery of the project would be within time and budget. The related information was provided in our letter dated 23 January 2018 to the Panel.

35. On manpower, while there was query on the need to retain all three directorate posts of AEPCO, there was also concern that the existing set-up of AEPCO would not be sufficient to cope with the tremendous workload throughout the construction period of the 3RS. We assured Members that the current manpower proposal has already struck a reasonable balance between having sufficient manpower to enable AEPCO to perform its role on the one hand and effective use of public resources on the other.

36. This item was discussed at the meeting of this Subcommittee on 5 February 2018 and members of the Establishment Subcommittee did not support this item. During the meeting, members requested the Government to give an account of the composition and discussion items of the Steering Committee, the major recommendations of the funding plan for the 3RS project, and the expected time of announcement of the HKIA Master Plan 2035. Such information was provided in our letter dated 15 March 2018 to the Subcommittee.

## **BACKGROUND**

### **The 3RS project**

37. In March 2012, the Government approved in principle that the option of expanding into a 3RS be adopted as the future development option for HKIA for planning purpose. AAHK was asked to proceed with the related planning work, which includes specifically the statutory EIA, the associated design details, and the financial arrangement of the project. Following the Executive Council's affirmation of the need for the 3RS on 17 March 2015, we advised the LegCo the orders of the Chief Executive vide a LegCo brief on 20 March 2015 (File Ref.: THB(T) CR 2/582/08). Thereafter, AAHK has been actively taking forward the project, including carrying out detailed design, planning of reclamation works, and implementation of financial arrangement plan and a series of environmental mitigation measures committed in the EIA report and in compliance with the conditions of the EP.

38. The construction works of the 3RS project commenced in August 2016. According to AAHK, the construction works will take around eight years to complete. The commissioning of the third runway is scheduled for end 2022, after which the existing North Runway will be closed for reconfiguration. The full commissioning of the 3RS is targeted in end 2024. Based on AAHK's latest estimates, the project is expected to cost around \$141.5 billion in money-of-the-day prices.

### **The establishment of AEPCO**

39. While AAHK is responsible for the implementation of the 3RS project, the Government has a key and clear stake in ensuring the smooth and proper implementation of the 3RS project to maintain Hong Kong's competitiveness as an international aviation hub, as well as the long-term economic and sustainable development of Hong Kong. Further, given the substantial

/investment .....

investment involved, it is in the interest of the Government to ensure and facilitate a proper and timely implementation of the 3RS project with due regard to cost-effectiveness, fit-for-purpose and value-for-money. The public will also expect the Government to closely monitor and scrutinise AAHK's implementation of the 3RS project in view of its scale, cost and complexity.

40. In order to assist the work of AAHK and co-ordinate efforts of all relevant parties in taking forward the 3RS project, the FC's approval was obtained on 25 May 2012 to establish a dedicated and time-limited AEPCO under THB(TB), with the creation of the three supernumerary directorate posts, i.e. one PGE (D3), one AOSGC (D2) and one CE (D1), for two years and nine months from July 2012 up to 31 March 2015. Since its establishment, AEPCO has been playing a vital role in closely monitoring and co-ordinating efforts relating to the planning and implementation of the 3RS project.

41. With FC's approval on 18 December 2015, the three supernumerary directorate posts were re-created up to 31 March 2018. In considering the creation and re-creation of the aforementioned posts, the Government adopted a prudent, step-by-step approach and exercised stringency in the deployment of resources in meeting operational needs. Accordingly, the three supernumerary directorate posts were only proposed for re-creation up to 31 March 2018 when FC's funding was sought in 2015. As it was expected that civil works associated with the 3RS project would surge from 2018 onwards, the Government undertook to review the overall manpower requirement of AEPCO closer to 2018, having regard to the progress of the 3RS project. Against the above background, the Government has critically assessed the overall manpower requirement of AEPCO, and proposes the re-creation of the three supernumerary directorate posts with the justifications set out in the paragraphs above.

## ESTABLISHMENT CHANGES

42. The establishment changes under Head 158 – Government Secretariat: THB(TB) for the past three years are as follows –

Establishment (Note)	Number of posts			
	Existing (as at 1 March 2018)	As at 1 April 2017	As at 1 April 2016	As at 1 April 2015
A	20+(4)	20+(5)	20+(5)	20
B	57	55	53	47
C	121	117	111	108
<b>Total</b>	<b>198+(4)</b>	<b>192+(5)</b>	<b>184+(5)</b>	<b>175</b>

/Note: .....



Note:

- A – ranks in the directorate pay scale or equivalent
- B – non-directorate ranks, the maximum pay point of which is above MPS Point 33 or equivalent
- C – non-directorate ranks, the maximum pay point of which is at or below MPS Point 33 or equivalent
- ( ) – number of supernumerary directorate posts

### **CIVIL SERVICE BUREAU COMMENTS**

43. The Civil Service Bureau supports the proposed creation of three supernumerary posts, namely a PGE, an AOSGC and a CE until 31 March 2025 in AEPCO under THB(TB) for monitoring and co-ordination of related work in taking forward the 3RS project. The grading and ranking of the proposed posts are considered appropriate having regard to the level and scope of the responsibilities and the professional input required.

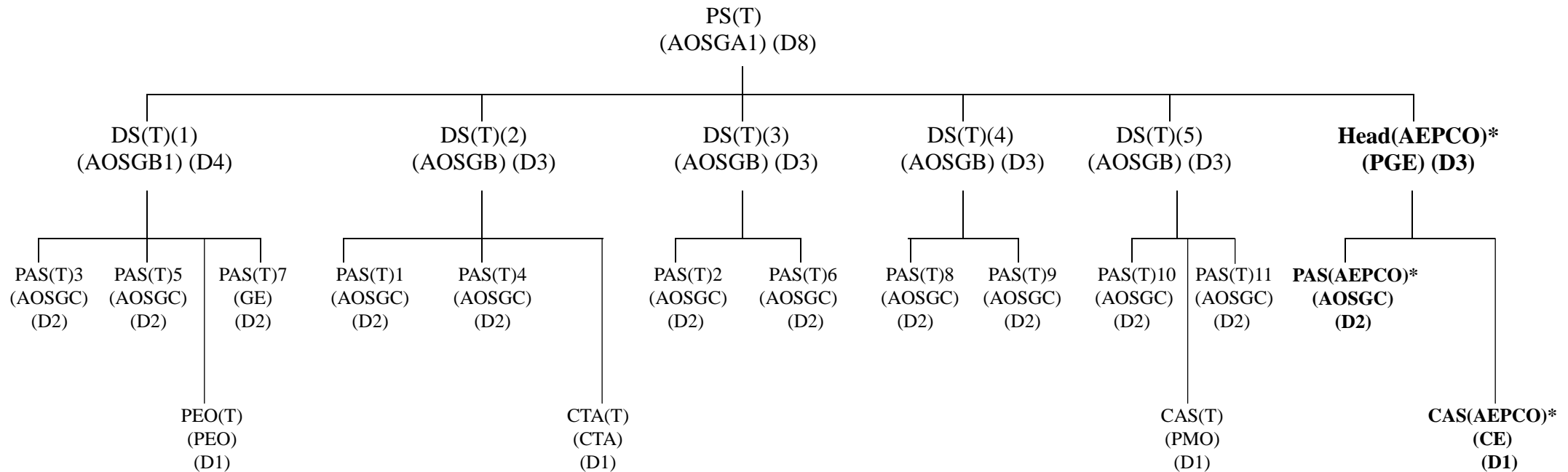
### **ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE**

44. As the posts are proposed on a supernumerary basis, their creation, if approved, will be reported to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedure.

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Transport and Housing Bureau  
March 2018

# Existing and Proposed Organisation Chart of Transport Branch Transport and Housing Bureau



## Legend

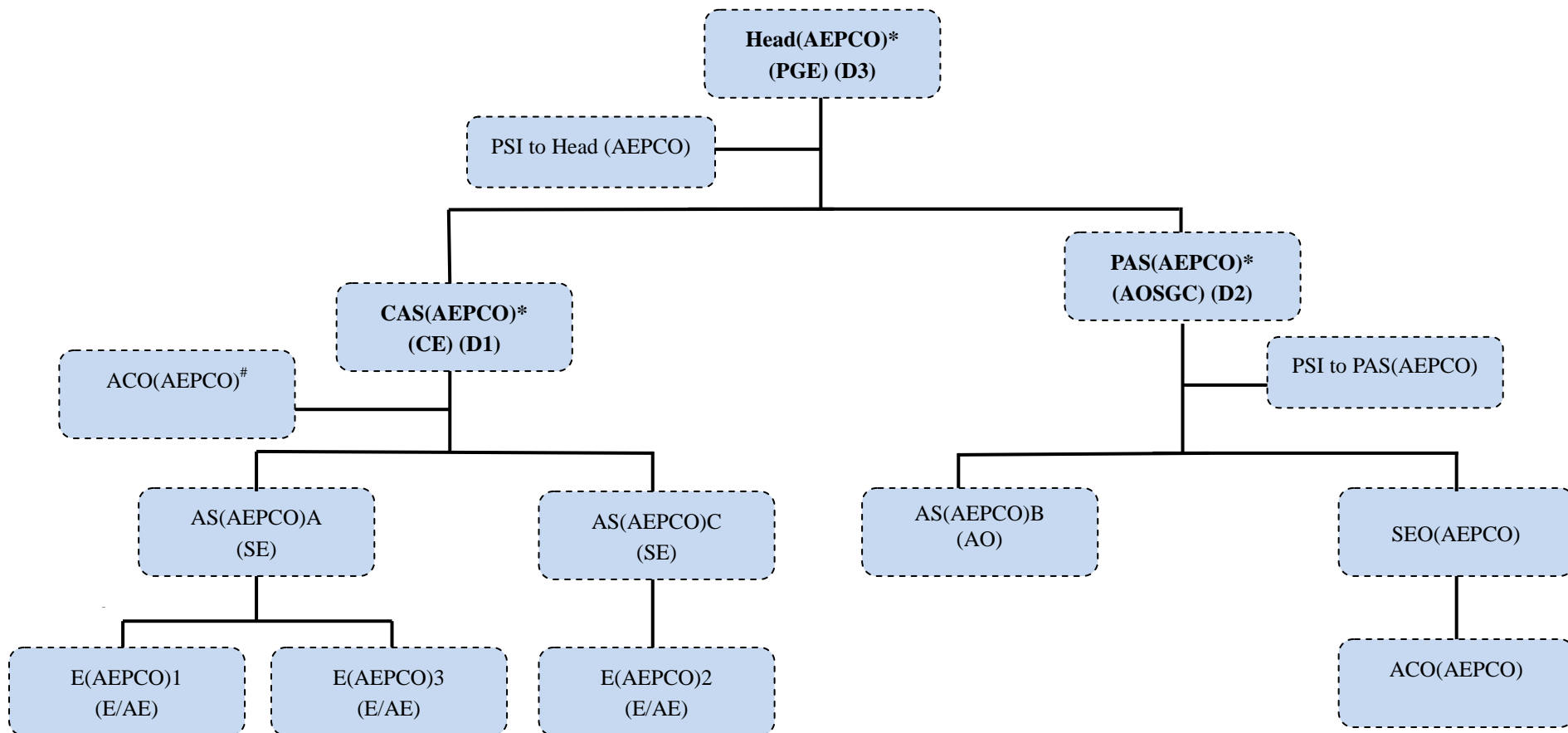
AEPCO - Airport Expansion Project Coordination Office  
 AOSGA1 - Administrative Officer Staff Grade A1  
 AOSGB - Administrative Officer Staff Grade B  
 AOSGB1 - Administrative Officer Staff Grade B1  
 AOSGC - Administrative Officer Staff Grade C  
 CAS - Chief Assistant Secretary  
 CTA(T) - Chief Treasury Accountant (Transport)

DS(T) - Deputy Secretary for Transport and Housing (Transport)  
 GE - Government Engineer  
 PAS(T) - Principal Assistant Secretary for Transport and Housing (Transport)  
 PEO(T) - Principal Executive Officer (Transport)  
 PGE - Principal Government Engineer  
 PMO - Principal Marine Officer  
 PS(T) - Permanent Secretary for Transport and Housing (Transport)

## Note

\* Supernumerary directorate posts proposed to be created in this paper.

**Organisation Chart of Airport Expansion Project Coordination Office, Transport and Housing Bureau**



**Legend**

ACO - Assistant Clerical Officer  
 AEPCO - Airport Expansion Project Coordination Office  
 AO - Administrative Officer  
 AOSGC - Administrative Officer Staff Grade C  
 AS - Assistant Secretary  
 CAS - Chief Assistant Secretary  
 CE - Chief Engineer

E - Engineer  
 E/AE - Engineer/Assistant Engineer  
 PAS - Principal Assistant Secretary  
 PGE - Principal Government Engineer  
 PSI - Personal Secretary I  
 SE - Senior Engineer  
 SEO - Senior Executive Officer

**Note**

\* Supernumerary directorate posts proposed to be created in this paper.

# Post to be created in 2018-19

**Enclosure 3 to EC(2017-18)24**

**Three-Runway System Project**  
**An Overview of the Major Construction Works Contracts**  
(as at 8 February 2018)

	<b>Construction Works Contract</b>	<b>Works Contract Award Date</b>	<b>Contract Sum</b>
1.	Contract No.: 3201 Deep Cement Mixing Works (Package 1)	28 July 2016	3,686,890,096
2.	Contract No.: 3202 Deep Cement Mixing Works (Package 2)	28 July 2016	2,813,918,000
3.	Contract No.: 3203 Deep Cement Mixing Works (Package 3)	28 July 2016	2,120,914,933
4.	Contract No.: 3204 Deep Cement Mixing Works (Package 4)	28 July 2016	1,800,000,000
5.	Contract No.: 3205 Deep Cement Mixing Works (Low Headroom)	27 September 2016	3,314,806,000
6.	Contract No.: 3206 Main Reclamation Works	27 September 2016	15,263,960,096.52
7.	Contract No.: 3301 North Runway Crossover Taxiway	3 April 2017	356,277,178
8.	Contract No.: 3501 Antenna Farm and Sewage Pumping Station	9 June 2017	67,628,000
9.	Contract No.: 3503 Terminal 2 Foundation and Substructure Works	28 November 2017	2,435,123,581
10.	Contract No.: 3601 New Automated People Mover System (TRC Line)	13 June 2017	1,668,324,457
11.	Contract No.: 3602 Existing APM System Modification Works	30 March 2017	843,430,000
12.	Contract No.: 3603 3RS Baggage Handling System	28 November 2017	3,076,491,885
13.	Contract No.: 3801 APM and BHS Tunnels on Existing Airport Island	14 June 2017	2,370,896,942
14.	Contract No.: P560(R) Aviation Fuel Pipeline Diversion Works	29 July 2015	1,289,000,000
Total:			\$41,107,661,168.52

**Job Description for  
Head (Airport Expansion Project Coordination Office)  
Transport and Housing Bureau (Transport Branch)**

**Rank** : Principal Government Engineer (D3)

**Responsible to** : Permanent Secretary for Transport and Housing  
(Transport)

**Main Duties and Responsibilities –**

1. To assume leadership, provide policy and technical steer, and fully exercise the co-ordination role of the Airport Expansion Project Coordination Office (AEPCO) in taking forward the Three-Runway System (3RS) project; and to ensure that the construction works are cost-effective, fit-for-purpose and value-for-money.
2. To oversee all aspects of the work of the AEPCO, provide strategic direction to the team, and to facilitate the AEPCO as the focal point for co-ordinating all interfacing work between the Government and the Airport Authority Hong Kong (AAHK) in relation to the timely implementation of the 3RS project with due regard to all relevant statutory requirements.
3. To oversee and steer the formulation of necessary consultation strategy and mechanism by AAHK and participate in regular and ad hoc meetings, with particular involvement in connection with the Executive Council and the Legislative Council meetings relating to the project.
4. To oversee and steer closely on critical technical and policy issues which could potentially affect the project delivery, environment, quality of works and any other issues including those which might have bearing on the public interest.
5. To chair project co-ordination meetings with AAHK and other parties to facilitate communication, and to identify pressure points, project priorities, forth-coming tasks to foster inputs to the project by respective parties and secure commitment from relevant bureaux/departments to support the implementation of the project.
6. To participate in relevant AAHK's Board/Committee meetings on 3RS-related issues, relevant project management meetings and Steering Committee for 3RS and North Commercial District meetings.

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**Job Description for  
Principal Assistant Secretary (Airport Expansion Project Coordination  
Office)  
Transport and Housing Bureau (Transport Branch)**

**Rank** : Administrative Officer Staff Grade C (D2)

**Responsible to** : Head (Airport Expansion Project Coordination Office)  
(Head(AEPCO))

**Main Duties and Responsibilities –**

1. To assist Head(AEPCO) to formulate overall development strategy for steering and monitoring the Airport Authority Hong Kong (AAHK) in the implementation of the Three-Runway System (3RS) project and implementation of various measures as committed in the Environmental Impact Assessment report.
2. To assist Head(AEPCO) to regularly review AAHK's strategy and work/project priorities, work plan, communication plan, etc. for smoothing out the implementation of the project.
3. To steer and co-ordinate the inputs of relevant government departments throughout the implementation of the 3RS project particularly in light of the interfacing issues between 3RS and other government projects/plans, for example, to collaborate and communicate with the relevant authorities with respect to the financial arrangement and manpower demand of the 3RS works; to liaise with other authorities including Mainland authorities in relation to the 3RS project; and to undertake co-ordination work between government departments at the later stage of the 3RS project, especially co-ordinating the work relating to the commissioning of the third runway as well as the whole 3RS.
4. To liaise with AAHK and monitor its implementation of the financial arrangement plan for the 3RS project in consultation with other relevant bureaux/departments (B/Ds); to co-ordinate and assist the preparation of inputs from relevant B/Ds for the provision of government facilities/resources requirements in connection with the planning and operation of 3RS.

5. To formulate public engagement plan for promoting the 3RS project/Hong Kong International Airport comprising forums, briefing sessions, media and online engagement, etc. with AAHK for engaging the general public, relevant stakeholders, Legislative Council (LegCo), District Council, etc.
6. To provide support for seniors' participation in various 3RS-related meetings; to assume the role of the secretary to the Steering Committee for 3RS and North Commercial District and the Aviation Development and Three-Runway System Advisory Committee; and to co-ordinate inputs and report the progress of the 3RS to the LegCo.

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**Job Description for  
Chief Assistant Secretary (Airport Expansion Project Coordination Office)  
Transport and Housing Bureau (Transport Branch)**

**Rank** : Chief Engineer (D1)

**Responsible to** : Head (Airport Expansion Project Coordination Office)

**Main Duties and Responsibilities –**

1. To assume overall supervisory role in and provide advice on engineering and project management matters concerning the detailed design and construction of the Three-Runway System (3RS) project and the associated government facilities, including the cost control, technical requirements and project administration procedures.
2. To lead the technical team in co-ordinating with the relevant bureaux and departments and the Airport Authority Hong Kong (AAHK) in resolving key issues arising from the detailed design and construction of the 3RS project and the associated government facilities.
3. To oversee the monitoring and verification of detailed design and construction processes, proposals and submissions by AAHK, and facilitate AAHK in obtaining the required statutory approvals relating to the detailed design and construction of the 3RS project.
4. To closely scrutinise and monitor AAHK's detailed design and construction of the 3RS project, with particular focus on cost control, progress monitoring, works quality, contract interfacing arrangement, claims avoidance and mechanism for dispute resolution.
5. To assist and provide advice to AAHK in engineering and project management matters of the 3RS project, and the associated environmental mitigation and enhancement measures, including the statutory requirements and project administration procedures, and to ensure full compliance with the conditions of the Environmental Permit and the committed environmental monitoring and audit plan.



6. To co-ordinate with relevant bureaux and departments and provide engineering advice in relation to the interfaces, land matters, works areas, public fill intake, and land and marine construction traffic management matters relating to the construction of the 3RS project with various large-scale concurrent and planned infrastructure and development projects in the vicinity.

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**Schedule of Responsibilities of the Existing Directorate Officers  
in the Administrative Officer and Professional Grades  
in the Transport Branch of the Transport and Housing Bureau**

All the directorate officers in the Administrative Officer (AO) and professional grades in the Transport Branch of the Transport and Housing Bureau (THB(TB)) are fully engaged in their respective duties –

- (a) Deputy Secretary (Transport) 1 (DS(T)1) (ranked at Administrative Officer Staff Grade B1 (AOSGB1) (D4)), assisted by Principal Assistant Secretaries (Transport) 3 (PAS(T)3) and PAS(T)5 (both ranked at Administrative Officer Staff Grade C (AOSGC) (D2)) and PAS(T)7 (ranked at Government Engineer (D2)), are committed in –
  - (i) formulating the overall legislative programme and overseeing the policy commitments in respect of the transport portfolio;
  - (ii) steering long-term and strategic planning, reviews on transport matters and major transport studies and providing policy input to studies with significant transport implications;
  - (iii) overseeing the planning and progress of land transport infrastructure projects;
  - (iv) overseeing the formulation of land transport infrastructure and railway development strategies;
  - (v) monitoring the implementation of new railway projects;
  - (vi) providing overall policy guidance on land transport links with the Mainland;
  - (vii) providing input on acquiring and deploying resources to support the implementation of transport policies and delivery of related services; and
  - (viii) overseeing resource management matters of the Branch.

/(b) .....

- (b) DS(T)2 (ranked at AOSGB (D3)), assisted by PAS(T)1 and PAS(T)4 (both ranked at AOSGC (D2)), and Chief Treasury Accountant (Transport) (CTA(T)) (D1), are committed in –
- (i) formulating policies on public transport services in respect of land and waterborne transport;
  - (ii) overseeing the overall co-ordination and provision of services among different modes of public transport;
  - (iii) overseeing the evaluation of fare adjustment applications from public transport operators;
  - (iv) overseeing the negotiations on new franchises and licences for public transport services;
  - (v) overseeing the overall policy on railway safety and provision of railway services; and
  - (vi) steering the Public Transport Strategy Study to examine the roles and positioning of public transport services other than heavy rail.
- (c) DS(T)3 (ranked at AOSGB (D3)), assisted by PAS(T)2 and PAS(T)6 (both ranked at AOSGC (D2)), are committed in –
- (i) formulating policies and strategies on toll roads and tunnels, and steering through relevant legislative proposals;
  - (ii) formulating policies and strategies on road safety, traffic management and licensing of vehicles/drivers and steering through relevant legislative proposals;
  - (iii) formulating policies and strategies on cross-boundary traffic management and transport services, including ferry services;
  - (iv) handling policy matters relating to Build-Operate-Transfer franchises, including processing of toll increase proposals and formulating measures to rationalise utilisation of the concerned roads/tunnels;
  - (v) overseeing support for the Transport Advisory Committee and its subcommittees, as well as the operation of Transport Complaints Unit; and

/(vi) .....

- (vi) overseeing the Bureau's input regarding transport-related environmental issues.
- (d) DS(T)4 (ranked at AOSGB (D3)), assisted by PAS(T)8 and PAS(T)9 (both ranked at AOSGC (D2)), are committed in –
  - (i) overseeing policy matters relating to civil aviation and airport development;
  - (ii) overseeing the negotiation and conclusion of air services agreements and related arrangements, serving as Hong Kong Special Administrative Region (HKSAR)'s chief negotiator in important air services negotiations;
  - (iii) handling house-keeping matters relating to the operations of the Airport Authority Hong Kong (AAHK) and the Civil Aviation Department (CAD);
  - (iv) overseeing HKSAR's participation in multilateral organisations, such as the International Civil Aviation Organization, in respect of matters relating to international air services and their development;
  - (v) overseeing the provision of administrative support for the Air Transport Licensing Authority; and
  - (vi) co-ordinating policy matters relating to air logistics.
- (e) DS(T)5 (ranked at AOSGB (D3)), assisted by PAS(T)10 and PAS(T)11 (both ranked at AOSGC (D2)) and Chief Assistant Secretary (Transport) (CAS(T)) (ranked at Principal Marine Officer (D1)), are committed in –
  - (i) formulating policies on matters relating to Hong Kong's role as an international maritime centre, a leading hub port, and a regional logistics hub;
  - (ii) formulating and implementing proposals and measures to promote Hong Kong's maritime, port and logistics services overseas and locally;
  - (iii) overseeing marine policy and handling house-keeping matters relating to the Marine Department (MD);

/(iv) .....

- (iv) overseeing legislative exercise relating to the marine and logistics portfolios;
- (v) overseeing HKSAR's participation in the International Maritime Organization; and
- (vi) serving as Secretary to the Hong Kong Logistics Development Council and the Hong Kong Maritime and Port Board.

2. The major duties/responsibilities and work priorities of the PASs, CAS and CTA are summarised in the ensuing paragraphs.

### **Under DS(T)1**

#### **PAS(T)3**

3. PAS(T)3 assists DS(T)1 in providing policy input into various strategic and regional transport planning studies and dealing with all town planning matters, and in handling policy work relating to the planning and implementation of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the proposed Hong Kong-Shenzhen Western Express Line. PAS(T)3 is also responsible for policy matters concerning transport planning and tourism, and is the co-ordination point for overall transport policy as well as Legislative Council business.

#### **PAS(T)5**

4. PAS(T)5 assists DS(T)1 in handling policy work relating to transport capital projects, in particular the planning and implementation of the Hong Kong-Zhuhai-Macao Bridge and related Hong Kong infrastructure projects. PAS(T)5 is responsible for the house-keeping of the Highways Department and securing resources for highway infrastructure projects by overseeing the Capital Works Resource Allocation Exercise submissions and project feasibility studies and presenting items to Public Works Subcommittee/Finance Committee for funding approval and responsible for the implementation of approved projects and assisting in resolving difficulties. PAS(T)5 is also in charge of the implementation of approved projects and assisting in resolving difficulties. PAS(T)5 is also responsible for the administration of the Secretary for Transport and Housing's responsibilities under the Roads (Works, Use and Compensation) Ordinance and oversees the Northwest New Territories Traffic and Infrastructure Review.

**/PAS(T)7 .....**

## **PAS(T)7**

5. PAS(T)7 assists DS(T)1 in formulating Transport and Railway Development Strategies, providing policy input on the implementation of Railway Development Strategy 2000 and overseeing progress of railways projects under planning or construction and the review on strategic highway projects. PAS(T)7 also oversees the model updates of the Third Comprehensive Transport Study and the Second Railway Development Study. PAS(T)7 is also in charge of the overall administration of Railways Ordinance and dealing with objections under Railways Ordinance.

## **Under DS(T)2**

### **PAS(T)1**

6. PAS(T)1 assists DS(T)2 in overseeing the transport policies on franchised buses, public light buses, taxis and trams. PAS(T)1 is responsible for overseeing the fare adjustment arrangement for the above mentioned public transport services and policy issues relating to the fare adjustment applications from these public transport operators. PAS(T)1 is also in charge of the transport policy on non-franchised public bus services and the co-ordination of services among different modes of public transport.

### **PAS(T)4**

7. PAS(T)4 assists DS(T)2 in overseeing and monitoring the transport policies and administrative matters concerning the operation of and services provided by MTR Corporation Limited. PAS(T)4 is also responsible for overseeing the transport policies on railway safety, ferries, Octopus and the Park and Ride Scheme.

### **CTA(T)**

8. CTA(T) assists DS(T)2 in monitoring the financial affairs of major transport operators including franchised buses, ferries, trams, railways and Build-Operate-Transfer tunnels, and provide financial assessment on fare/toll adjustments of these operators as well as accounting and financial advice on issues relating to monitoring and regulation of these operators, including renewal of franchises and fare adjustment mechanisms.

**/Under .....**

### **Under DS(T)3**

#### **PAS(T)2**

9. PAS(T)2 assists DS(T)3 in overseeing matters relating to the Transport Advisory Committee and the Transport Complaints Unit, and in house-keeping and evaluating policy matters relating to toll roads, Build-Operate-Transfer tunnels and Government tunnels. PAS(T)2 is responsible for the policy work on road safety, traffic management, and the application of information technology to traffic management. PAS(T)2 also co-ordinates the Bureau's inputs on transport-related environmental issues and house-keeps the Transport Department.

#### **PAS(T)6**

10. PAS(T)6 assists DS(T)3 in overseeing policy matters relating to vehicle and driver licences, driver training, the quota regime on cross-boundary coaches, hire cars and private cars. PAS(T)6 oversees cross-boundary vehicular traffic at land crossings, cross-boundary ferry services and operation of cross-boundary ferry terminals, and co-ordinates the Bureau's inputs on cross-boundary transport-related issues. PAS(T)6 also oversees matters relating to the Transport Tribunal.

### **Under DS(T)4**

#### **PAS(T)8**

11. PAS(T)8 assists DS(T)4 in overseeing policy matters relating to airport development and house-keeping AAHK. PAS(T)8 is also responsible for taking charge of air services negotiations/air transport policy in relation to Africa, other parts of China, Europe, Central Asia, Indian Sub-continent, and the Middle East.

#### **PAS(T)9**

12. PAS(T)9 assists DS(T)4 in handling policy matters relating to civil aviation management and house-keeping CAD. PAS(T)9 is in charge of air services negotiations/air transport policy in relation to Southeast and Northeast Asia, Australasia and America; and overflight agreements and air transport related matters in Asia-Pacific Economic Cooperation, Organisation for Economic Cooperation and Development and the World Trade Organization. PAS(T)9 is also responsible for providing secretariat support to the Air Transport Licensing Authority.

**/Under .....**

## **Under DS(T)5**

### **PAS(T)10**

13. PAS(T)10 assists DS(T)5 in overseeing policy matters relating to logistics development, promotion and implementation of related initiatives, house-keeping of MD and handling marine and logistics related legislation. PAS(T)10 is also responsible for providing secretariat support for the Hong Kong Logistics Development Council.

### **PAS(T)11**

14. PAS(T)11 assists DS(T)5 in overseeing policy matters relating to maritime development, promotion and implementation of related initiatives. PAS(T)11 is responsible for providing secretariat support for the Hong Kong Maritime and Port Board and its Committees and serving as Secretary to the Maritime and Port Development Committee. PAS(T)11 is also responsible for providing secretariat support for the Sub-group on Maritime under the Working Group on Transportation of the Economic Development Commission and following up on its deliberations.

### **CAS(T)**

15. CAS(T) assists DS(T)5 in overseeing policy matters relating to port development. CAS(T) is also responsible for providing secretariat support to the Manpower Development Committee and the Promotion & External Relations Committee of the Hong Kong Maritime and Port Board, and assisting in taking forward manpower training initiatives for the maritime and port sectors.

16. All in all, all directorate officers in the AO and professional grades in THB(TB) are fully committed under the current set-up and have no spare capacity to take up the whole or part of the additional duties and responsibilities of the proposed three supernumerary directorate posts in support of the Three-Runway System project.

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