

CONTROLLING OFFICER'S REPLY

TLB001

(Question Serial No. 2262)

Head: (28) Civil Aviation Department
Subhead (No. & title): (-) Not Specified
Programme: (4) Air Traffic Engineering Services
Controlling Officer: Director-General of Civil Aviation (Victor LIU)
Director of Bureau: Secretary for Transport and Logistics

Question:

The Civil Aviation Department will work with the Transport and Logistics Bureau in taking forward initiatives in relation to the development of low-altitude economy (LAE), specifically the study and planning for low-altitude infrastructures and unmanned aircraft system (UAS) traffic management system. In this connection, will the Government inform this Committee of the following:

1. the staff establishment and the details of the expenditure to be involved in taking forward initiatives in relation to the development of LAE;
2. as trial projects such as UAS traffic management system, multiple applications/users shared-platforms, cross-boundary routes and passenger-carrying flying aircraft are expected to be rolled out in phases from the first half of this year while the Government is also actively exploring with the Mainland to commence trial flights on cross-boundary low-altitude logistics, please provide the implementation timetable and the expenditure to be involved; and
3. whether consideration will be given to conducting a quantitative analysis of the socio-economic benefits generated by low-altitude infrastructures and the associated industries, as well as exploring revenue models for airspace operation, so as to attract more infrastructure investment and unleash the development potential of LAE?

Asked by: Hon CHAN Siu-hung (LegCo internal reference no.: 4)

Reply:

1. The Civil Aviation Department (CAD) has established the following permanent posts to take forward the initiatives in relation to the development of low-altitude economy (LAE), including the work related to the implementation of Regulatory Sandbox (Sandbox) projects:

Rank	No. of posts
Senior Operations Officer (Aviation Administration)	1
Operations Officer (Aviation Administration)	1
Operations Officer (Airworthiness)	1
Assistant Operations Officer (Aviation Administration)	1
Senior Electronics Engineer	1
Electronics Engineer/Assistant Electronics Engineer	2
Total:	7

The salary provision (in terms of notional annual mid-point salary) for the 7 posts above in 2026-27 is \$7.74 million. In addition, the CAD has retained a time-limited post of 1 Administrative Officer Staff Grade B (D3) as well as time-limited posts of 1 Chief Executive Officer and 1 Senior Executive Officer from 2025-26 to 2026-27 to undertake various work related to enhancing Hong Kong's status as an international aviation hub following the commissioning of the Three-Runway System, supporting the development of LAE in Hong Kong and enhancing the overall administrative governance of the CAD. The salary provision (in terms of notional annual mid-point salary) for the 3 posts above in 2026-27 is \$5.8 million. On the other hand, the Transport and Logistics Bureau (TLB) has created 3 time-limited posts (1 Senior Engineer, 1 Engineer/Assistant Engineer and 1 Senior Executive Officer) from 2025-26 to 2029-30 to support the enhancement of Hong Kong's status as an international aviation hub and take forward the development of LAE. The salary provision (in terms of notional annual mid-point salary) for the 3 posts above in 2026-27 is \$3.76 million. At present, besides the abovementioned posts, the TLB and the CAD will continue to utilise their existing resources to undertake the work related to the development of LAE.

2. In November 2025, the Government rolled out the advanced LAE Regulatory Sandbox \mathcal{X} (Sandbox \mathcal{X}) pilot projects, covering unmanned aircraft system traffic management system demonstrations, unconventional aircraft, cross-boundary applications, multiple applications/users shared-platform and other application scenarios with higher technical complexity. The application period for the pilot projects closed on 28 February 2026. The response from the industry was overwhelming, with multiple applications received for each application scenario. The Working Group on Developing Low-altitude Economy (WG) is examining the applications in detail, aiming to roll out the pilot projects progressively for testing from the first half of this year. At present, the TLB and the CAD will continue to utilise their existing resources to implement the Sandbox \mathcal{X} pilot projects and other related work.
3. The WG will draft the Action Plan on Developing Low-Altitude Economy this year, with a view to building an internationally competitive LAE ecosystem and propelling Hong Kong as an Asia-Pacific hub for innovative low-altitude applications. The Government will make reference to the experience gathered from Sandbox and Sandbox \mathcal{X} projects, relevant data as well as the technical studies to formulate appropriate infrastructure, related supporting facilities, standards as well as laws and regulations for low-altitude flying activities in the long run. Relevant studies and planning are still underway.

- End -

CONTROLLING OFFICER'S REPLY

TLB002

(Question Serial No. 2007)

Head: (28) Civil Aviation Department
Subhead (No. & title): (-) Not Specified
Programme: (3) Air Traffic Management
Controlling Officer: Director-General of Civil Aviation (Victor LIU)
Director of Bureau: Secretary for Transport and Logistics

Question:

It is estimated that the number of aircraft movements in Hong Kong will reach 430 000 in 2026-27, an increase of 8.7% over 2025-26. The workload of air traffic management is expected to be heavier. The provision for air traffic management in 2026-27 increases by 6.2%, mainly due to salary increment and increased expenditure for filling vacancies in 2025-26. At the same time, 8 posts will be reduced. In this connection, would the Government inform this Committee of:

1. the percentage of salary increment on average;
2. the amount of and the reasons for the additional provision for full-year effect of vacancies filled in 2025-26; and
3. the reasons for reducing 8 posts despite an increase in aircraft movements, and the proportion of the number of staff affected in relation to the total staff.

Asked by: Hon FOK Kai-kong, Kenneth (LegCo internal reference no.: 23)

Reply:

1. For officers of the Civil Aviation Department (CAD) granted with an increment on their respective rank scales, the percentage of salary increment is about 1.05% on average.
2. The CAD commits to recruit and train more air traffic control staff to take up new posts and fill vacancies, so as to meet air traffic services demand and support the Three-Runway System operations. On Programme (3) Air Traffic Management, the estimate for 2026-27 is \$37.4 million (6.2%) higher than the revised estimate for 2025-26. This is mainly due to the increased provision for salary increment and full-year effect of vacancies filled in 2025-26, partly offset by savings in operating expenses.
3. The Government has strictly controlled the civil service establishment. Since 2021-22, it has implemented the zero-growth policy in the overall civil service establishment, with the overall establishment controlled at a level not exceeding that as at end-March

2021. To tie in with the Government's Productivity Enhancement Programme and in order to optimise the use of manpower resources, the civil service establishment will be reduced by 2% each in 2026-27 and 2027-28. The CAD will continue to re-prioritise and re-deploy its work, streamline work processes and capitalise on technology solutions through adoption of management measures and digitalisation, with a view to enhancing efficiency and continue to deliver high-quality public services while the civil service is being streamlined.

- End -

CONTROLLING OFFICER'S REPLY

TLB003

(Question Serial No. 0576)

Head: (28) Civil Aviation Department
Subhead (No. & title): (000) Operational expenses
Programme: (-) Not Specified
Controlling Officer: Director-General of Civil Aviation (Victor LIU)
Director of Bureau: Secretary for Transport and Logistics

Question:

It is shown in the document that the total estimate of the Civil Aviation Department (CAD) for 2026-27 is similar to that of the last financial year. The total estimate is \$1.4688 billion, representing a slight decrease of 0.5% against the original estimate for 2025-26 (or an increase of 0.9% over the revised estimate). Meanwhile, the number of non-directorate posts on the establishment will be reduced from 908 to 892, a net decrease of 16 non-directorate posts (in terms of notional annual mid-point salary value). On the premise of ensuring proper use of public fund without affecting service efficiency, will the CAD inform this Committee of the following:

- (a) How does the CAD explain that the overall expenditure does not decrease in proportion to the reduction in posts?
- (b) Are the savings in staff costs fully offset by other expenditure items (such as salary increment, replacement of ageing equipment, etc.)? Please provide a detailed analysis and data to illustrate the impact of each factor on the budget changes.

Asked by: Hon NG Kam-wah, Webster (LegCo internal reference no.: 23)

Reply:

In line with the Government's overall initiative to reduce the size of the civil service establishment, the Civil Aviation Department (CAD) will reduce 16 non-directorate posts in 2026-27. Meanwhile, the CAD will continue to recruit staff to fill existing/anticipated vacancies in order to provide a safe, efficient and sustainable air transportation system and to support the Three-Runway System operations. As a result, personal emoluments and personnel-related expenditures for 2026-27 are \$93.44 million (11.4%) higher than the revised estimate for 2025-26. This increase is offset by the savings from personal emoluments resulting from the reduction of posts. In addition, due to the increased requirement for replacement of ageing equipment and system, as well as the reduced operating expenses resulting from enhanced management measures to improve efficiency, the relevant estimates for 2026-27 represent an increase of \$3.07 million (39.4%) and a decrease of \$82.69 million (13.2%) respectively over the revised estimates for 2025-26. For the above reasons,

the CAD's estimate for 2026-27 totalled \$1.4688 billion, representing an increase of \$13.82 million (0.9%) over the revised estimate for 2025-26.

- End -

CONTROLLING OFFICER'S REPLY

TLB004

(Question Serial No. 0577)

Head: (28) Civil Aviation Department
Subhead (No. & title): (000) Operational expenses
Programme: (-) Not Specified
Controlling Officer: Director-General of Civil Aviation (Victor LIU)
Director of Bureau: Secretary for Transport and Logistics

Question:

A comparison of the estimates for 2026-27 with the revised estimates for 2025-26 across various programmes reveals significant difference in changes (for example, Programme (1) Flight Standards increases by 10.2% while Programme (4) Air Traffic Engineering Services decreases by 8.9%). Please explain in detail the specific reasons for the substantial increase or decrease in provision for each Programme. In particular for Programme (4) which shows the largest reduction in provision, will such reduction affect the maintenance and upgrading plans for the air navigation service equipment and thus pose potential risks to aviation safety and efficiency?

Asked by: Hon NG Kam-wah, Webster (LegCo internal reference no.: 24)

Reply:

The Civil Aviation Department (CAD) is committed to a safe, efficient and sustainable air transportation system and regularly reviews its operations, improves its services and flexibly deploys resources to enhance efficiency and ensure aviation safety.

Regarding Programmes (1) Flight Standards, (2) Airport Standards, (3) Air Traffic Management and (5) Air Services and Safety Management, the estimates for 2026-27 are higher than the revised estimates for 2025-26 by 3.2% to 10.2%. This is mainly due to the increased provision for salary increment and full-year effect of vacancies filled in 2025-26. On the other hand, the CAD reduces its operating expenses through enhanced utilisation of manpower resources, adoption of management measures and digitalisation, and streamlining of work processes and operations. On the estimate for 2026-27 for Programme (4) Air Traffic Engineering Services, the provision increased due to the abovementioned reasons and replacement of ageing equipment and system. However, the CAD continues its enhancement measures, which include refining management measures with contractors to enhance operational efficiency and service standards, bringing about savings in operational expenses that offset the increased provision under this Programme. This results in an 8.9% reduction in the estimate for 2026-27 as compared to the revised estimate for 2025-26. As regards Programme (6) Air Passenger Departure Tax Administration, the provision for 2026-27 is the same as the revised estimate for 2025-26.

- End -

CONTROLLING OFFICER'S REPLY

TLB005

(Question Serial No. 0578)

Head: (28) Civil Aviation Department

Subhead (No. & title): (-) Not Specified

Programme: (1) Flight Standards, (4) Air Traffic Engineering Services and
(5) Air Services and Safety Management

Controlling Officer: Director-General of Civil Aviation (Victor LIU)

Director of Bureau: Secretary for Transport and Logistics

Question:

It is mentioned under Programmes (1), (4) and (5) that the Government will take forward initiatives in relation to the development of low-altitude economy, including the implementation of regulatory sandbox pilot projects and the study for unmanned aircraft system traffic management system.

- a) How much provision in the 2026-27 Budget is specifically earmarked for the aforementioned projects and studies in relation to low-altitude economy?
- b) How does the Department assess the cost-effectiveness of these pilot projects and infrastructure studies? Are there any key performance indicators in place to gauge their effectiveness (e.g. the number of new services facilitated, improvement made in airspace utilisation, etc.)?

Asked by: Hon NG Kam-wah, Webster (LegCo internal reference no.: 26)

Reply:

- a) In 2026-27, the Civil Aviation Department (CAD) will continue to utilise its existing resources to implement the Regulatory Sandbox (Sandbox) and Regulatory Sandbox ㄨ (Sandbox ㄨ) pilot projects as well as to study the unmanned aircraft system traffic management system. The CAD will continuously review the implementation progress of such work.
- b) The Government announced the first batch of 38 Sandbox projects in March 2025. Currently, among the 38 pilot projects on the list, 32 have commenced testing within designated flight routes. Certain application scenarios that are relatively mature, involve lower risks and do not involve areas with high volumes of people or vehicles have been regularised (e.g. the use of unmanned aircraft for façade cleaning, and inspection of power lines and railway infrastructure).

In November 2025, the Government rolled out the advanced low-altitude economy (LAE) Sandbox 2 pilot projects, covering unmanned aircraft system traffic management system demonstrations, unconventional aircraft, cross-boundary applications, multiple applications/users shared-platform and other application scenarios with higher technical complexity. The application period for the pilot projects closed on 28 February 2026. The response from the industry was overwhelming, with multiple applications received for each application scenario. The Working Group on Developing Low-altitude Economy is examining the applications in detail, aiming to roll out the pilot projects progressively for testing from the first half of this year.

The Government will make reference to the experience gathered from Sandbox and Sandbox 2 projects, relevant data as well as the technical studies to formulate appropriate infrastructure, related supporting facilities, standards as well as laws and regulations for low-altitude flying activities in the long run. Relevant studies and planning are still underway. The Government will continue to carefully assess the demand and resource allocation, including ensuring the cost-effectiveness of the relevant arrangements.

- End -

CONTROLLING OFFICER'S REPLY

TLB006

(Question Serial No. 0579)

Head: (28) Civil Aviation Department

Subhead (No. & title): (-) Not Specified

Programme: (-) Not Specified

Controlling Officer: Director-General of Civil Aviation (Victor LIU)

Director of Bureau: Secretary for Transport and Logistics

Question:

A number of performance indicators (e.g. the target working days for processing various types of applications and inspection frequencies) are set out in the document. Most of these indicators stay unchanged between 2024 and 2026 and are planned to remain so in 2026.

- a) Against the background of overall staffing reduction, how does the Civil Aviation Department (CAD) ensure that all established performance targets can be met consistently? Are there any measures in place to prioritise services or enhance service efficiency?
- b) Certain indicators (such as the number of local/overseas flight crew examination papers processed under Programme (1)) are estimated to lower significantly in 2026, with the reasons cited as “moderation of pilot recruitment exercises” and “relocation of training to Hong Kong”. Has the CAD assessed the impact of this trend on the long-term human resource development of the local aviation sector? Will it lead to structural changes in the demand for related regulatory and examination personnel?

Asked by: Hon NG Kam-wah, Webster (LegCo internal reference no.: 27)

Reply:

Under the Government's overall initiative to reduce the size of the civil service establishment, the Civil Aviation Department (CAD) will continue to re-prioritise and re-deploy its work, streamline work processes and capitalise on technology solutions through adoption of management measures and digitalisation, with a view to enhancing efficiency. In so doing, the CAD can continue to deliver high-quality public services while the civil service is being streamlined. With the objective of promoting and supporting the development of the Hong Kong aviation industry and maintaining Hong Kong's status as an international aviation hub, the CAD will continue to maintain close liaison with local airlines to understand the industry's needs and make timely planning accordingly. Local airlines have been recruiting additional pilots continuously in the past few years. As these pilots are gradually completing their training and assessments and entering into service, the recruitment of pilots for local airlines

will gradually moderate. However, it is expected that the number of pilot in Hong Kong will remain generally stable in 2026.

- End -

CONTROLLING OFFICER'S REPLY

TLB007

(Question Serial No. 2204)

Head: (28) Civil Aviation Department
Subhead (No. & title): (-) Not Specified
Programme: (1) Flight Standards
Controlling Officer: Director-General of Civil Aviation (Victor LIU)
Director of Bureau: Secretary for Transport and Logistics

Question:

As regards the progress of the low-altitude economy (LAE) regulatory sandbox projects, will the Government inform this Committee:

1. of the government expenditure incurred for the 32 projects that have conducted trials along their designated routes under the first cohort of the Regulatory Sandbox;
2. whether the progress of the LAE regulatory sandbox projects is in line with the Government's expectation; whether there has been any delay; if so, of the reasons therefor;
3. given that the projects launched under the first cohort of Regulatory Sandbox cover a wide range of fields and application scenarios, including emergency and rescue, logistics and distribution, maintenance and safety inspection, surveillance and low-altitude infrastructure, whether the Government will draw up a concrete timetable for formulating rules and procedures for various industries to apply for formal commercial operations under LAE; and
4. as it is mentioned in the Budget Speech that trial projects such as unmanned aircraft system traffic management system, multiple applications/users shared-platforms, cross-boundary routes and passenger-carrying flying aircraft will be rolled out in phases from the first half of this year, and that the Government is also actively exploring with the Mainland to commerce trial flights on cross-boundary logistics, of the details and specific estimated expenditure on each of these applications and cross-boundary logistics trial flights, as well as the specific coordination work and schedule?

Asked by: Hon QUAT Elizabeth (LegCo internal reference no.: 18)

Reply:

1. The General Conditions of the Regulatory Sandbox (Sandbox) stipulate that any costs in preparing the applications and conducting the trials will be borne by the pilot project applicants through their self-arranged financial and/or other funding sources. At present, the Transport and Logistics Bureau (TLB) and the Civil Aviation Department (CAD) will continue to utilise their existing resources to implement the Sandbox and

Regulatory Sandbox ㄨ (Sandbox ㄨ) projects, as well as other work related to the development of low-altitude economy (LAE).

2. & 4.

The Government announced the first batch of 38 Sandbox projects in March 2025. Currently, among the 38 pilot projects on the list, 32 have commenced testing within designated flight routes. Certain application scenarios that are relatively mature, involve lower risks and do not involve areas with high volumes of people or vehicles have been regularised (e.g. the use of unmanned aircraft for façade cleaning, and inspection of power lines and railway infrastructure).

In November 2025, the Government rolled out the advanced LAE Sandbox ㄨ pilot projects, covering unmanned aircraft system traffic management system demonstrations, unconventional aircraft, cross-boundary applications, multiple applications/users shared-platform and other application scenarios with higher technical complexity. The application period for the pilot projects closed on 28 February 2026. The response from the industry was overwhelming, with multiple applications received for each application scenario. The Working Group on Developing Low-altitude Economy (WG) is examining the applications in detail, aiming to roll out the pilot projects progressively for testing from the first half of this year. At present, the TLB and the CAD will continue to utilise their existing resources to undertake the work related to Sandbox ㄨ projects.

To sum up, the work related to Sandbox and Sandbox ㄨ projects is progressing in an orderly manner, enabling the Government to collect data to validate the feasibility of various application scenarios.

3. The WG will draft the Action Plan on Developing Low-Altitude Economy this year, with a view to building an internationally competitive LAE ecosystem and propelling Hong Kong as an Asia-Pacific hub for innovative low-altitude applications. The Government will make reference to the experience gathered from Sandbox and Sandbox ㄨ projects, relevant data as well as the technical studies to formulate appropriate infrastructure, related supporting facilities, standards as well as laws and regulations for low-altitude flying activities in the long run. Relevant studies and planning are still underway.

- End -

CONTROLLING OFFICER'S REPLY

TLB008

(Question Serial No. 0226)

Head: (28) Civil Aviation Department
Subhead (No. & title): (-) Not Specified
Programme: (3) Air Traffic Management
Controlling Officer: Director-General of Civil Aviation (Victor LIU)
Director of Bureau: Secretary for Transport and Logistics

Question:

In Matters Requiring Special Attention in 2026-27, it is stated that the Civil Aviation Department (CAD) will recruit and train more air traffic control (ATC) staff to meet air traffic services demand and support the Three-Runway System (3RS) operations. What are the staffing establishment, expenditure, and scope of work involved? Are the relevant posts permanent or temporary?

Asked by: Hon YAO Cho-fai, Andrew (LegCo internal reference no.: 38)

Reply:

To meet the growth in air traffic volume brought about by the 3RS operations and the increasing demand for air traffic services, the Civil Aviation Department (CAD) will recruit and train more ATC staff to fill new posts and existing/anticipated vacancies. In 2026-27, the CAD will continue to recruit staff, with plans to hire about 25 Air Traffic Control Officers (ATCOs) III / Student Air Traffic Control Officers. Newly recruited ATCOs will receive relevant ATC training as required and in accordance with induction arrangements, including theories and practical exercises in the simulators and on-the-job training in the real operational environment under the supervision of qualified controllers. Upon successful completion of all relevant required training and assessments, these officers will be deployed to their positions. These are permanent posts. The total staff cost of these posts in terms of notional annual mid-point salary value is about \$14.45 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)004

(Question Serial No. 0938)

Head: (28) Civil Aviation Department

Subhead (No. & title): ()

Programme: (6) Air Passenger Departure Tax Administration

Controlling Officer: Director-General of Civil Aviation (Victor LIU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in Programme (6) that applications for refund of the Air Passenger Departure Tax (APDT) have been centrally handled by the Airport Authority Hong Kong (AA) since 1 October 2025.

- a) Following this operational change, what are the specific responsibilities of the Civil Aviation Department (CAD) in monitoring APDT reporting by airlines or helicopter companies and vetting refund applications handled by AA? How will the CAD ensure that the efficiency and accuracy of AA's handling of refund meet the service target of processing 99% of applications within 29 working days?
- b) In view of the adjustment to APDT rate and the changes to the refund procedure, what corresponding adjustments are made to the CAD's estimated resources (including manpower and expenditure) for managing and monitoring the APDT-related work in 2026-27? Please explain how the relevant estimate is prepared to cope with the workload arising from the said operational change.

Asked by: Hon NG Kam-wah, Webster (LegCo internal reference no.: 25)

Reply:

- a) Under the Air Passenger Departure Tax Ordinance (Cap. 140), airlines or helicopter companies are required to collect Air Passenger Departure Tax (APDT) from departing passengers on behalf of the Government. Passengers who are eligible for APDT exemption but have already paid the tax when purchasing air tickets are entitled to APDT refund. Since 1 October 2025, applications for APDT refund have been centrally handled by the Airport Authority Hong Kong (AA).

Under the AA's new APDT refund mechanism, the Civil Aviation Department (CAD) retains its role in monitoring APDT collection by airlines or helicopter companies. Airlines or helicopter companies carrying departing passengers will submit monthly APDT returns to the CAD and deposit the tax collected in a designated bank account. The CAD will verify the relevant returns to ensure the tax amount is accurate.

Regarding APDT refund, the AA is responsible for processing refund applications from air passengers and making refunds to them, while the CAD is responsible for reimbursing the AA for the amount refunded. The AA should submit to the CAD returns certified by qualified accountants, setting out in detail the information such as the number of refund applicants, the refund eligibility category, the actual amount of tax refunded, etc. The CAD will verify the relevant returns and conduct random checks on refund cases against the passenger records held by airlines to ensure accuracy of the amount refunded.

As applications for APDT refund have been centrally handled by the AA since 1 October 2025, the original service target of the CAD for “applications for refund received by post/through online submission processed within 29 working days” is no longer applicable and will be removed from 2026 onwards. The AA will normally complete processing of an APDT refund application within 3 weeks upon receiving the application and the required documents from an applicant.

- (b) The estimated provision for Programme (6) Air Passenger Departure Tax Administration is \$2.4 million in 2026-27. The CAD will continue to handle the relevant work using existing manpower and resources through internal redeployment and streamlining of procedures.

- End -