

**立法會**  
**Legislative Council**

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**Legislative Council**  
**Panel on Economic Services**

**Minutes of meeting held on**  
**Monday, 29 July 2002, at 10:45 am**  
**in the Chamber of the Legislative Council Building**

- Members present** : Hon James TIEN Pei-chun, GBS, JP (Chairman)  
Dr Hon LUI Ming-wah, JP (Deputy Chairman)  
Hon Eric LI Ka-cheung, JP  
Hon Fred LI Wah-ming, JP  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon HUI Cheung-ching, JP  
Hon CHAN Kam-lam, JP  
Hon SIN Chung-kai  
Hon Howard YOUNG, JP  
Hon Henry WU King-cheong, BBS, JP
- Members absent** : Hon Kenneth TING Woo-shou, JP  
Dr Hon David LI Kwok-po, GBS, JP  
Hon CHEUNG Man-kwong  
Dr Hon Philip WONG Yu-hong  
Hon Jasper TSANG Yok-sing, GBS, JP  
Hon LAU Chin-shek, JP  
Hon Miriam LAU Kin-ye, JP  
Hon CHOY So-yuk
- Non-Panel members attending** : Hon NG Leung-sing, JP  
Hon CHAN Yuen-han, JP  
Hon Emily LAU Wai-hing, JP  
Hon Albert CHAN Wai-yip

**Public officers : Agenda item III**

Economic Development and Labour Bureau

Mr Stephen IP  
Secretary for Economic Development and Labour

Ms Sandra LEE  
Permanent Secretary for Economic Development  
and Labour (Economic Development)

Mrs Rebecca LAI  
Commissioner for Tourism

Miss Irene YOUNG  
Administrative Assistant  
Secretary for Economic Development and Labour

**Agenda item IV**

Economic Development and Labour Bureau

Ms Sandra LEE  
Permanent Secretary for Economic Development  
and Labour (Economic Development)

Mrs Rebecca LAI  
Commissioner for Tourism

Mrs Erika HUI  
Assistant Commissioner for Tourism

Environment, Transport and Works Bureau

Mr Raistlin LAU  
Principal Assistant Secretary for the Environment,  
Transport and Works (Environment)

Department of Justice

Mr Raymond CHAN  
Senior Assistant Law Officer (Civil Law)

Planning Department

Mr Anthony KWAN  
Assistant Director of Planning/NT

Territory Development Department

Mr Talis WONG  
Acting Chief Engineer

Environmental Protection Department

Mr Lawrence NGO  
Acting Principal Environmental Protection Officer

Drainage Services Department

Mr David CHEUNG  
Chief Engineer

**Agenda item V**

Economic Development and Labour Bureau

Ms Sandra LEE  
Permanent Secretary for Economic Development  
and Labour (Economic Development)

Mrs Rebecca LAI  
Commissioner for Tourism

Mrs Erika HUI  
Assistant Commissioner for Tourism

Lands Department

Mr A K PATON  
Assistant Director of Lands

Leisure and Cultural Services Department

Mr Tony MA  
Assistant Director of Leisure and Cultural Services

Dr Louis C W NG  
Executive Secretary (Antiquities & Monuments)

**Clerk in attendance** : Mr Andy LAU  
Chief Assistant Secretary (1)2

**Staff in attendance** : Ms Debbie YAU  
Senior Assistant Secretary (1)1

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**I Confirmation of minutes and matters arising**

(LC Paper No. CB(1)2090/01-02 - Minutes of meeting held on 27 May 2002;  
and  
LC Paper No. CB(1)2309/01-02 - Minutes of meeting held on 24 June 2002)

The minutes of the meetings held on 27 May 2002 and 24 June 2002 were confirmed.

**II Information papers issued since last meeting**

(LC Paper No. CB(1)2216/01-02(01) - Tables and graphs showing the import and retail prices of major oil products from June 2000 to May 2002 furnished by the Census and Statistics Department)

2. Members noted the above information paper issued since last meeting.

**III Meeting with the new Secretary for Economic Development and Labour**

(LC Paper No. CB(1)2336/01-02(01) Information paper provided by the Administration)

3. At the invitation of the Chairman, the Secretary for Economic Development and Labour (SEDL) gave an overview of the policy portfolio of the Economic Development Branch (EDB) of the Economic Development and Labour Bureau and outlined the work priorities of EDB. He explained that the focus of the EDB's work in the coming months was to ensure that Hong Kong had an appropriate economic infrastructure for future development. Efforts were specifically targeted towards strengthening Hong Kong's competitive edge as a premier international and regional transportation and logistic hub as well as promoting tourism. He then briefed members on the work priorities in the months ahead in relation to air and sea transport, logistics development, tourism, energy, postal services, meteorological services, competition and consumer protection.

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4. Whilst noting that all principal officials under the accountability system and Members of the Executive Council were preparing returns on their registrable interests for public inspection, Ms Emily LAU enquired whether the Secretary was prepared to release the particulars of his registrable interests at the meeting. SEDL replied that the particulars of his registrable interests had all along been disclosed for public inspection and there had not been any major changes to them.

Tourism

5. Mrs Selina CHOW called on the Administration to speed up the implementation of various tourism infrastructure, facilities and products. She also saw the need for the Administration to plan for the development of a resort with golf courses and spa facilities. Regarding the Quality Tourism Services (QTS) Scheme launched by the Hong Kong Tourism Board to promote and acknowledge quality service among retail business, she urged the Administration to give greater support to its implementation.

6. SEDL took note of Mrs CHOW's view and replied that the Administration would assist the Hong Kong Tourism Board to promote the QTS Scheme. The Administration also saw merits in the development of resorts with golf courses and spa facilities and was examining ways to take the concept forward.

7. Mrs Selina CHOW relayed a complaint from a United Kingdom visitor about the long waiting time for immigration clearance at the Hong Kong International Airport (HKIA). She urged the Administration to implement measures to shorten the waiting time so as to upkeep its performance pledge. Mr HUI Cheung-ching also pointed out that similar problems were experienced by Mainland visitors on business travel to Hong Kong by land.

8. Regarding the complaint case at HKIA, SEDL replied that the Administration would follow up the case with the Immigration Department. As regards entry of Mainland visitors on business travel, he confirmed that special counters had recently been set up to facilitate their entry to Hong Kong.

9. On the development of eco-tourism, Ms CHAN Yuen-han was gravely concerned that the Administration had failed to preserve the natural scenery in the course of redevelopment. Citing the case in South East Kowloon Development as an example where a designated area was originally provided for in the former Kai Tak runway to facilitate visitors to view the natural scenery of the Lion Rock Mountain, it turned out that a new public housing development was proposed in its vicinity which would completely block the view of the mountain from the area. She therefore urged the Administration to preserve the natural skyline of South East Kowloon during the town planning process, taking into account the likely impact of the development on the natural scenery.

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10. In response, SEDL pointed out that tourism development was only one of the planning considerations in the whole South East Kowloon Development project. He believed that a proper balance would be maintained among the needs for sustainable development, public housing and tourism development. He undertook to refer the matter to the Secretary for the Environment, Transport and Works and the Planning Department.

*Hong Kong Disneyland (HKD)*

11. As it was widely reported that another Disneyland project would be implemented in Shanghai, Ms Emily LAU sought clarification from the Administration whether they were aware of the possibility of a Shanghai Disneyland project and whether Government had agreed with The Walt Disney Company (WD) that no other Disneyland project would be built in the Mainland. She also asked if the Administration would reassess the economic benefits for HKD if Shanghai Disneyland would go ahead.

12. SEDL pointed out that it had always been the understanding of the Administration that WD did not rule out the possibility of constructing another theme park in the Mainland given its huge population. Notwithstanding that, WD had recently made clear to the media that it had not reached any definitive decision or commitment regarding another theme park in the Mainland at this stage. SEDL said that WD had repeatedly reassured its commitment towards the HKD project and that its priority objective was to get HKD up and running and make it a success. SEDL pointed out that HKD was WD's flagship theme park in China and the success of HKD was of paramount importance to the company. As an internationally acclaimed commercial organization, WD valued very much its reputation and brand name and would not casually proceed with a new project which might jeopardize its investment in the HKD project and hurt its reputation. On exclusivity arrangement, SEDL explained that exclusivity was reciprocal and the Administration had made it clear when the HKD project was announced in 1999 that there was no exclusivity provision either way. He said that the then Chief Secretary for Administration had also advised the same at the Special House Committee meeting held on 3 November 1999. SEDL said that Hong Kong was the home of free competition. Without exclusivity, Hong Kong would have the flexibility to bring in other major international attractions to Hong Kong if there was a supporting market.

13. Noting that WD had verbally assured the Administration that it would not consider another Disney theme park in the Mainland before HKD was a successful operation, Mr SIN Chung-kai sought clarification from the Administration on the definition of "successful operation of HKD". He commented that even if another Disneyland were to be provided at Shanghai, it could take a different theme from that of HKD to ensure that both parks were not direct competitors but could complement each other.

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14. SEDL pointed out that WD would research into the most suitable theme and features which would enhance the attractiveness of HKD, and that its priority was the successful operation of HKD. However, with reference to the experience in the United States where two Disneyland could be provided for a population size of only 285 million, there was no reason to preclude the occurrence of the same in the Mainland which had a population size of 1.3 billion. SEDL reassured Members that the Administration would maintain regular dialogue with WD to ensure the successful operation of HKD and formulate appropriate strategy to enhance the attractiveness of HKD.

15. On the forecast base tourists and attendance of HKD, SEDL pointed out that the assumptions used in the economic benefit analysis conducted in 1999 were fairly conservative. Under the Base Case projection of HKD, the number of base tourists and attendees to HKD in 2005/06 were assumed to be 15 million and 5.2 million respectively. In 2001, the total number of visitor arrivals had already reached 13.7 million. With the relaxation of the quota of Mainland visitors coming to Hong Kong and other improvements to existing entry arrangements, the number of base tourists for the first five months in 2002 had already increased by 14%. Regarding the forecast attendance of HKD, it was worth to note that attendance at Ocean Park in 2001 had already reached 3 million. Hence, the projected attendance of 5.2 million for HKD in 2005/06 was rather conservative. SEDL pointed out that WD also considered the base case forecast conducted in 1999 too conservative and had therefore revised the attendance figure upward to 5.6 million. Judging from the above, he was confident that the projected number of base tourists and attendees to HKD could be achieved.

16. To add value to Hong Kong as an international tourist centre, Mr SIN Chung-kai suggested that the Administration could act proactively and invite other theme park providers such as the Universal Studios to come to Hong Kong. Mr Howard YOUNG opined that consideration could be given to granting extra lands to Ocean Park (such as the land presently occupied by the Hong Kong School of Motring or CityBus Company Limited) for future development so as to enhance its competitiveness and attractiveness.

17. SEDL thanked Mr YOUNG for making suggestions on how to enhance the attractiveness of Ocean Park. Regarding the development of new theme parks other than HKD in Hong Kong, he said that the Administration would consider when opportunity arose but interests from both private sector and government would be needed.

18. Mrs Selina CHOW opined that an exclusivity arrangement for HKD would not be conducive for Hong Kong Government to seek for new development opportunity. The present arrangement was deemed to be more desirable. Indeed, the upcoming of a Disney theme park in Shanghai could be seen as a positive force which could prompt parties concerned to pay special attention to enhance the attractiveness and

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competitiveness of HKD. She also indicated her support to the proposed enhancement of tourism facilities at Ocean Park.

### Electricity

19. Mr Fred LI regretted that there had not been a tariff reduction despite the recent deflation experienced by Hong Kong. He called on the Administration to address the issue and examine options to relieve the burden of the business sector and local community, particularly in light of the next interim review of the Scheme of Control Agreements (SCA) scheduled for 2003. He also asked the Administration to speed up the opening of the electricity market so as to lower the electricity tariff which, in turn, would benefit the public.

20. SEDL replied that the Government aimed at providing reliable energy supply at reasonable prices to support Hong Kong's economic development. Since the SCA was a legally binding contract, Government could only act in accordance with the terms of the agreement. Notwithstanding the above, he would examine what improvement measures might be considered at the interim review. Meanwhile, the Administration was considering the framework for the electricity market after the expiry of the current SCAs in 2008.

### Logistics Development

21. Mr CHAN Kam-lam was concerned about the slow pace of development of the various initiatives on air and sea transport and logistics services. Despite the establishment of the Hong Kong Logistics Development Council for quite some time, various improvement measures were still on the pipeline. In order to catch up with the rapid development in the Mainland, Hong Kong needed to strengthen its role as a major international and regional transportation and logistics hub rather than merely focusing on strengthening co-ordination and co-operation with the Pearl River Delta.

22. Acknowledging that Hong Kong should play a proactive role on logistics development, SEDL pointed out that the Administration had been working on measures to reduce the cost of operation and improve the overall competitiveness of the logistics sector by streamlining the clearance procedures and co-ordinating various modes of transport service to improve movement speed.

23. The Permanent Secretary for Economic Development and Labour (Economic Development) added that logistics development involved different facets which required detailed examination. Efforts had been focusing on exploring the feasibility of establishing a Digital Trade and Transportation Network System, a neutral e-



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platform for the exchange of information and data among participants in the supply chain, thereby enhancing speed and reliability. Moreover, in anticipation of the fast growth of express air cargo business, the Airport Authority had called tender for the establishment of a dedicated express cargo terminal.

24. In view of the heavy congestion near the control point at Lok Ma Chau/Huanggang, Mr HUI Cheung-ching opined that there was an urgent need to speed up the implementation of a road link between Zhuhai and Hong Kong which would help promote cargo and passenger flow to Southwest China.

25. SEDL pointed out that the proposed cross-border road link fell outside the purview of EDLB. Nevertheless, he would relay the member's view to the relevant Bureau.

26. Mr Albert CHAN was concerned about the shortage of parking spaces for container trucks in some districts which, in turn, affected the normal operation of the logistics industry. He urged the Administration to examine the problem. SEDL took note of the member's view.

## Aviation

27. Regarding the progress of liberalizing the fifth freedom traffic rights as raised by Mr HUI Cheung-ching, SEDL pointed out that the Administration aimed at expanding air services network progressively, including the fifth freedom traffic rights, in order to strengthen and enhance Hong Kong's position as an international and regional aviation centre.

## Port and Maritime Development

28. Further to his LegCo question raised on 19 June 2002 concerning the suspected breach of the land grant conditions of the River Trade Terminal Company Limited, which operated the Tuen Mun River Trade Terminal, by conducting at the terminal a sideline business of cargo handling services for ocean-going vessels, Mr Albert CHAN sought explanation from the Administration as to why no enforcement action was taken since the case was reported more than half year ago.

29. SEDL said that the Administration was aware of the problem within the river trade limits. He stressed that it took time for them to study carefully the legal implications of the case since it might be referred to the court. He undertook to provide further information in due course.

30. Regarding reclamation at Kwun Tong typhoon shelter as part of the South East Kowloon Development, Mr Albert CHAN expressed concern that the Administration had not worked out proper re-provisioning arrangements in regard to the reduction in typhoon shelter space and the planned removal of the Kwun Tong and Cha Kwo Ling

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Public Cargo Working Areas before proceeding with the project. He urged the Administration to provide adequate support to the small-and-medium enterprises. The Chairman remarked that some of the typhoon shelters were being used by Mainland vessels but not local vessels. As such, the level of re-provisioning should be examined in detail. SEDL advised that the Administration was examining the subject matter and would provide further information when available.

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**IV Tung Chung Cable Car Project**

(ESB CR 6/2091/98 (02) Pt.24 -

Legislative Council Brief on Tung Chung Cable Car Project provided by the Administration)

31. The Chairman advised that the item on Tung Chung Cable Car Project was last discussed at the meeting held on 3 July 2002.

32. Mr Fred LI was concerned about the environmental impact of the project. He asked if the Administration had consulted the green groups which had expressed concern about the design of the system and the complementary developments at Ngong Ping.

33. The Acting Chief Engineer of the Territory Development Department advised that in drawing up the "Preliminary Preferred Alignment" for the system, the Administration had consulted the Advisory Council on the Environment and local district council. It also maintained regular dialogue with green groups. In drawing up the detailed design of the project, MTR Corporation Limited (MTRCL) would continue to consult the relevant parties.

34. The Commissioner for Tourism (C for Tourism) added that before inviting detailed proposals for the cable car system, the Administration had indeed adjusted the "Preliminary Preferred Alignment" having taken into account some of the comments gathered during consultation. MTRCL in carrying out the detailed design would aim at minimizing environmental impacts on the surrounding areas. As the development of the cable car system was a designated project under the Environmental Impact Assessment (EIA) Ordinance (Cap. 499), MTRCL would be required to conduct EIA study and complete all the necessary statutory procedures. Any concerns relating to environmental issues would be addressed during the process.

35. Subsequent to the announcement of the Government's decision on the Tung Chung Cable Car Project, various concern groups had expressed views on the project. The Chairman sought the view of the Administration on comments made by various deputations.

36. Regarding the agreement between MTRCL and Kwoon Chung Bus Holdings Limited on the co-ordination of transport between Ngong Ping and South Lantau, C

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for Tourism advised that it was an operating agreement between the two companies aiming at providing better bus service to facilitate local residents and visitors traveling between Ngong Ping and other parts of Lantau.

37. Regarding the concern expressed by Po Lin Monastery about the provision of complementary development at Ngong Ping together with food stalls in close proximity of the temple, C for Tourism advised that the locations of the theme village and catering facilities would be placed next to the cable car terminal which was away from the Po Lin Monastery. A gradual change concept would be adopted in the design principle to segregate the Po Lin Monastery with other commercial land uses in Ngong Ping. In the meantime, MTRCL would keep a close dialogue with Po Lin Monastery in the course of designing the complementary developments.

38. On the arrangement for existing stall operators, C for Tourism said that the current plan was to preserve their operation at the present locations.

**V Former Marine Police Headquarters**

(ESB CR 22/24/17 -

Legislative Council Brief on former Marine Police Headquarters provided by the Administration)

39. At the invitation of the Chairman, C for Tourism briefed members on the proposal to preserve, restore and convert the former Marine Police Headquarters (MPHQ) in Tsim Sha Tsui (the Project) for tourism related uses. She said that there had been increasing public demand for more to be done to preserve heritage assets. Given budgetary and other constraints on Government, there was a strong case for a new approach to preserve and exploit these facilities. One of the most suitable ways to do this was to engage private sector resources in suitable projects with commercial potential. This would help inject new ideas and a new dynamism into the process to convert heritage buildings to beneficial use. She said that since the Project would be subject to considerable site specific constraints, as well as constraints arising from requirements to preserve the heritage value of the site, the implementation framework was designed with minimum mandatory requirements in order not to erode the financial viability of the Project. Further, the Administration had taken a number of proactive measures to minimize uncertainty and to improve the commercial potential of the Project. The Administration would invite tender in September 2002. The target was to award the land grant in early 2003.

40. Mrs Selina CHOW welcomed the proposal in which the Administration partnered with a commercial entity in managing a monument for tourism purpose. Mr Howard YOUNG was also in support of developing historic assets into heritage tourism attraction such as Covent Garden in London. This new approach could enable the Government to focus its resources on preservation work.

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Assessment criteria

41. The Chairman sought clarification on whether the Project was driven by tourism or preservation-related initiatives. In particular, he asked about the weighting accorded to individual assessment criteria as set out in paragraph 6(e) of the paper. Mr Fred LI suggested that employment creation should be included as one of the assessment criteria. Mrs Selina CHOW also suggested that the assessment criteria should include the proponents' management experience and the creativity of their proposals.

42. C for Tourism confirmed that a detailed marking scheme would be approved by the Central Tender Board before tender. The Administration would also attach to the tender document information on the marking system to provide transparency and to ensure better understanding of the objectives of the exercise. As equal weighting would be granted to each of the four categories of assessment criteria, the total weighting given to heritage preservation, the creativity of the proposals and the economic and tourism benefits would be much higher than on the payment to Government. She also said that employment creation would be included in the assessment criteria under the category of economic and tourism value. Due consideration would also be given to the experience of the management of the proponents' companies.

43. Mr Howard YOUNG sought information on how tourism value would be assessed. He opined that in order to enhance the attractiveness of the Project, a higher score should be granted to proponents for the development of new tourist facilities and products in areas other than hotels, shopping malls or restaurants. In this regard, cultural performance should have an edge over other proposals. He also pointed out that cookery courses and events organized by the Chinese Cuisine Training Institute might be of high value to tourists.

44. C for Tourism advised that in assessing the tourism value of a proposal, preference would be given to those which could help reinforce the cultural characteristics of the area and create synergy with the facilities in the vicinity.

Impact on existing users

45. Ms CHAN Yuen-han was concerned about the possible demolition of the buildings of the Welfare Handicrafts Shop and the Yau Ma Tei & Tsim Sha Tsui Culture & Arts Association. She highlighted the historical value of the buildings. The displayed products were also well received by tourists and the sites had been promoted by the Hong Kong Tourism Board as a tourist attraction point. Against this background and taking into account the fact that various artists and disabled persons had gathered to work there, she called on the Administration to retain the buildings and exclude them from the project boundary so as to minimize the impact on existing

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users.

46. C for Tourism explained that the process of selecting and declaring monuments under the Antiquities and Monuments Ordinance was subject to detailed examination by a team of experts, and the implementation framework of the proposed project was based on the outcome of such process. Within the conservation guidelines provided, the successful proponent was free to determine the use of the buildings including in-situ preservation of the historic buildings. The Executive Secretary (Antiquities & Monuments) of the Leisure and Cultural Services Department (ES(A&M)/LCSD) clarified that the building of Yau Ma Tei & Tsim Sha Tsui Culture & Art Association was a historical building declared under The Antiquities and Monuments Ordinance but the one for the Welfare Handicrafts Shop was not.

47. C for Tourism further said that whilst Government had no statutory responsibility to re-house the affected operators, it had taken the initiatives, through the Marketing Consultancy Office (Rehabilitation) of the Social Welfare Department and the Yau Tsim Mong District Office, to provide the necessary assistance so that the affected operators could continue to sell their products at other places. The Administration would continue to liaise with the affected operators. Given the considerable site specific constraints and the high maintenance costs incurred in future, it was necessary to guard against imposing non-essential requirements which might erode the financial viability of the Project.

48. Mrs Selina CHOW said that she disagreed to exclude the buildings from the Project boundary as it would affect the integrity of the whole development and compatibility of land uses.

Constraints on development

49. Noting that the successful proponent was required to investigate, record, preserve and stabilize the tunnel to meet safety and preservation requirements, Mr Henry WU enquired whether the Project could attract sufficient tenderers to bid for the Project. C for Tourism advised that notwithstanding the constraints on development, the Administration was of the view that the Project should have sufficient commercial potential as the Project would allow for around 11,500 m<sup>2</sup> in commercial gross floor area (GFA), comprising 4,300 m<sup>2</sup> of GFA of the existing buildings and around two floors of commercial developments below the southern part of the platform. The strategic location of the site and its heritage value offered a good potential for the private sector to achieve the dual objectives of preserving and restoring the site, and developing it as a heritage tourism facility.

50. Mr Henry WU enquired why the Administration had not undertaken the required investigation work of the disused underground tunnels which might have high a heritage value. Mr CHAN Kam-lam also opined that in order to improve the commercial viability of the Project, the Government should take the lead to carry out

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the detailed investigation work.

51. ES(A&M)/LCSD confirmed that the disused underground tunnels below the platform were of low heritage value. Having regard to the cost and time required for the investigation work, the Administration considered it not justified to carry out a full scale investigation. The proposed arrangement was aimed at maintaining a balance between heritage preservation, up-keeping of records and historic evidence, and development of heritage tourism facility. The successful proponent would only be required to excavate or reinstate at least 15 metres in length of tunnels and make a full photographic and cartographic record of at least 30 metres in length of tunnels. His office would provide the necessary assistance to facilitate the project proponent to record any valuable historic evidence uncovered.

52. Mr Henry WU was also concerned about the preservation of mature trees and shrubs and enquired about the details of the proposed removal of the existing access ramp along Canton Road. C for Tourism advised that the ramp would have to be removed to provide for road realignment and footpath and road widening of Canton Road to improve vehicular and pedestrian circulation in the area. There would be a need to provide new access to the platform at other location.

Conditions of land grant

53. Mrs Selina CHOW enquired about the justifications for offering a 50-year land grant for the site to the successful proponent. She was worried about the non-performance of the grantee as a management contract of heritage asset was included in the Project. She also enquired whether a requirement on the date of opening would be included in the land grant. The Chairman added that the project proponent might only focus on the profitable business but not heritage preservation.

54. C for Tourism pointed out that similar to other land sale programme, a 50-year land-grant would be offered. In view of the limited commercial viability of the Project, it was necessary to allow a reasonably long period within which the successful proponent could generate a return on investment and would be allowed flexibility to manage and operate the development. The Assistant Director of Lands assured members that suitable provisions would be provided for in the land grant to enable the Government to re-enter the site in case it was misused or not developed according to the land grant condition.

55. Noting that the successful proponent was required to complete its works within 54 months, otherwise Government had the right to re-enter the contract, Mrs Selina CHOW queried why it took so long for the facility to be opened to the general public. C for Tourism pointed out that it took time for the successful proponent to go through the statutory town planning and environmental procedures. It was estimated that 18 months was so required for the purpose. Given the nature of the Project, phased implementation was also considered not practicable. The delivery timetable

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proposed by potential proponents would be duly considered by the Administration. Credit would be given to those who proposed a shorter implementation programme.

Heritage preservation

56. Mr Fred LI queried why a historical building at Stanley Village Road (ie. the ex-Stanley Police Station) would be converted into a supermarket which was in no way conducive to heritage preservation nor tourism promotion. He was worried that the product flow within the supermarket would result in damages to the building. He opined that a more cautious approach should have been adopted for heritage preservation. He urged the Administration to look into the matter with a view to avoiding the recurrence of similar incident.

57. C for Tourism explained that the site concerned was zoned as "Historical Building Preserved for Cultural, Community and Commercial Uses". The lease for use by a supermarket was the result of an open tender exercise and was in line with the approved land use for the site. After the incident, the Administration had decided to review the heritage assets in the territory. It would draw up a list of heritage buildings under government ownership which required special attention from various Government departments whenever consideration was given to putting the assets to more beneficial use. She noted the member's concern about the co-ordination among different bureaux on the work of heritage preservation and reassured that the subject matter had been taken seriously by the senior management of the Administration.

**VI Any other business**

58. As the meeting was the last one in the current session, the Chairman thanked members for their contribution in past meetings. He said that no meeting had so far been scheduled for August and September 2002. Unless upon members' request, the Panel would not hold any meetings before October 2002.

59. There being no other business, the meeting ended at 1 pm.