

**For Discussion
on 27 November 2006**

Legislative Council Panel on Economic Services

**Supplementary Note on
Development of New Cruise Terminal Facilities in Hong Kong**

Introduction

This paper updates Members on progress in the development of new cruise terminal facilities since the announcement of Government's plan.

Background

2. The Government announced on 24 October 2006 its plan to develop new cruise terminal facilities on a site earmarked at the southern end of the former runway in Kai Tak through an open land tender. This is a supplementary note to the paper issued on 25 October 2006 regarding the project (re. LC Paper No. CB(1)161/06-07(01)).

Latest Development

3. Following the announcement, the Tourism Commission has conducted briefings for major stakeholders, including the cruise and the travel industries, the Tourism Strategy Group, the Harbour-front Enhancement Committee, and the Town Planning Board. We have also briefed interested professional bodies such as the Hong Kong Institution of Engineers and the Hong Kong Institute of Architects.

4. In general, they are supportive of the project and see a need for early development of new cruise terminal facilities. The key issues raised are –

- (a) Implementation programme: Many stakeholders considered that the earlier a new berth was available, the better the chance Hong Kong could establish a competitive advantage in the growing cruise market in the region. Some urged the Government to closely monitor the development programme to ensure that there was no slippage;

- (b) Supporting infrastructure: There is a consensus that the cruise terminal must be supported by adequate infrastructure, especially roads linking to other parts of Hong Kong. This is indeed the overall planning intention as illustrated in the Kai Tak Outline Zoning Plan to be gazetted in late November 2006. As other projects in the vicinity will be in different stages of development when the first berth is commissioned in 2012, we shall provide essential infrastructure in the interim, particularly access roads to the former runway to ensure that the cruise terminal can be fully operational as and when the berthing facilities are completed;
- (c) Tourism-related development: Many stakeholders pointed out that the cruise terminal would become an isolated development if no tourism-related facilities were developed in the vicinity to create synergy and attract visitors. They generally accepted a phased approach in developing the Commercial Area in the Cruise Terminal and the adjacent tourism node. Some also stressed that the public should be able to use these facilities to enjoy the harbour-front; and
- (d) Requirements of the cruise industry: The tourism industry and cruise line operators emphasized the need for the new cruise terminal to meet the future requirements of their operation, e.g. the trend in building more mega cruise vessels. Some stakeholders also advocated the merits of setting clear technical requirements for the berthing facilities, e.g. design parameters for the seawall, and the importance of ensuring smooth interface in constructing different facilities for the cruise terminal.

Way Forward

Preparatory Work

5. As part of our preparatory work for the open land tender, we shall conduct in the next few months studies to examine in detail the operational needs of the cruise terminal operations; and to draw up technical requirements for a cruise terminal that can meet the demand of cruise operation and minimize any impact on the environment. We will conduct a pre-tender consultation with the tourism industry and the cruise market in the first half of 2007, particularly on the technical requirements for the cruise terminal to ensure that these meet the needs of cruise operation. This will help expedite the subsequent tender exercise. In parallel, the Government will pursue the provision of supporting infrastructure for both interim and long term purposes,

in light of the pace of development in the vicinity.

Staffing

6. As the timely development of a new cruise terminal is critical for establishing Hong Kong as a cruise hub in Asia, we have set 2012 as the target commissioning date for the first berth of the new terminal. This is an extremely tight timetable given the complexity of preparatory work and scale of construction works involved.

7. In this connection, we plan to create a dedicated team in the Tourism Commission from April 2007 to take forward the project. The team will be led by a supernumerary Administrative Officer Staff Grade C (AOSGC) (D2). It will service an inter-departmental committee (involving some 20 bureaux and departments), underpinned by two working groups, set up to oversee implementation of the project. From April 2007, the team's top priority will be to ensure timely preparation of the tender document, assessment of the bids received and award of the tender. In particular, it will seek to co-ordinate the work of various bureaux and departments, with necessary expert advice from consultants, in addressing issues raised by stakeholders in the pre-tender consultation exercise. This will be useful for drawing up the tender document. The team will also need to ensure good co-ordination in securing necessary statutory approvals for works on the new cruise terminal to commence. These will require high level steer and planning for resolving policy, legal and technical issues arising from the project.

8. After awarding the tender, the team will coordinate, monitor and oversee the work of various parties inside and outside the Government (including liaison with the successful bidder) to ensure timely commissioning of the first berth. We anticipate that the monitoring and overseeing task is particularly important during the initial phase of construction. For prudent deployment of public resources, we are prepared to review the workload of the team at the end of the two-year period. In case the construction programme progresses as scheduled, continuous monitoring of the implementation programme beyond 2009 could be absorbed by existing resources of the Tourism Commission and relevant bureaux/departments.

9. Before commissioning the first berth, the team will need to liaise and work closely with the cruise industry and relevant parties in making alternative berthing arrangements for cruise vessels visiting Hong Kong which cannot berth at the Ocean Terminal. It will also need to liaise with the Hong Kong Tourism Board and the cruise industry in developing strategies to

enhance the position of Hong Kong as a regional cruise hub, e.g. in developing and promoting new itineraries for different types of cruise vessels market segments.

10. In the light of the above, we need an officer with strong leadership, negotiation skills and strategic planning capabilities to coordinate inside the Government, engage the tourism industry and other relevant stakeholders, with a view to ensuring timely completion of the first berth. This officer will be underpinned by a few technical and administrative staff to be redeployed within the Tourism Commission. The duty list of the supernumerary AOSGC post is at Annex. The AOSGC will report to the Deputy Commissioner for Tourism.

11. We have critically examined whether the existing directorate staff in the Tourism Commission would have any spare capacity to perform the duties of the proposed post. Other than the supernumerary AOSGC post, the Commissioner for Tourism is at present supported by an Administrative Officer Staff Grade B, two AOSGCs and one Senior Principal Executive Officer. The four officers are responsible for the formulation of tourism policies and strategies, implementation of new tourism projects (e.g. the Ocean Park Redevelopment Plans, the Aberdeen Tourism Project, the Tsimshatsui Piazza Project, the Stanley Waterfront Improvement Project, the Lei Yue Mun Waterfront Enhancement Project, etc.), monitoring existing tourism projects (e.g. the Hong Kong Disneyland, Ngong Ping 360 and Hong Kong Wetland Park) and housekeeping for the Hong Kong Tourism Board. They also work closely with the Mainland authorities on initiatives in tourism promotion and development (e.g. CEPA implementation), as well as tackling problems relating to Mainland inbound tours. In addition, they need to liaise with other overseas tourism authorities to keep Hong Kong abreast of world trends. They are already at their full capacity and cannot absorb the duties of the supernumerary AOSGC post. This is particularly so when the responsibilities and workload of the supernumerary AOSGC post will be most intensive during the tendering and initial implementation stages.

12. Subject to Members' views, we shall submit our staffing proposal to the Establishment Subcommittee of the Finance Committee for consideration on 17 January 2007.

Financial Implications

13. The additional notional annual salary cost of the AOSGC (D2) at mid-point is \$1,360,800 and its full annual average staff cost, including

salaries and staff on-cost, is \$2,025,624.

14. We have included sufficient provision in the 2007-08 Estimates to meet the cost of this proposal.

Advice sought

15. Members are invited to note the developments reported in this paper and comment on the staffing proposal.

Economic Development and Labour Bureau
20 November 2006

**Job Description for
the Supernumerary Administrative Officer Staff Grade C Post**

Post : Assistant Commissioner for Tourism (4)
Rank : Administrative Officer Staff Grade C (D2)
Responsible to : Deputy Commissioner for Tourism

Duties and Responsibilities -

1. To lead a designated team within the Tourism Commission of the Economic Development and Labour Bureau to implement and oversee the development of new cruise terminal facilities on a site earmarked at the southern end of the former runway in Kai Tak through an open land tender (the Project).
2. To service an inter-departmental committee, underpinned by two working groups, to oversee implementation of the Project.
3. To co-ordinate and liaise with various bureaux and departments to ensure timely completion of the tender document, assessment of the bids received and award of the tender of the Project.
4. To liaise with relevant bureaux/departments to ensure compliance with all statutory requirements and procedures for the Project.
5. To liaise with the successful bidder and relevant bureaux/departments to monitor the implementation programme (during the early construction phase of the Project).
6. To liaise with the Hong Kong Tourism Board and the cruise industry in developing strategies to enhance the position of Hong Kong as a regional cruise hub.
7. To facilitate the cruise industry in making alternative berthing arrangements as and when necessary before the commission of the first new berth.