

**For information on
16 March 2005**

**Legislative Council Panel on Economic Services
Progress Update on Hong Kong Disneyland (HKD)**

Purpose

This paper gives an update on the progress of the HKD (Phase 1) project.

Background

2. In December 1999, Government entered into an agreement with The Walt Disney Company to build HKD (Phase 1) at Penny's Bay. A joint venture company, the Hongkong International Theme Parks Limited (HKITP), has been set up for this purpose. The project is progressing well. It is on schedule and within budget. The theme park is targeted to be opened on 12 September 2005.

3. This is the ninth progress report. The last one was made in November 2004.

Government Works

4. The reclamation works were completed in December 2002. All other infrastructure works are on schedule and within budget, as detailed in paragraphs 5 – 11 below.

5. Infrastructure Contract 1 started in October 2001 and is scheduled for completion in April 2005. It covers road works, drainage, sewerage, landscape works and a water recreation centre. Overall, it is progressing well. As at end of January this year, 93% has been completed as scheduled.

6. Infrastructure Contract 2 comprises mainly the decommissioning of the former Cheoy Lee Shipyard (CLS), site formation, roads, vehicular bridges, as well as associated drainage and sewerage works. It also covers an arboretum and a tree farm. Works started in August 2002 and are scheduled for completion in July 2005. As at end of January 2005, 97% of the works has been completed as programmed.

7. As regards the CLS decommissioning, on-site treatment of contaminated soil was completed in May 2003. Off-site treatment of dioxin-contaminated soil started in July 2003 and is planned for completion by April 2005.

8. Infrastructure Contract 3, started in December 2002, is for the construction of public piers at Penny's Bay. Works were substantially completed in January 2005 as scheduled.

9. Construction of a public transport interchange at Sunny Bay (formerly known as Yam O) started in June 2004. Works are on track for completion in April 2005. As at end of January this year, 58% of the works has been completed as programmed.

10. Construction of a public transport interchange and a central pedestrian walkway at Penny's Bay commenced in August 2003. As at end of January this year, 85% of the works has been completed. The works are on schedule for completion in April 2005. We have entrusted the works to HKITP.

11. The total sum of Government works and consultancy contracts awarded is about \$9.5 billion, approximately 77% of the estimated contract price of \$12.3 billion.

Penny's Bay Rail Link

12. Government and the MTR Corporation Limited entered into a Project Agreement on the Penny's Bay Rail Link from Sunny Bay to Penny's Bay in July 2002. Construction works started in the same month and are targeted for completion in July 2005. The project is on schedule.

HKITP Businesses

13. Construction of the theme park and related works is in good progress. All major construction and consultancy contracts have been awarded and works are well underway. The tender prices are within the overall project budget.

14. On the operation front, HKITP continues to actively engage the travel trade in Hong Kong, the Mainland and neighbouring destinations. HKITP works closely with its business partners and the Hong Kong Tourism Board on various initiatives to promote family tourism and generate strong interest to visit HKD. These include overseas consumer road shows and trade shows in all key markets.

15. HKITP continues to identify business partners for services/products such as retail and dining. In addition, HKITP is working with various service providers required to support the operation of the theme park. This covers, for example, warehousing, cleaning and laundry services.

16. The HKD Hotel Reservation Hotline was launched on 15 February 2005 to receive bookings of HKD vacation packages which include a stay at either one of the two Disney-themed hotels and theme park tickets. The Hotline has received very positive response.

17. HKITP has completed the recruitment of local professionals for key management positions. In the coming months, recruitment efforts will be focused on entertainment cast and frontline staff for park operations.

Employment Opportunities

18. The Government Works have made available about 5 900 employment opportunities.

19. HKITP currently has about 900 full-time staff in Hong Kong. A total workforce of about 5 000 is required on opening. Separately, the Company Works are providing approximately 5 000 jobs. A large-scale recruitment campaign for frontline operational staff will commence in April/May 2005.

20. HKITP has successfully recruited over 500 Cultural Representatives who departed Hong Kong in January 2005 for Walt Disney World in Florida, USA to receive on-the-job training in various frontline roles. Upon successful completion of the programme and return to Hong Kong in May/June 2005, they will be offered permanent positions at HKD.

Preparation for the Opening

21. Government set up a Disneyland Readiness Committee in May 2004 to monitor progress and coordinate interfaces of the work of various stakeholders preparing for the opening. Such work includes transport, PR and promotion, emergency response, as well as opening arrangements and events. Work has been progressing well on all fronts.

22. To ensure smooth operation of the theme park when it is opened, there will be a comprehensive testing and adjustment period, lasting about a month before opening, for the theme park and all supporting facilities.

Prohibited Anchorage Area (PAA) and Air Intrusion Limitation Zone (AILZ)

23. Following discussion at this Panel on 28 February 2000 (vide LC Paper No. CB(1)1054/99-00(05) and LC Paper No. CB(1)1054/99-00(04)), the Legislative Council passed in June 2000 the Shipping and Port Control (Amendment) (No. 3) Regulation 2000 (Annex A) and the Air Navigation (Flight Prohibition) Order (Annex B) to establish the PAA and AILZ respectively. The two pieces of subsidiary legislation have expressly provided that the PAA and AILZ shall come into effect on a date to be appointed later. As previously explained to this Panel, the idea was to determine the most appropriate commencement date nearer the time having regard to the progress of the HKD project. Now that the HKD is due to open on 12 September 2005, we consider it appropriate to appoint the commencement date of the PAA and AILZ to be 16 August 2005, about one month before park opening. This will tie in well with the comprehensive testing and adjustment period as mentioned in paragraph 22 above. We plan to table the commencement notices before the Legislative Council on 6 April 2005.

24. During the proposal stage before the passage of the subsidiary legislation, the relevant trade and advisory committees (i.e. the Port Operations Committee, the Pilotage Advisory Committee, the Provisional Local Vessels Advisory Committee, the Aviation Advisory Board and the relevant fishermen's associations) were consulted and they all supported the establishment of the PAA and AILZ.

25. The presence of HKD and the public pier nearby is expected to attract a large number of pleasure vessels throughout the day. The purpose of the PAA is to ensure safety and effective control of marine traffic in a specified area adjacent to HKD through prohibiting vessels from anchoring within the area. The PAA will not encroach upon any existing anchorage areas. Its location is shown at Annex C. All vessels will be allowed to pass through the PAA at all times. Fishing vessels will be allowed to fish within the PAA, as long as they do not anchor therein.

26. It is also necessary from a safety point of view to regulate flights at a low altitude over the HKD where large numbers of visitors are expected. The AILZ serves this purpose through prohibition of flying within the zone. Its location map is at Annex D. The AILZ is also necessary to ensure that visitors at HKD would not be subjected to noise and visual disturbances caused by low-flying aircrafts. It should however be noted that the AILZ would not affect normal airline operations since none of the nominal flight paths to/from the Hong Kong International Airport is within the AILZ. It should also be noted that the prohibition will not apply to flying activities at or above an altitude of 4 000 feet above mean sea level (AMSL). This height restriction is set primarily to restrict flying activities of aircrafts like light aircrafts and helicopters which seldom fly at or above this altitude.

Tourism Commission
Economic Development and Labour Bureau
8 March 2005

Shipping and Port Control (Amendment)

(No. 3) Regulation 2000

(Made by the Chief Executive in Council under section 80(1)
of the Shipping and Port Control Ordinance (Cap. 313))

1. Commencement

This Regulation shall come into operation on a day to be appointed by the Secretary for Economic Services by notice in the Gazette.

2. Regulation added

The Shipping and Port Control Regulations (Cap. 313 sub. leg.) are amended by adding---

"41A. Anchoring of vessels within
prohibited anchorage area

(1) Except with the permission of the Director, a vessel shall not anchor within the prohibited anchorage area specified in the Nineteenth Schedule.

(2) Paragraph (1) does not apply to---

(a) a vessel used by the Government in connection with the performance of official duties;

(b) a vessel used by the Chinese People's Liberation Army in connection with the performance of official duties; or

(c) a privately owned vessel that is under contract with the Government and that is used in connection with the performance of the Government's official duties.

(3) If without reasonable excuse this regulation is contravened, the master of the vessel commits an offence and is liable on conviction to a fine at level 3 and to imprisonment for 6 months."

3. Schedule added

The following is added---

"NINETEENTH SCHEDULE [reg. 41A]

Prohibited Anchorage Area

1. HONG KONG DISNEYLAND INTERNATIONAL
THEME PARK AREA

The area of the waters of Hong Kong bounded by the shore and straight lines joining the following positions (a) to (k) is the prohibited anchorage area for the purposes of regulation 41A---

(a) latitude 22° 19' 13" north,
longitude 114° 03' 22" east;

- (b) latitude 22° 17' 34" north,
longitude 114° 03' 22" east;
- (c) latitude 22° 17' 26" north,
longitude 114° 03' 13" east;
- (d) latitude 22° 17' 39" north,
longitude 114° 02' 26" east;
- (e) latitude 22° 17' 41" north,
longitude 114° 01' 58" east;
- (f) latitude 22° 17' 46" north,
longitude 114° 01' 50" east;
- (g) latitude 22° 17' 55" north,
longitude 114° 01' 49" east;
- (h) latitude 22° 18' 11" north,
longitude 114° 01' 38" east;
- (i) latitude 22° 18' 25" north,
longitude 114° 01' 26" east;
- (j) latitude 22° 18' 33" north,
longitude 114° 01' 30" east;
- (k) latitude 22° 18' 41" north,
longitude 114° 01' 55" east."

CHENG Mei-sze, Maisie

Clerk to the Executive Council

Council Chamber

9 May 2000

Explanatory Note

The object of this Regulation is to amend the Shipping and Port Control Regulations (Cap. 313 sub. leg.)---

(a) to prohibit vessels from anchoring within the prohibited anchorage area adjacent to the Hong Kong Disneyland International Theme Park except with the permission of the Director of Marine; and

(b) to specify the prohibited anchorage area in the Nineteenth Schedule.

Air Navigation (Flight Prohibition) Order

(Made by the Chief Executive in Council under sections 2A(2) and 12(2) of the Civil Aviation Ordinance (Cap. 448))

1. Commencement

This Order shall come into operation on a day to be appointed by the Director of Civil Aviation by notice in the Gazette.

2. Interpretation

(1) In this Order---

"commander" (機長), in relation to an aircraft, means the member of the crew designated as commander of that aircraft by the operator thereof, or, failing such a person, means the person who, for the time being, is in charge of the piloting of the aircraft without being under the direction of any other pilot of the aircraft;

"operator" (營運者), in relation to an aircraft, means the person who for the time being has the management or control of the aircraft;

"parascending parachute" (拖引式降落傘) means a parachute which is towed by cable in such a manner as to cause it to ascend and includes a parasailer towed by boat or vehicle;

"prescribed altitude" (指定高度) means an altitude of less than 4 000 feet above mean sea level;

"Prohibition Area" (禁區) means the area delineated in red in the plan numbered AN(FP)1, dated and signed by the Director of Civil Aviation and deposited at the Headquarters of the Civil Aviation Department.

(2) For the avoidance of doubt, it is hereby declared that in this Order---

(a) "aircraft" (飛機) includes any free or captive balloon, airship, glider, kite, parascending parachute, parachute other than a parascending parachute, remote-controlled or unmanned aircraft and ultra-light aircraft;

(b) "fly over" (飛越), in relation to the Prohibition Area, includes fly within the airspace above the Prohibition Area.

3. Flight restriction

(1) Subject to subsections (2) and (3), no aircraft may at any time fly over the Prohibition Area at a prescribed altitude.

(2) Subsection (1) shall not apply to---

(a) any aircraft that flies over the Prohibition Area at a prescribed altitude in accordance with the air traffic control instructions or Civil Aviation Department published approach and departure procedures, or in deviation from such instructions

or procedures for weather avoidance or due to technical problems;
(b) any aircraft that flies over the Prohibition Area at a prescribed altitude for the purposes of fire fighting or prevention, life-saving, casualty evacuation or police operations; or
(c) any aircraft of the Government Flying Service that flies over the Prohibition Area at a prescribed altitude, if---

(i) the cloud ceiling is less than 1 600 feet over Mui Wo at all times during the period when the aircraft flies over the Prohibition Area; and

(ii) the movement of the aircraft over the Prohibition Area is limited to the airspace above the area north of the Penny's Bay Power Station as shown in the plan numbered AN(FP)1, dated and signed by the Director of Civil Aviation and deposited at the Headquarters of the Civil Aviation Department.

(3) Without prejudice to subsection (2), the Chief Executive may, having regard to the frequency and nature of flight by individual aircraft and the safety and regularity of air traffic, give instructions to exempt the aircraft from subsection (1) subject to such conditions, if any, as he thinks fit.

4. Penalty

(1) Where an aircraft flies in contravention of section 3(1), the operator and the commander of the aircraft each commits an offence and is liable on summary conviction to a fine at level 2.

(2) It shall be a defence for a person charged with an offence under subsection (1) to prove that the contravention occurred without his consent or connivance and that he exercised reasonable due diligence to prevent the contravention.

CHENG Mei-sze, Maisie

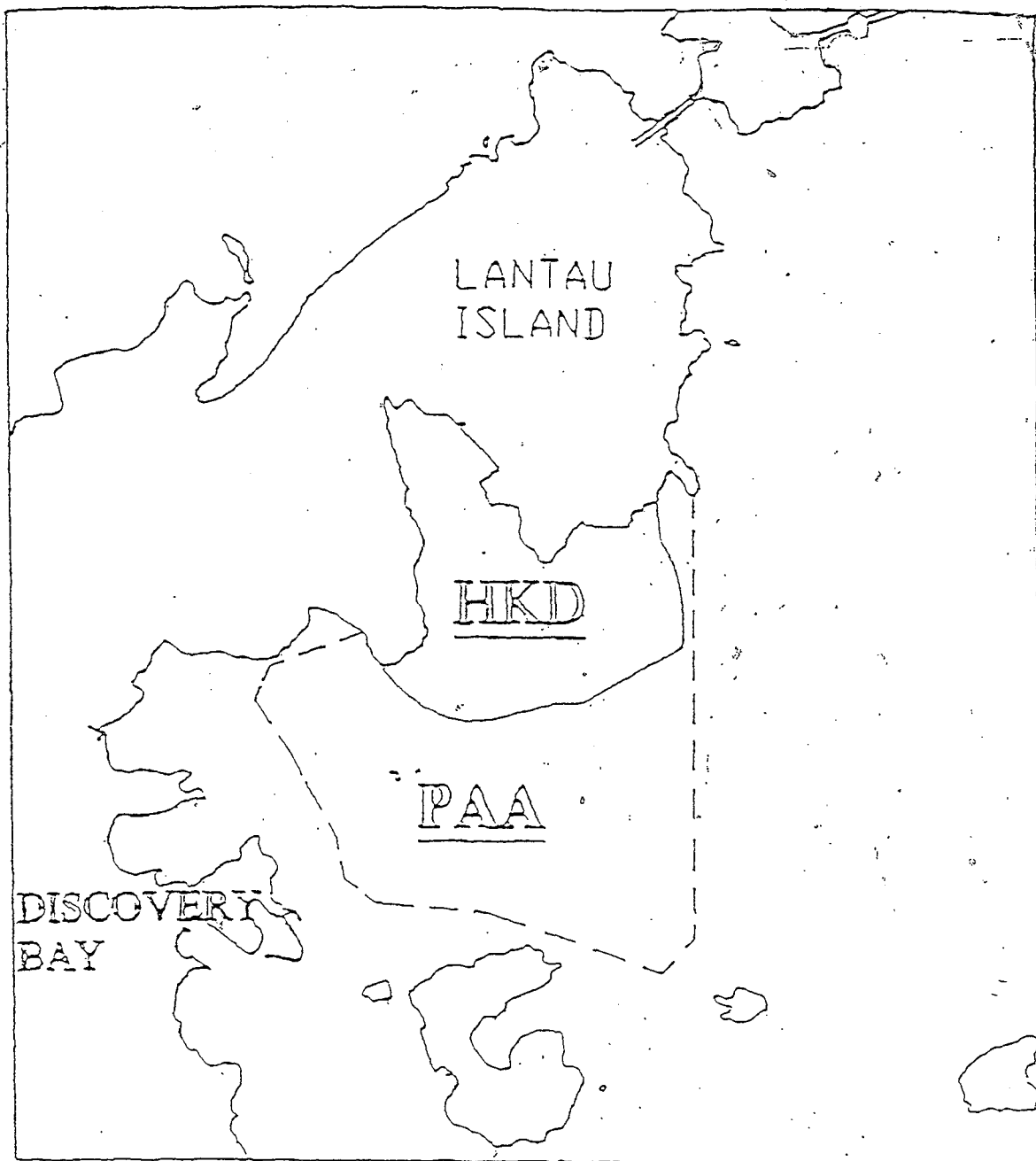
Clerk to the Executive Council

Council Chamber

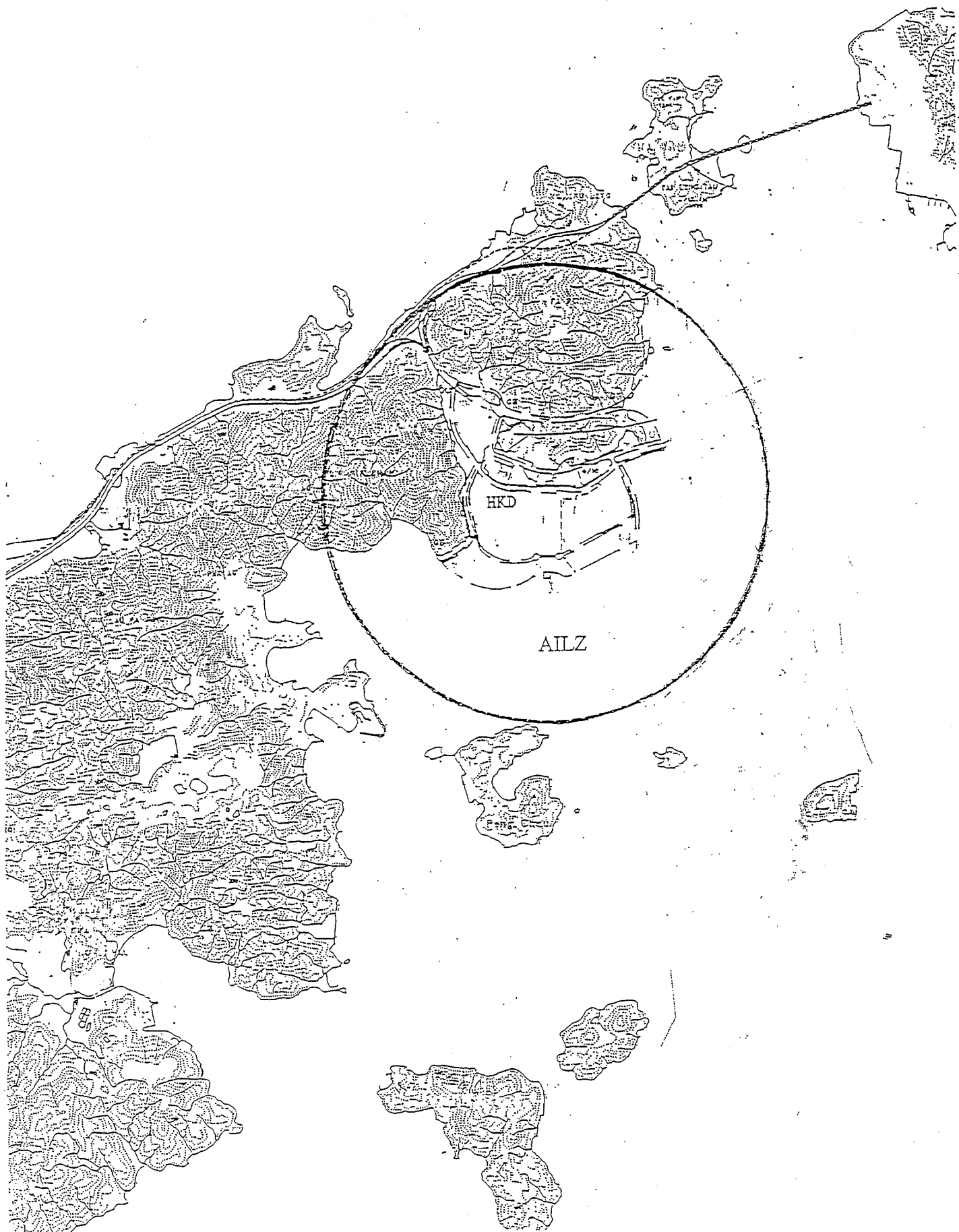
9 May 2000

Explanatory Note

This Order prohibits aircraft from flying below an altitude of 4 000 feet above mean sea level over the proposed Hong Kong Disneyland and its immediate vicinity (see section 3(1) as read with the definition of "Prohibition Area" in section 2(1)). The prohibition, however, does not apply to certain categories of aircraft (see section 3(2) and (3)).



The Prohibited Anchorage Area (PAA)



Air Intrusion Limitation Zone (AILZ)