

For information

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 and brief Members on a staffing proposal for the 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. Judging from the progress achieved so far, we expect that the theme park should be opened by end-2005.

3. This is the eighth progress report. The last one was made in June this year.

Government Works

4. The reclamation works were completed in December 2002. All other infrastructure works are on schedule and within budget, as detailed in paras 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 September this year, 85% 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 September this year, 80% 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 July 2005.

8. Infrastructure Contract 3, which started in December 2002, is for the construction of public piers at Penny's Bay. The target completion date is January 2005. So far, 75% of the works has been completed as scheduled.

9. The contract for the construction of a public transport interchange at Sunny Bay (formerly known as Yam O) was awarded in June this year. Works are on track for completion in April 2005. As at end of September this year, 19% 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. The works are on schedule for completion in April 2005. We have entrusted the works to HKITP.

11. The total sum of 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. A Castle Topping Ceremony was held in September this year.

14. On the operation front, HKITP has started its marketing, sales and publicity efforts in Hong Kong as well as in the Mainland and Southeast Asia. In particular, there is close liaison with the Hong Kong Tourism Board to promote family tourism and in participating in major overseas trade shows and events.

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 telecommunications, a call centre for customers, warehousing, and laundry services.

16. HKITP's recruitment of local professionals for key management posts will continue. In the coming year, key target areas for recruitment will be merchandise, food and beverage, security, costuming and entertainment.

Employment Opportunities

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

18. HKITP currently has about 700 full-time staff in Hong Kong. The number is expected to increase to about 1 000 by end of this year. Separately, the Company Works have reached their peak of construction and are providing approximately 4 500 jobs.

19. The first recruitment campaign to identify 200 Character Performers and Parade Dancers was launched in early October this year. A large-scale recruitment of operational staff for the theme park will commence in the latter half of 2005. A total workforce of about 5 000 is required on opening.

20. HKITP launched a Cultural Representative Programme in September this year to hire about 500 people to work at the Walt Disney World Resort in Florida, US as Cultural Representatives from January next year to the middle of next year. 5 000 applications were received. Successful applicants will be offered a job in Hong Kong Disneyland upon completion of the Programme.

Staffing

21. In November 1999, we sought the approval of the Finance Committee (FC) of Legislative Council for creating, amongst other things, an Administrative Officer Staff Grade 'C' post (AOSGC) (D2) (\$113,520 - \$120,553) in the Tourism Commission (TC) of the then Economic Services Bureau (now the Economic Development and Labour Bureau) on a supernumerary basis from 1 December 1999 to 31 March 2005. The AOSGC heads a special project team in the TC to help coordinate, monitor and oversee the work of various Government bureaux and departments in implementing the project. The team services the Steering Committee on Implementation of Hong Kong Disneyland chaired by the Financial Secretary and liaises with the senior management of HKITP in taking forward the theme park project.

22. As mentioned in para 2 above, judging from the progress achieved so far, we expect that the theme park should be opened by end-2005. The project team will need to continue beyond 31 March 2005 to oversee completion of the project. In particular, the project team will need to help ensure operational readiness of the theme park for its timely opening. It will also need to continue to co-ordinate HKITP and Government's efforts on issues including transport, emergency response, communications and promotion after the opening to ensure smooth running of the theme park, based on actual experience. The need for a longer duration of the supernumerary AOSGC post could not have been anticipated at the time the post was created over five years ago in 1999 when the project was at its early planning stage. We therefore propose to extend the post for 12 months until 31 March 2006. Subject to Members' views, we shall submit this extension proposal to the Establishment Sub-committee of the Finance Committee for consideration on 8 December 2004. Provisions will be included in the draft Estimates for 2005-06 to meet the costs of the extension proposal and the supporting staff mentioned in paragraph 24 below.

23. The duty list of the supernumerary AOSCG post is at Annex for reference. The post will continue to report to the Commissioner for Tourism. At present, the Commissioner is 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 policy and strategy and the implementation of other tourism projects and initiatives. 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 are expected to increase in the run up to the opening of the theme park.

24. The AOSGC post is supported by staff at non-directorate level comprising one Senior Administrative Officer, one Senior Treasury Accountant, one Senior Engineer, one Executive Officer I and two general secretarial staff. We will conduct a review after the opening on the best timing for redeploying/deleting these posts on the establishment.

25. It should also be noted that FC also approved in 1999 the creation of three other supernumerary directorate posts for implementation of the HKD project. One supernumerary directorate post in the Buildings Department created up to 31 March 2002 had already lapsed. The remaining two directorate posts in the Civil Engineering and Development Department will lapse on 1 April 2005 as scheduled. Any residual workload will be absorbed by existing resources of the relevant bureaux and departments.

Tourism Commission
Economic Development and Labour Bureau
15 November 2004

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

Post: Assistant Commissioner for Tourism (3)

Proposed Rank: Administrative Officer Staff Grade C (D2)

Responsible to: Commissioner for Tourism

Main Duties and Responsibilities -

1. To lead a special unit within the Tourism Commission of the Economic Development and Labour Bureau to help oversee and monitor the implementation of the Hong Kong Disneyland project.
2. To liaise closely with bureaux/departments to ensure timely completion of all Government's undertakings specified in the various legal documents signed with Hongkong International Theme Parks Ltd (HKITP) and The Walt Disney Company (TWDC).
3. To service a high-powered steering committee for the project chaired by the Financial Secretary and the Disneyland Readiness Committee chaired by the Commissioner for Tourism.
4. To liaise closely with the senior management of the HKITP for the implementation of the project and for transacting necessary corporate business of HKITP.
5. To ensure that HKITP and TWDC perform their undertakings as specified in the various legal documents so as to safeguard Government's investment in the project.
6. To prepare papers and briefs for the Chief Executive, Chief Secretary for Administration, Financial Secretary and other senior officials to report progress, highlight problem areas and recommend appropriate actions.