

立法會
Legislative Council

LC Paper No. CB(1)234/13-14
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EDEV/1

Panel on Economic Development

Minutes of meeting
held on Monday, 25 March 2013, at 10:45 am
in Conference Room 1 of the Legislative Council Complex

Members present : Hon Jeffrey LAM Kin-fung, GBS, JP (Chairman)
Hon CHUNG Kwok-pan (Deputy Chairman)
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Ronny TONG Ka-wah, SC
Dr Hon LEUNG Ka-lau
Hon Paul TSE Wai-chun, JP
Hon Albert CHAN Wai-yip
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Hon YIU Si-wing
Hon CHAN Han-pan
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Elizabeth QUAT, JP
Hon TANG Ka-piu

Member attending: Hon KWOK Wai-keung

**Public officers
attending** :

Agenda Item IV

Ms Julina CHAN Woon-ye
Deputy Secretary (Transport)5
Transport and Housing Bureau

Mr Cruff CHEUK Fan-lun
Chief Assistant Secretary (Transport)
Transport and Housing Bureau

Mr IP Kwai-hang
Deputy Head of Civil Engineering Office
(Projects and Environmental Management)
Civil Engineering and Development Department

Mr CHAN Kam-shun
Chief Engineer / Special Duties (Works)
Civil Engineering and Development Department

Mr LEUNG Siu-chee
Senior Marine Officer / Port Security
Administration
Marine Department

Agenda Item V

Mr Gregory SO, GBS, JP
Secretary for Commerce and Economic
Development

Mr Philip YUNG, JP
Commissioner for Tourism

Mr Vincent FUNG
Assistant Commissioner for Tourism

**Attendance by
invitation** :

Agenda item V

Ocean Park Corporation

Dr Hon Allan ZEMAN, GBM, GBS, JP
Chairman of the Board

Mr Tom MEHRMANN
Chief Executive

Mr Matthias LI
Deputy Chief Executive

Clerk in attendance : Mr Derek LO
Chief Council Secretary (1)5

Staff in attendance : Mr Noel SUNG
Senior Council Secretary (1)5

Ms Michelle NIEN
Legislative Assistant (1)5

Action

- I Confirmation of minutes of meeting**
(LC Paper No. CB(1)725/12-13 —Minutes of special meeting held on 8 January 2013)

The minutes of the meeting held on 8 January 2013 were confirmed.

- II Information paper issued since last meeting**
(LC Paper No. CB(1)656/12-13(01) —Administration's paper on tables and graphs showing the import and retail prices of major oil products from February 2011 to January 2013)

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

- III Items for discussion at the next meeting**
(LC Paper No. CB(1)731/12-13(01) —List of outstanding items for discussion
LC Paper No. CB(1)731/12-13(02) —List of follow-up actions)

3. Members agreed to discuss the "Report on the progress of development of the new cruise terminal project at Kai Tak" proposed by the Administration at the next regular meeting to be held on 22 April 2013.

4. The Chairman advised that the Administration had proposed a site visit to the new cruise terminal at Kai Tak to be held immediately before the meeting to enhance members' understanding on the latest development of the project. Members would be informed of the relevant arrangements in due course. Members agreed.

5. Mr TANG Ka-piu highlighted the importance of providing shore power supply and facilities at the new cruise terminal and requested the attendance of officials of the Environment Bureau at the next meeting.

(Post-meeting note: Members were informed vide LC Paper No. CB(1)773/12-13 on 5 April 2013 about the arrangements of the site visit and the next meeting.)

6. The Chairman also advised that two items, namely "Protection of the interest of consumers using telecommunication services" and "Development of retail facilities for visitors" as proposed by Mr TANG Ka-piu and Mr Michael TIEN respectively, had been included in the Panel's list of outstanding items for discussion.

7. Relaying the views expressed by some mainland officials in various occasions about the role of Hong Kong's testing and certification industry in food and drug safety in the Mainland, Mr Michael TIEN requested the Administration to consider the matter and give a briefing on the relevant cooperative arrangements. The Chairman advised that the relevant discussion fell under the purview of the Panel on Commerce and Industry and the Secretariat would relay Mr TIEN's request accordingly.

IV PWP Item No. 114AP – Providing sufficient water depth for Kwai Tsing Container Basin and its approach channel

(LC Paper No. CB(1)731/12-13(03) —Administration's paper on PWP Item No. 114AP – Providing sufficient water depth for Kwai Tsing Container Basin and its approach channel)

8. Deputy Secretary (Transport)5, Transport and Housing Bureau (DS(T)5, THB) briefed members on the Administration's proposal on providing sufficient water depth for Kwai Tsing Container Basin and its approach channel by highlighting the salient points in the Administration's paper.

Competition posed by neighbouring ports

9. Mr WONG Ting-kwong enquired about the depth of the sea-bed of the Yantian International Container Terminals in Shenzhen, and the difference, if any, in the depth of the sea-bed of the Yantian International Container Terminals and the Kwai Tsing Container Basin after the dredging works.

10. DS(T)5, THB advised that the water depth of the Yantian International Container Terminals was currently 16 metres below Chart Datum, while the sea-bed level of the Kwai Tsing Container Basin and portions of the Northern Fairway and Western Fairway would reach 17.5 metres below Chart Datum after the dredging works. Comparing with the ports in Shanghai, Singapore, Busan and Ningpo the water depth of which was around 16 metres, the dredged Kwai Tsing Container Basin would be able to receive ultra large container ships ("ULCS") which were now commonly deployed in international voyages, especially long-haul routes.

11. Mr YIU Si-wing asked whether there were cases where ULCS were unable to access to the Kwai Tsing Container Terminals due to insufficient water depth at the Kwai Tsing Container Basin. He was keen to ensure that the project proposal would benefit the container throughput.

12. DS(T)5, THB advised that at present, ULCS had to make use of tidal allowances to access the Kwai Tsing Container Terminals due to insufficient water depth there. To enable ULCS to navigate in and out the Kwai Tsing Container Terminals at all tides, a design sea-bed level of 17.5 metres below Chart Datum was required. To meet the growing number of ULCS in international voyages which would have a bearing on safeguarding Hong Kong's status as a regional hub port, there was a need to take forward the project as soon as possible, otherwise more ULCS would be diverted to neighbouring ports which had the capacity to handle ULCS.

13. In response to Mr YIU Si-wing's question on the coordination between the Administration and individual container terminal operators in taking forward the project, DS(T)5, THB advised that individual container terminal operators would be required to proceed with the deepening of their own berthing boxes to cater for the berthing needs of ULCS at those berths. The Administration had maintained close communication with individual container terminal operators and some had indicated to the Administration that they would dredge the Container Terminal 6, Container Terminal 7 and Container Terminal 9 North and South berths in 2016 to dovetail with the project. At the request of Mr YIU, the Administration agreed to provide further information on dredging plans by container terminal operators.

(*Post-meeting note:* The supplementary information provided by the Administration was issued vide LC Paper No. CB(1)803/12-13(01) on 5 April 2013.)

14. The Deputy Chairman enquired about the increase in container throughput and number of ULCS arrivals to the Kwai Tsing Container Terminals expected to be brought about by the project.

15. DS(T)5, THB advised that currently the annual container throughput was around 17 million Twenty-foot Equivalent Units for the nine existing container terminals. Since the number of ULCS arrivals was affected by a number of factors such as global economic outlook and local transshipment capability, it was difficult to project the increase in the number of ULCS arrivals solely by an enhanced water depth of the Kwai Tsing Container Basin.

16. Mr TANG Ka-piu enquired about the economic benefits as well as the employment opportunities to be created by the project. He was also concerned about the opportunities to be presented to the local ship-repairing industry with an increased number of arrivals of the new generation ULCS.

17. DS(T)5, THB advised that the project would facilitate the reception of more ULCS at all tides and this would be conducive to enhancing Hong Kong's status as a regional hub port and creating employment opportunities in the port and logistics sectors, including the ship-repairing industry. An incentive scheme was currently in place to encourage employment in the ship-repairing industry. The Administration would strengthen the publicity in this regard with a view to attracting new blood to the industry.

18. The Chairman asked about the details in respect of delays to ULCS navigating in and out the Kwai Tsing Container Terminals due to insufficient water depth at the Kwai Tsing Container Basin and its approach channel. He also asked about the measures to be taken in the interim to facilitate the arrival of ULCS before completion of the dredging works in 2016.

19. DS(T)5, THB advised that the Administration would continue to liaise with container terminal operators with a view to devising a schedule that facilitated the berthing and unberthing of ULCS at the Kwai Tsing Container Terminals. Information in respect of the delays as mentioned above would be provided after the meeting.

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(*Post-meeting note:* The supplementary information provided by the Administration was issued vide LC Paper No. CB(1)803/12-13(01) on 5 April 2013.)

Environmental concerns

Dredged sediments

20. Mr WONG Ting-kwong was concerned about the disposal of the dredged sediments and asked whether annual clearing and maintenance of the sea-bed were required after completion of the project.

21. DS(T)5, THB advised that the need for another dredging works for the Kwai Tsing Container Basin in the near future was very small given the sufficient water depth provided by the project to cater for the use of ULCS. Deputy Head of Civil Engineering Office (Projects and Environmental Management), Civil Engineering and Development Department ("DH(P&EM), CEO, CEDD") supplemented that in extending the water depth from 15 metres to 17.5 metres below Chart Datum for the Kwai Tsing Container Basin, a depth of 0.5 metre was allowed for future siltation which, as in the case of other approach channels, would entail regular clearing and maintenance work. The relevant costs would be met by a recurrent expenditure and additional funding application was not required.

22. As regards the disposal of the dredged sediments, DH(P&EM), CEO, CEDD advised that the project was expected to generate in total about four million cubic metres of marine sediments. The marine sediments would be disposed of in accordance with the Dumping At Sea Ordinance (Cap. 466) at designated sediment disposal facilities to be allocated by the Marine Fill Committee according to their chemical and biological contamination level.

23. Mr WU Chi-wai commented that as with the case in Kwai Chung, the sea-bed of Kowloon Bay was also heavily contaminated due to robust industrial activities and so the Administration had always been holding back any dredging works there. He expressed doubt about the Administration's saying that the environmental impact of the project would be controlled to within the criteria with the implementation of mitigation measures. He also enquired about the location of the sediment disposal facilities and the treatment to the dredged sediments before their disposal.

24. DS(T)5, THB advised that to control the impact of the project to the possible minimum, the Administration would implement mitigation measures as recommended in the approved Environmental Impact Assessment report, such as the use of closed grab dredger, the deployment of silt curtains enclosing the grabs of the dredging plants and silt screens at sea water intakes, the limitation of the number of dredgers, and the control of daily dredging rate of each dredger.

Admin

25. With regard to the disposal of the dredged sediments, DH(P&EM), CEO, CEDD advised that the dredged sediments would be classified according to their contaminant levels. About 2.9 million cubic metres of dredged sediments would be disposed of at the open sea sediment disposal area at East of Ninepin or South of Cheung Chau, while the rest with a higher level of contamination would be disposed of at the confined marine sediment disposal facility at East Sha Chau or South of the Brothers. Treatment of the sediments before disposal was not required. At the request of Mr WU Chi-wai, the Administration agreed to provide the relevant information detailing the arrangements for disposal of the dredged sediments under the project.

(Post-meeting note: The supplementary information provided by the Administration was issued vide LC Paper No. CB(1)803/12-13(01) on 5 April 2013.)

Water pollution

26. Mr KWOK Wai-keung expressed concern on the impact of the project on the water quality and hence the safety of the fishes in the fish culture zones ("FCZs") for consumption. He was keen to ensure enforcement actions against the continued operations of mariculturists who had chosen to receive the respective ex-gratia allowance ("EGA") for closure of their business. He also asked whether the water quality would be suitable for the operations of FCZs immediately after the completion of the project in 2016.

27. DH(P&EM), CEO, CEDD advised that the Agriculture, Fisheries and Conservation Department would take actions against unauthorized operations at FCZs. In addition, an environmental team would be set up under the project to implement the environmental monitoring and audit programme. The Administration would also engage an independent environmental checker to monitor and audit the work of the environmental team. The reports of the environmental monitoring and audit programme would be uploaded onto the internet for inspection by relevant parties. In case of fish-kill incidents, the environmental team would take immediate action to notify the contractor, project engineer, independent environmental checker and the Environmental Protection Department ("EPD"), and carry out investigation together with the project engineer and contractor representative.

28. Pointing out that Tsuen Wan and Kwai Chung were previously active industrial districts and the sediments around these areas might be severely contaminated, Mr CHAN Han-pan expressed concern that the proposed dredging works might impact on the water quality of Ma Wan Beach and beaches along the coastal line of Tsuen Wan.

29. DH(P&EM), CEO, CEDD advised that the Administration would conduct regular water quality monitoring at 22 water quality sensitive receivers, including gazetted bathing beaches, in the course of the implementation of the project. Furthermore, the Administration would conduct 24-hour water quality monitoring at the four FCZs and three sea water intakes for collection of supplementary information. Immediate investigation would be carried out and the works might even be temporarily suspended in case the water quality reached a trigger level.

Air pollution

30. Noting the suggestion received in the second round of consultation for the project that all vessels involved in the works should use low sulphur fuel so that a low emission zone could be effectively created to safeguard the health of nearby residents, Mr KWOK Wai-keung was dissatisfied with the Administration's response that it would only "encourage" the marine vessels working for the project to reduce vessel emissions by using cleaner fuels or adopting appropriate emission control measures. He stressed that the Government, as the project proponent, could stipulate in the relevant contract that marine vessels powered by environmental green fuel be used for the works.

31. In reply, DH(P&EM), CEO, CEDD advised that the Administration would accordingly require its contractors to, as far as practicable, engage marine vessels powered by environmental green fuel available in the market for transporting the sediments generated by the project to disposal sites.

32. Mr WU Chi-wai expressed concern about the air pollution to be caused by the vessels deployed for the works. With an enhanced capacity of the Kwai Tsing Container Terminals to handle ULCS, he urged the Administration to consider providing shore power supply and facilities, and to mandate all ocean-going vessels to use cleaner fuel while at the berths there.

33. DS(T)5, THB advised that ENB was in the process of preparing a new draft legislation on mandatory fuel switch at berth for ocean-going vessels in Hong Kong waters for scrutiny by the Legislative Council ("LegCo"). As for the vessels deployed for works, works department would work with EPD on the relevant arrangements in the Kwai Tsing Container Terminals.

Impact on nearby developments and marine traffic

34. Mr SIN Chung-kai said that the Democratic Party supported the project proposal. Referring to the proposed reclamation at southwest Tsing Yi which might be used to provide housing developments, he expressed concern about the possible environmental nuisances posed by the increased traffic at the Kwai Tsing Container Basin and its fairways after the dredging works.

35. DS(T)5, THB advised that the Administration was conducting two studies, including the Preliminary Feasibility Study for Container Terminal 10 at Southwest Tsing Yi and the Study on the Strategic Development Plan for Hong Kong Port 2030. Upon completion of the above studies in around mid-2013, the Administration would decide on the need for developing Container Terminal 10 and, if applicable, the timetable, scale and mode of operation involved. The Administration had also launched the Stage 2 Public Engagement on Enhancing Land Supply Strategy to seek views on five potential near-shore reclamation sites, including southwest Tsing Yi. The Administration had yet to decide on the use of the site.

36. Noting that the proposal was scheduled to take place between 2013 and 2016, Mr YIU Si-wing expressed concern on the impact of the proposed works on the operation of the ferry routes in the Western waters.

37. DS(T)5, THB advised that the works department and the Marine Department had formed a marine traffic management liaison group with the container terminal operators, the Hong Kong Pilots Association Limited and the affected local ferry companies and cross-boundary ferry services operators. The group would meet on a regular basis to discuss issues pertinent to the marine traffic management for the affected area during the project phase.

Compensations to mariculturists

38. The Deputy Chairman asked whether the affected mariculturists who received EGA payable under the project would be allowed to resume their business after completion of the project.

39. DS(T)5, THB advised that in view of the almost unprecedented circumstances that there would be six large-scale marine works projects (including the concerned dredging project) commencing within three years in the Western waters where the three FCZs were located, a one-off special EGA would be payable to the mariculturists of the Cheung Sha Wan, Ma Wan and Sok Kwu Wan FCZs. Applications for EGA could be made on the basis of continual, temporary or permanent closure of fisheries business. An inter-departmental working group had been set up for handling applications for EGA and related matters under the project.

40. Mr Albert CHAN expressed concern that, as with previous public works projects conducted at sea, those FCZs ineligible for EGA under the project but had incurred financial losses possibly attributable to the project would have no way of claiming any compensations from the Government. Given the proximity between the project site and FCZs and the fact that in most cases it was difficult for mariculturists to substantiate their claims for losses, he requested the

Administration to put in place an enhanced mechanism to assist mariculturists affected by public works projects, without which he would have reservations on the project. Relaying a past incident involving the leakage of contaminated sediments from silt curtains at a project site in Penny's Bay which happened without the knowledge of the relevant works department at the very beginning, he urged the Administration to step up its monitoring effort in taking forward the project, as in his view the sediments at the project site were expected to be quite heavily contaminated.

41. DH(P&EM), CEO, CEDD advised that a community liaison group comprising relevant government departments and representatives of concerned fisheries associations or affected groups, would be set up before commencement of works. An independent environmental checker would also be appointed to monitoring the works. In case of fish-kill incidents, the community liaison group would review the water quality parameters at the sensitive receivers. If the fish-kill incident was proved to be caused by the project, the Administration would assist the mariculturists to liaise with the contractor for compensation.

42. The Chairman concluded that members generally supported the submission of the funding proposal for further deliberation by the Public Works Subcommittee.

V Ocean Park's Tai Shue Wan Development Project

(LC Paper No. CB(1)731/12-13(04) —Administration's paper on Ocean Park's Tai Shue Wan Development Project

LC Paper No. CB(1)731/12-13(05) —Paper on Ocean Park's Tai Shue Wan Development Project prepared by the Legislative Council Secretariat (background brief))

43. The Chairman advised that, except members of the Panel and attending officials, oral presentation to the Panel and written information provided would not be covered by the protection and immunity under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382).

44. The Chairman then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP") of LegCo, they should disclose the nature of any direct or indirect pecuniary interests relating to any items under discussion at the meeting before they spoke on the items. He also drew members' attention to Rule 84 of RoP on not voting or withdrawal in case of direct pecuniary interest.

Presentation by the Ocean Park Corporation

(LC Paper No. CB(1)776/12-13(01) tabled at the meeting and subsequently issued via e-mail on 25 March 2013)

45. With the aid of Powerpoint, Dr Allan ZEMAN, Chairman of the Board of Ocean Park Corporation ("OPC"), and Mr Tom MEHRMANN, Chief Executive of OPC, briefed members on the Tai Shue Wan Development Project ("the Project") at the Ocean Park ("the Park") for developing Tai Shue Wan into an all-weather indoor-cum-outdoor waterpark.

46. Secretary for Commerce and Economic Development ("SCED") then briefed members on the proposed funding arrangements for the Project as detailed in the Administration's paper.

Funding arrangements

47. Dr Elizabeth QUAT said that the Democratic Alliance for the Betterment and Progress of Hong Kong supported the Project. She urged the Administration to report to LegCo regularly on the progress of the works and OPC's financial position.

48. Noting that OPC would be required to repay all commercial loans for taking forward the Ocean Park Master Redevelopment Plan ("MRP") by 2021, Mr TANG Ka-piu was concerned about the financial arrangements of OPC in repaying the Government's loans for MRP as well as the Project. Given the good image and reputation the Park enjoyed, he queried if it was at all impossible for OPC to fund the Project by issuing bonds, thus minimizing the Government's financial exposure on the Project.

49. While expressing support for the Project, Dr Fernando CHEUNG said that the Labour Party considered it more appropriate for OPC to raise funds from commercial lenders for the Project. Pointing out that OPC had secured commercial loans for its hotel projects, Mr Ronny TONG asked whether the Administration had likewise requested OPC to raise funds from commercial lenders and conducted an independent study into its repayment capability. He opined that the Administration should not seek to finance the Project in case OPC's repayment capability was in doubt.

50. SCED advised that a prudent financial projection conducted by OPC had revealed that OPC would be able to repay all its MRP commercial loans by 2021. Since all assets of the Park had been made collateral of MRP and could not be used to back further commercial loans, it was most appropriate to require OPC to seek to re-finance all its outstanding Government loans, including the MRP Government loans and the proposed Government loan for the Project, upon full

repayment of its commercial loans under MRP in 2021. Commissioner for Tourism ("C for Tourism") added that OPC had attempted to raise funds from commercial lenders for the Project but the costs were found to be very high. The Government's financial adviser had also found the proposal for issuing bonds for funding the Project inappropriate as it could not cater for the long-term financing needs of OPC in taking forward the Project.

51. Mr SIN Chung-kai said that the Democratic Party supported the Project. Noting that the proposed Government loan would be provided on a floating interest rate equivalent to the interest rate of the Government's fiscal reserves placed with the Exchange Fund, he asked about the interest rate for the Government loan to the Hong Kong Disneyland ("HKD"). He was keen to ensure that HKD would not be given more favourable terms in the financial assistance from the Government than the Park.

52. SCED explained that the role the Government played in financing both organizations was fundamentally different. While the Government could only provide a loan to the Park, being a non-profit-making statutory body, the Government was a shareholder of HKD and thus the Government's support to HKD was made in the form an injection of funding.

53. Mr James TIEN expressed support for the Project for the memorable experience the Park had brought to visitors and Hong Kong people. Pointing out that the Economic Development Commission was being consulted on the number of tourists and their impact to Hong Kong, he was concerned about the repayment capability of OPC if the attendance to the Park was affected by a cap on the number of tourists to Hong Kong.

54. SCED advised that the capability to cater for further increase in the number of visitors was a major consideration in assessing the receiving capacity of Hong Kong. The Project would undoubtedly offer additional capacity in one of Kong Kong's major tourist attractions and carry positive effect in tourism development.

55. Mr Christopher CHEUNG said that the Business and Professionals Alliance for Hong Kong supported the Project. In considering whether to show support for the Project, he opined that members should rather set eyes on the economic benefits to be brought about by the Project on enriching Hong Kong's overall tourism appeal, and not OPC's repayment capability. He also suggested that OPC seek a listing in the Stock Exchange to raise funds for its expansion projects.

56. In response, SCED advised that OPC was a non-profit-making statutory body and was vested with the statutory function to manage the Park as a public

recreational and educational park. Listing in the Stock Exchange was not a direction that OPC sought for the development of the Park.

Admissions and catering

57. Relaying the views expressed by some grassroots that the pandas at the Park were gifts from the Mainland to all Hong Kong people but the admission fees to the Park was way too expensive even for non-Social Security Allowance Scheme receivers, Mr TANG Ka-piu asked whether OPC would consider modeling the practice of the Macao Giant Panda Pavilion by setting the admission fees at \$10 to allow visit to the pandas by a wider public. In so doing, consideration could also be given to charging admission fees solely for visiting the pandas and not other parts of the Park.

58. Dr Allan ZEMAN of OPC explained that the pandas were located within the inner part of the giant park and it would be operationally infeasible to charge for the admission just for the visit of the pandas. To ensure that all Hong Kong residents could visit the Park every year for free, it would continue to offer free access on their birthday. Apart from the 13 different corporate social responsibility ("CSR") programmes which targeted at the under-privileged and grassroots, OPC would continue to come up with innovative proposals to enhance visits to the Park to benefit members of the community.

59. Mr WONG Ting-kwong said that the Park was a pride of Hong Kong people and would continue to be a popular place for them. Noting that the Project would be a "second-gate" attraction with separate entrance and admission fee to the main park, he asked whether packaged tickets would be introduced to save visitors' money, and whether monthly tickets would be introduced again to cater for Hong Kong visitors who loved to visit the Park at night time.

60. Mr Tom MEHRMANN of OPC agreed that combined tickets could allow more visitors to the Park at a reduced rate and that evening programmes could cater for the need of the local market. OPC would continue to examine the above proposals which were in fact underway.

61. In response to Mr WONG Ting-kwong's question on the operations of the restaurants in the retail-dining-cum-entertainment zone under the Project, Dr Allan ZEMAN of OPC advised that the dining facilities would be managed by OPC.

62. Dr Elizabeth QUAT asked whether there was a projection on the number of local and overseas visitors to the proposed waterpark under the Project. Mr Tom MEHRMANN of OPC advised that waterpark tended to have a much

stronger local appeal and it was expected that the attendance by local and non-local visitors would be 60% and 40% respectively.

63. Responding to Mr Christopher CHEUNG's question, SCED advised that the capacity of the waterpark at any one time was 7 000.

Environmental concerns

64. Pointing out the huge electricity and water consumption of the future waterpark, Dr Elizabeth QUAT enquired the measures on environmental protection and energy saving, and the monitoring of the water quality of the waterpark. Expressing a similar concern, the Chairman asked about the measures OPC would take to ensure water quality and safety of the waterpark.

65. Mr Tom MEHRMANN of OPC said that OPC had made huge efforts balancing the developments of the Park and conserving the environment in the course of the design and preparatory work conducted for the Project. It had stipulated in the tender documents the use of environmental friendly construction methods and materials with a view to reducing carbon footprint as far as practicable, and was looking for consultants and architecture group that possessed rich experience in undertaking similar projects. He assured members that OPC would spare no effort conserving the environment.

66. As regards the monitoring on the water quality and safety, Dr Allan ZEMAN of OPC advised that OPC would be working with the most experienced consultants and experts in the world for the introduction of the best facilities for ensuring water quality and safety. Mr Tom MEHRMANN of OPC added that the waterpark was equipped with multiple water systems which could be shut down individually for isolation in case of need. Given the very high level of design integrity of the waterpark, he assured members that the waterpark would attain the highest level of hygiene and water quality management.

67. In response to Mr James TIEN's concern about the light pollution to be created by the waterpark to residents of the Clear Water Bay, Mr Tom MEHRMANN of OPC advised that OPC had been working closely with residents around the Park as well as the Southern District Council ("SDC") to address their concerns on the environmental impact of the Project. OPC appreciated the concerns in respect of possible light disturbance and it would do everything it could to mitigate its impact, such as by designing for mitigation, refocusing on any issue that would be identified as a concern and even turning off disturbing lights, if design mitigation and refocusing would not be effective.

68. Mr WU Chi-wai noted the beach adjacent to the project site and asked whether consideration would be given to including that beach into the Project in order to allow visitors to also enjoy the beautiful beach and outdoor activities.

69. SCED replied that including the beach as part of the Project might give rise to issues like environmental conservation. Mr Tom MEHRMANN of OPC advised that OPC would explore the possibility of simulating a natural sand beach under the Project in the detailed design stage.

Traffic impact

70. Mr James TIEN asked whether SDC had been consulted and a traffic impact assessment ("TIA") conducted to assess the impact of the Project on the road leading to the waterpark, which was quite narrow. Mr Christopher CHEUNG expressed a similar concern. Mr Paul TSE was concerned that the estimated daily attendance of the waterpark at approximately 10 500 would entail some 260 coach trips per day, causing severe impact to the road traffic in the district.

71. Mr Tom MEHRMANN of OPC advised that before its closure in January 2011, the Tai Shue Wan gate operated fully by receiving up to 20 000 visitors daily and yet it created no major issues on Shum Wan Road. The above number was more than the estimated attendance for the future waterpark at around 10 500 per day. Also, the MTR South Island Line to be commissioned in 2015 would change dynamically how guests arrived and exited the Park. The burden on the surrounding road traffic would also be alleviated with the provision of shuttle bus services, coupled with the aforementioned receiving capacity at the Tai Shue Wan gate, and the Park's coordinated schedule on how guests arrive which was opposite to the demand of the other key users of Shum Wan Road and surrounding approach roads, such as the schools nearby. The preliminary TIA conducted had revealed that the Project would not induce any significant traffic impact in Tai Shue Wan.

Admin 72. At the request of Mr WU Chi-wai, the Administration agreed to provide supplementary information on the TIA report for the Project.

(Post-meeting note: The supplementary information provided by the Administration was issued vide LC Paper No. CB(1)1001/12-13(01) on 9 May 2013.)

Employment opportunities

73. Noting that the ongoing operation of the Project would generate some 2 900 new jobs in 2018, Dr Fernando CHEUNG urged OPC to take the lead to foster the employment of persons with disabilities ("PWDs").

74. Mr Tom MEHRMANN of OPC advised that currently 3% of employees employed for the Park were PWDs. OPC would continue its practice to hire the most qualified persons regardless of their disabilities.

75. To allow sufficient time for discussion, the Chairman extended the meeting to 12:55 pm. Members raised no objection.

Enhancing education

76. Being a public recreational and educational park, Dr Fernando CHEUNG said he noted that the Park was placing more emphasis on the element of recreation. In this connection, he urged OPC to step up its effort in educating the public, with emphasis on offering more programmes for teachers and students to enhance their understanding of environmental conservation.

77. Dr Allan ZEMAN of OPC advised that education had always been the top priority for the Park. All attractions in the Park were provided with educational facilities of various kinds and classrooms. OPC had set up an Education Advisory Committee to strengthen its conservation education efforts. Mr Tom MEHRMANN of OPC added that to coincide with the waterpark, exciting physics programmes on hydrology and gravity as well as a featuring on ocean creatures would be included in the educational packages to achieve a balanced blending of education and entertainment. The Park's CSR programmes would continue to allow more students to understand the importance of environmental conservation.

Consultation with the Legislative Council for closure of attractions

78. Mr Albert CHAN expressed full support for the Project for the collective memories the Park had given to Hong Kong people. However, taking the closure of the Super Slides years ago as an example, he was concerned about the absence of a mechanism for OPC to consult LegCo on decommissioning any facilities for which funding had been approved. In this connection, he requested OPC to undertake to consult LegCo should it decided to decommission the proposed attraction.

79. SCED replied that the Administration and OPC would maintain dialogue with LegCo Members on the latest developments of the Park. Dr Allan ZEMAN

of OPC assured members that LegCo and the public would be consulted if there were major changes to the waterpark.

80. Dr LEUNG Ka-lau enquired about the reasons for the closure of the former Water World, and whether its operation broke even at the time of closure.

81. Mr Tom MEHRMANN of OPC advised that the Water World was opened in 1984 and closed in 1999. Funded by the Hong Kong Jockey Club, the attraction was uncovered and operated only three months a year. Without a robust tourism development at that time, it mainly relied on local visitors but its attendance was impacted by the persistently weak overall economic condition as well as the outdoor nature of the Park in the non-summer periods. With an expansion of the tourist base as well as local market, the proposed all-weather indoor-cum-outdoor waterpark would better cater for the need for the local market and tourism development, as well as environmental education.

82. In response to Dr LEUNG Ka-lau's question on whether the above issues were envisaged in the near future which might hamper the operation of the waterpark, Dr Allan ZEMAN of OPC advised that with advancements in technology and waterpark design, the future waterpark would be the only marine-based attraction in the world that operated both outdoor and indoor all year round, and would thus be an attractive destination for both overseas visitors and Hong Kong residents. At the request of Dr LEUNG, the Administration undertook to provide supplementary information on the reasons for the closure of the former Water World.

Admin

(Post-meeting note: The supplementary information provided by the Administration was issued vide LC Paper No. CB(1)1001/12-13(01) on 9 May 2013.)

83. At 12:55 pm, the Chairman further extended the meeting by 10 minutes. Members raised no objection.

Other concerns

84. Citing the apparent lack of skill of the management of the West Kowloon Cultural District Authority in running large-scale development projects as an example, Mr Paul TSE was keen to ensure that the best qualified individuals would be appointed to manage the Project.

85. Mr Tom MEHRMANN of OPC advised that the Park's MRP, completed in 2012, was almost triple the size of the Project. The project management team formed by the management team for MRP would continue to work on the Project and the core people and talents would thus be maintained.

86. The Chairman concluded that members generally supported the submission of the project proposal to the Finance Committee for further consideration.

VI Any other business

87. There being no other business, the meeting was adjourned at 1:05 pm.

Council Business Division 1
Legislative Council Secretariat
5 November 2013