

**For discussion  
on 24 March 2014**

**Legislative Council Panel on Economic Development**

**Retention of a Supernumerary Directorate Post in  
the Tourism Commission responsible for promoting the development  
of cruise tourism in Hong Kong and overseeing the development and  
operation of the Hong Kong Disneyland**

**Purpose**

This paper seeks Members' views on the proposed retention of a supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) in the Tourism Commission (TC) of the Commerce and Economic Development Bureau (CEDB) for a period of three years from 1 January 2015 to 31 December 2017 for providing policy input and co-ordination in –

- (a) promoting the development of cruise tourism in Hong Kong; and
- (b) overseeing the development and operation of the Hong Kong Disneyland (HKDL).

**Background**

*Kai Tak Cruise Terminal and cruise tourism development*

2. The Finance Committee (FC) approved on 9 February 2007 the creation of a supernumerary AOSGC post in the TC (designated as Assistant Commissioner for Tourism (4) (AC(T)4)) for two years from 1 April 2007 to 31 March 2009 to head a dedicated team for overseeing the open land tender, and monitoring progress of the construction of the Kai Tak Cruise Terminal (KTCT). The Government decided in September 2008 to develop the KTCT. The FC approved on 12 December 2008 the extension of the AC(T)4 post for five years and nine months from 1 April 2009 to 31 December 2014 to implement the KTCT project.

3. The KTCT is key to developing Hong Kong into a regional cruise hub in Asia and enriching our tourism portfolio. The first berth and the terminal building started to receive cruise ships in June 2013. The second berth will be due for completion in 2014. Upon completion of the relevant dredging works in the seabed by end 2015 as planned, the second berth will also be able to accommodate the largest cruise ships in the world.

4. The commissioning of the KTCT has heightened the interest of international cruise lines and tourists in cruise tourism in Hong Kong. The number of berthings at the KTCT reaches 26 in 2014 and we expect steady growth of berthings in the coming years. Taking into account the berthings at Ocean Terminal (OT) and other berthing facilities, the total number of berthings will increase from 89 last year to 136 this year. Amongst the 136 berthings, 112 are homeport or turnaround operation with passengers embarking or disembarking in Hong Kong.

#### *Hong Kong Disneyland*

5. The HKDL was opened in September 2005, and at present consists of a theme park and two hotels. To improve the resort's operating and financial performance and facilitate future expansions, the Government and The Walt Disney Company (TWDC) reached an agreement in 2009 on capital realignment of the Hongkong International Theme Parks Limited (HKITP) and launched the three-themed-area expansion (which includes Toy Story Land, Grizzly Gulch, and Mystic Point) in the existing theme park between 2011 and 2013.

6. A six-month supernumerary AOSGC post was created under delegated authority in the TC in August 2008 to oversee the HKDL project. Subsequent to the lapse of that supernumerary AOSGC post on 6 February 2009, the FC approved on 13 February 2009 the creation of one supernumerary AOSGC post in the TC (designated as Assistant Commissioner for Tourism (5) (AC(T)5)) for a period of nine months from 16 February 2009 to 15 November 2009 to support the Government's negotiations with TWDC on the abovementioned capital realignment exercise and expansion project for the HKDL. Upon the lapse of the post in November 2009, the duties and responsibilities relating to the HKDL

were absorbed internally by AC(T)4 who was hitherto responsible only for the development of the KTCT and cruise tourism.

## **Justifications**

### *Development of cruise tourism*

7. The first berth of the KTCT was commissioned in June 2013 as scheduled, and we have been working hard to facilitate the steady growth of cruise business upon the commissioning of the terminal. The initial years after commissioning are particularly crucial in ensuring the long-term business growth of the KTCT. As the next stage of development, AC(T)4 will continue to carry out the essential function of overseeing and co-ordinating the construction and commissioning of the second berth in 2014, as well as the further dredging works which is scheduled for completion by end 2015.

8. The terminal facilities of the KTCT are currently managed by a terminal operator under a tenancy for a term of 10 years, with an option for the Government to offer a 5-year extension subject to the operator's satisfactory performance. We have established a Management Committee, consisting of representatives from the Government, the terminal operator and the cruise industry, to ensure the smooth operation of the KTCT and monitor the performance of the operator. AC(T)4 has been playing a key role in serving the Management Committee. He also has to liaise closely with and provide guidance to the terminal operator to enable the latter to continuously improve its service level and maximise the development of both cruise and non-cruise business at the terminal.

9. AC(T)4 also needs to co-ordinate with the terminal operator and relevant Government departments to resolve operational problems (e.g. implementation of improvement works, management of the terminal and interface issues relating to other developments in the Kai Tak area). In addition, AC(T)4 will work with relevant departments to strengthen the connectivity of the KTCT in the light of public demand and progress of other developments in the Kai Tak area.

10. As regards promotion of cruise tourism, AC(T)4 will co-ordinate efforts from the cruise trade, the operators of the KTCT and the OT, as well as the Hong Kong Tourism Board (HKTB) to further support the development of the industry and bring together concerted efforts in the promotion of Hong Kong's cruise tourism. AC(T)4 has to play a key role in serving the Advisory Committee on Cruise Industry (ACCI), which provides an effective platform for gauging market views from the cruise and tourism industries in enhancing Hong Kong's position as a regional cruise hub. We will also strengthen cooperation with the neighbouring ports and maximise our exposure in different regional and international fora so as to reap the full benefits of the growth of the cruise industry in the region. For example, the TC and the HKTB participated at the Cruise Shipping Miami Conference in March 2014, which is the largest cruise trade event bringing together industry stakeholders from all over the world. We will also provide support to HKTB in hosting the Cruise Shipping Asia-Pacific, a large-scale cruise industry meeting, in Hong Kong in November 2014.

11. Over the past few years, the Central People's Government announced various measures to support the development of cruise tourism in Hong Kong. We will continue to maintain close dialogue with the relevant Mainland authorities so as to capitalise on the opportunities arising from the development of cruise tourism in the Mainland and the region.

#### *Further development of Hong Kong Disneyland*

12. The operating and financial performance of the HKDL has been improving in recent years, and we consider that ongoing expansion of the HKDL is critical to the continued success of the resort. To further enhance its appeal and receiving capacity amidst intensifying competition in the region, the HKDL will unleash a series of new initiatives in the coming few years, such as a brand new night time parade called "Disney Paint the Night" to be launched in September 2014, a new themed area based on Marvel's Iron Man franchise to be launched in late 2016, as well as a new exploration-themed hotel to be opened in early 2017 (subject to approval by the FC on the financial arrangements of the project).

13. Within the Phase 1 site of the HKDL, the theme park has several land parcels available for further expansions. Developing these land parcels would help broaden the HKDL's appeal and substantially increase its capacity. The current plan anticipates that expansion projects will be carried out over the next decade, and that the Government and TWDC will commence discussion on the take-down and development of the Phase 2 site in the coming years.

14. In this connection, a directorate officer is necessary to provide crucial support to the planning and implementation of these further expansion plans. In the process, AC(T)4 will help monitor and facilitate the implementation of the agreed expansion plans on time and within budget, provide analyses on further expansion options with inputs from relevant Bureaux/Departments, and put forward recommendations to senior officers at different stages of discussion, etc. In addition, AC(T)4 and his team will monitor the operating and financial performance of the HKDL, and provide support to Government Directors on the HKITP Board. All these responsibilities require the inputs of a directorate officer at the AOSGC level.

#### *Retention of the post of AC(T)4*

15. It is envisaged that the above tasks of AC(T)4 will be on-going in the coming few years given that cruise tourism and the continuous development of the HKDL are among the key initiatives to sustain Hong Kong's position as a leading tourist destination. We therefore propose to retain the post of AC(T)4 for three years from 1 January 2015 to 31 December 2017. The proposed job description of AC(T)4 is at **Annex A**. The post of AC(T)4 will continue to be supported by a team of 13 non-directorate civil service officers and two non-civil service contract staff (NCSC) staff <sup>1</sup>.

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<sup>1</sup> These officers comprise one Senior Engineer (a time-limited post), one Senior Estate Surveyor (a time-limited post), one Senior Architect (on loan from another department), one Electrical and Mechanical Engineer (on loan from another department), one Chief Executive Officer (a time-limited post), one Senior Administrative Officer, one Senior Treasury Accountant, one Administrative Officer, one Senior Executive Officer, one Executive Officer I, two Assistant Managers (NCSC staff), two secretarial staff and one Assistant Clerical Officer (a time-limited post).

## **Alternatives Considered**

16. The Commissioner for Tourism is at present supported by one Deputy Commissioner at Administrative Officer Staff Grade B (AOSGB) level, four Assistant Commissioners (AC(T)s)<sup>2</sup> at AOSGC/Senior Principal Executive Officer (SPEO) level, and the Registrar of Travel Agents (RTA) at Principal Executive Officer (PEO) level.

17. The major duties of the officers include formulating tourism policies and strategies, preparing for the establishment of the proposed statutory Travel Industry Authority and implementation of the new regulatory framework for the tourism sector in Hong Kong, overseeing the Ocean Park Redevelopment Plan and the proposed hotel development project, co-ordinating MICE (Meetings, Incentive, Conventions, Exhibitions) tourism initiatives, implementing new tourism projects, monitoring existing tourism attractions, housekeeping the HKTB, and overseeing the operation of the Travel Agents Registry. They also work closely with the tourism trade and the Mainland authorities on initiatives in tourism promotion and development, as well as promoting the service quality of the tourism industry.

18. The above officers are already fully engaged with their own portfolios and it will not be viable for them to absorb or share the duties of AC(T)4 without compromising the performance of their existing duties. An organisation chart of the TC is at **Annex B**.

## **Financial Implications**

19. The proposed retention of the supernumerary AOSGC post will bring about an additional notional annual salary cost at mid-point of \$1,739,400. The additional full annual average staff cost, including salaries and staff on-cost is \$2,503,000. We will absorb the additional expenditure from within the existing provision in 2014-15 and will include the necessary provision in the draft Estimates of the relevant years to meet the cost of this proposal. All the non-directorate posts mentioned in paragraph 15 above are existing posts in TC and no additional staff cost is

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<sup>2</sup> Including AC(T)4.

involved arising from the proposed retention of the AOSGC post.

### **Advice Sought**

20. Members are invited to comment on the proposal. Subject to Members' views, we will seek the recommendation of the Establishment Subcommittee on the proposal in the second quarter of 2014.

**Tourism Commission**

**Commerce and Economic Development Bureau**

**March 2014**

**Proposed Job Description  
Assistant Commissioner for Tourism (4)**

**Rank** : Administrative Officer Staff Grade C (D2)

**Responsible to** : Deputy Commissioner for Tourism

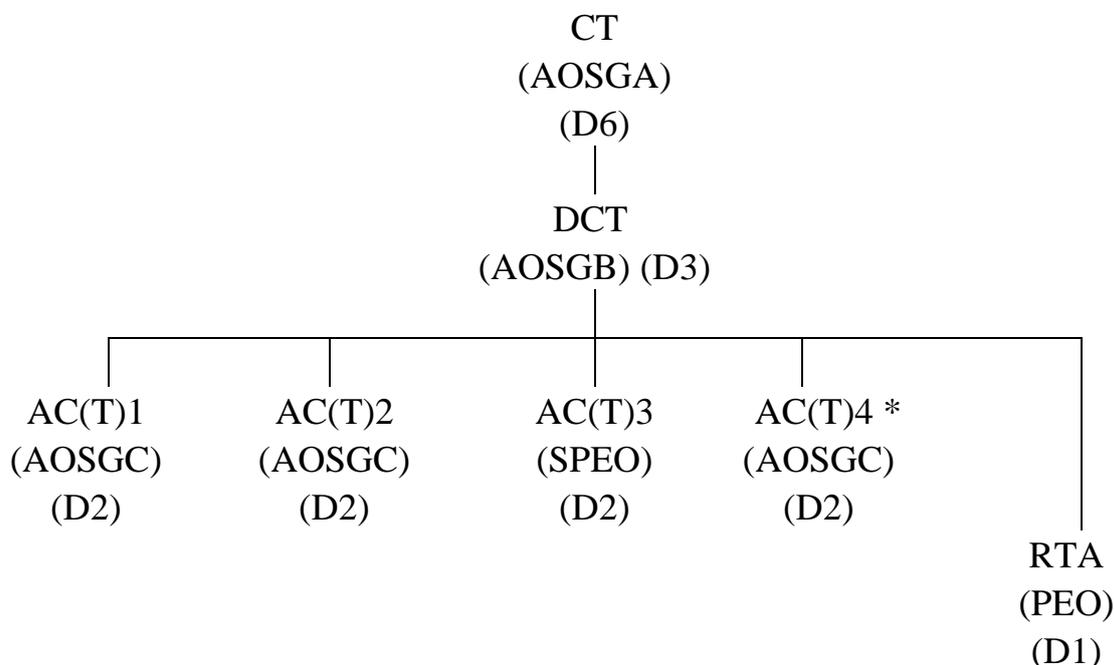
**Main Duties and Responsibilities –**

1. To oversee the development of cruise tourism in Hong Kong –
  - (a) To implement the Kai Tak Cruise Terminal (KTCT) project and monitor and co-ordinate the commissioning of the second berth of the KTCT to ensure its smooth operation;
  - (b) To monitor the performance of the terminal operator of the KTCT and to serve its Management Committee;
  - (c) To co-ordinate efforts from the Hong Kong Tourism Board and the cruise trade in developing strategies to enhance the position of Hong Kong as a regional cruise hub, and to serve the Advisory Committee on Cruise Industry;
  - (d) To strengthen cooperation with the neighboring ports to further drive the growth of the cruise industry in the region; and
  - (e) To maintain dialogue with the relevant Mainland authorities to capitalise on the opportunities arising from the development of cruise tourism in the Mainland and the region.
  
2. To oversee and monitor the implementation of the Hong Kong Disneyland (HKDL) project, in particular the future expansions including the new hotel development –
  - (a) To monitor the operating and financial performance of the HKDL, and provide administrative support to Government Directors on the Board of the Hongkong International Theme Parks Limited;
  - (b) To monitor the progress of implementation of the agreed expansion plans;
  - (c) To consider the merits of the expansion plans proposed by The Walt Disney Company (TWDC) for the HKDL and recommend responses by the Government, with inputs from relevant Bureaux and Departments; and

- (d) To support / lead the working team to negotiate with TWDC on the expansion plans.

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**Organisation Chart of Tourism Commission**



Legend

CT	Commissioner for Tourism
DCT	Deputy Commissioner for Tourism
AC(T)	Assistant Commissioner for Tourism
RTA	Registrar of Travel Agents
AOSGA	Administrative Officer Staff Grade A
AOSGB	Administrative Officer Staff Grade B
AOSGC	Administrative Officer Staff Grade C
SPEO	Senior Principal Executive Officer
PEO	Principal Executive Officer

\* Supernumerary post proposed to be extended for 3 years from 1 January 2015 to 31 December 2017.