

**Legislative Council
Panel on Economic Development**

Retention of a Supernumerary Directorate Post in the Tourism Commission:

**Supplementary Information Following the Discussion
at the Meeting on 27 November 2017**

Purpose

This note sets out –

- (a) the Government's strategies and comprehensive plan to liven up the Kai Tak Cruise Terminal ("KTCT") and how the post-holder of Assistant Commissioner for Tourism (4) can play a leadership role in taking forward the strategies and initiatives; and
- (b) further information relating to the possible development of a cross-boundary heliport in the vicinity of the KTCT.

Government's strategies and comprehensive plan to liven up KTCT

Background

2. Located at the tip of the runway of the former Kai Tak Airport and commissioned in June 2013, the KTCT is the first major development completed in the Kai Tak development area. Before the sites in its vicinity and road infrastructures are fully developed, the transport connectivity of the KTCT is, to a certain extent, constrained at the moment. Nonetheless, the Government has made sustained efforts in improving the transport services to the areas around the KTCT in the past years.

3. The KTCT is a purpose-built infrastructure with core functions of receiving cruise ships and handling large number of passengers. Its ancillary commercial areas are mainly to support cruise operations. The people flow to the KTCT is therefore less when there is no cruise operation. Indeed, many other major cruise terminals around the world (e.g. Vancouver and Melbourne) are closed during some months in the year when there are no cruise calls. The "column-less" design of the terminal building enables it (except for boundary-crossing facilities within the permanent restricted areas) to be used for non-cruise events when it is not in use for cruise operation. The open space at the rooftop of the building, managed by the Leisure and Cultural Services Department, is open to the public

every day (please refer to the photos at [Annex A](#)). Unlike the Ocean Terminal which has very large commercial area alongside its berthing facilities, the KTCT is not positioned as a shopping mall and its layout was presented to the Legislative Council back in 2010. Commercial floor space including retail / office / hotel spaces will be provided at various sites in the Kai Tak development in accordance with the outline zoning plan, including three commercial sites and the Tourism Node located in the former Kai Tak Runway adjacent to the KTCT¹. While promoting the cruise business of the KTCT remains our core objective, the Government works closely with the terminal operator and other event organisers in driving and facilitating more activities to be held within the KTCT so as to bring more visitors to the area as far as possible.

Strategies and comprehensive plan

4. The post-holder of Assistant Commissioner for Tourism (4) will lead the team in the Tourism Commission in adopting a multi-pronged strategy to bring more people to the KTCT in order to better utilise the facilities thereat. The first and foremost strategy is to continue to improve the transport connectivity to the KTCT. We believe that the continuously improving transport infrastructure and services is conducive to enhancing the accessibility of and bringing more people to the KTCT (*please see paragraphs 10 to 11 below*).

5. The second strategy is to leverage on and exploit the opportunities that the operation of the ancillary commercial areas of the KTCT can help in bringing more people to the areas around the KTCT. Apart from aiming at fully leasing out the ancillary commercial areas, we will explore opportunities for the shops to make good use of the communal areas of the terminal building to drive more people to the KTCT and its surrounding areas (*please see paragraphs 12 to 16 below*).

6. The third strategy is to continue to drive and facilitate the hosting of more non-cruise events at the KTCT. Our past experience suggests that the large variety of private and public non-cruise events (e.g. sports events, product launches, media events, corporate events and car shows, etc.) has successfully driven many of the general public to the KTCT and liven up the area. With the increasingly busy cruise schedule, we will further explore ways to identify slots for more non-cruise events at the KTCT (*please see paragraphs 17 to 18 below*).

¹ On the prevailing draft Kai Tak Outline Zoning Plan No. S/K22/5 gazetted under Section 5 of the Town Planning Ordinance (Cap. 131) on 17 February 2017, four sites along the Runway are zoned for commercial / tourism-related uses (namely, Site 4C4 (with Gross Floor Area (GFA) of around 80,000 m²), Site 4C5 (with GFA of around 57,000 m²), Site 4B5 (with GFA of around 90,000 m²) and the Tourism Node site (with GFA of around 229,000 m²)) in the vicinity of the KTCT. Some of the residential sites along the Runway would also contain commercial elements on its ground and/or lower floors.

7. The fourth strategy is to explore the possibility to partner with non-Government organisations, such as sports associations or other organisations in Hong Kong, to support their use of the communal areas and facilities of the KTCT for ad-hoc or regular events (e.g. sports training).

8. The fifth strategy is to continue to facilitate the trade in bringing more tour groups to the open space, including the Kai Tak Cruise Terminal Park and the Runway Park. The Government Flying Service (“GFS”) is also considering the viability of transferring the airframe of one of GFS’ retired fixed-wing aircraft (Jetstream 41) to the Kai Tak Runway Park for display to complement the Park’s aviation design theme. We believe this initiative will help attracting more people to the KTCT and the surrounding areas.

9. Further elaborations of the above strategies and comprehensive plan are set out in the ensuing paragraphs.

Details

10. In terms of transport infrastructure and services, we have made continuous improvements notwithstanding the nearby sites are still pending to be developed. Specifically, we completed the refurbishment works of a pier right next to the KTCT in March 2016, making transportation by sea possible. Since December 2016, there have been daily² licensed ferry services connecting Kwun Tong and North Point with the KTCT. Since August 2016, the weekend and public holiday services of franchised bus Route 5R, which runs between the KTCT and Ngau Tau Kok, have been upgraded to daily services. Furthermore, the fleet of minibus Route 86, which provides daily services to Kowloon Bay, has been expanded with higher frequency and longer operating hours.

11. Looking ahead, the Transport Department is preparing for the commissioning of a new bus route connecting the KTCT with Kowloon Tong MTR station within the first half of 2018. The Civil Engineering and Development Department (“CEDD”) is constructing the realigned and widened Shing Fung Road for completion in phases before 2019 to increase its capacity. CEDD is also committed to expediting the works of the remaining section of Shing Fung Road (i.e. Road D3 Metro Park section) which links the KTCT with the precinct of the future MTR Kai Tak station. The construction is expected to commence in 2018. With the upcoming commissioning of Tai Wai to Hung Hom section of the MTR Shatin to Central Link (including Kai Tak station) in 2019, the transport connectivity of the Kai Tak development area will be further improved and the KTCT will be increasingly accessible by the general public. The post-holder of

² Licensed ferry services are provided at peak hours during weekdays, and full day during weekends and public holidays.

Assistant Commissioner for Tourism (4) and his team will continue to work towards the target of further improving the transport connectivity through different means.

12. In terms of the ancillary commercial areas in the terminal building, the post-holder of Assistant Commissioner for Tourism (4) will lead the team and work with the terminal operator to make the best endeavours in ensuring that they are fully leased at all times. There is at present a shop which has ceased operation at the KTCT and that the terminal operator is having legal dispute with its sub-tenant and the vacant possession of the shop is yet to be secured. Once the on-going legal procedures between the terminal operator and its sub-tenant can be completed and that vacant possession of the 2 200-square-metre shop recovered, the terminal operator will be urged to lease out the shop as soon as possible. Indeed, the operator has already been making efforts in looking for potential sub-tenants with a view to reducing the time gap between obtaining vacant possession of the shop and its opening for business again. Meanwhile, if any commercial operations (including restaurants and souvenir shops for tour groups in Kowloon City and other districts) are interested in using that commercial area, they are welcome to approach the terminal operator direct for discussing the commercial arrangements.

13. Apart from leasing of the commercial areas of the terminal building, we will facilitate and encourage the sub-tenants to make better use of the communal areas of the terminal building in order to bring more people to the KTCT. For instance, we have facilitated the use of the outdoor communal area as a side venue for wedding banquets held in a restaurant in the adjacent commercial area. In the coming month, a family-themed restaurant will commence operation on the roof top floor of the terminal building. We are in discussion with the restaurant for turning some of the communal areas into children playing areas which would make it attractive to the family segment. The post-holder of Assistant Commissioner for Tourism (4) will lead the team in synergising the commercial operations at the KTCT and the communal areas to increase the number of people thereat.

14. There are suggestions to increase the commercial areas of the KTCT such that there could be a cluster of commercial operations for driving more people there. We would like to point out that the KTCT is a purpose-built infrastructure to handle a large volume of cruise passengers at a time (please refer to the photos at **Annex B**). The layout and floor areas of the KTCT, including ancillary facilities for quarantine, immigration and customs, are designed to cater for the cruise-specific functional and operational purposes. Therefore, increasing the commercial areas of the KTCT, while not compromising its efficient operations in handling cruise passengers, is not possible. Moreover, as the various developments (including hotels, office buildings, Kai Tak Sports Park, Kai Tak Tourism Node etc.) in the vicinity of the KTCT come on stream in the coming years, they will form a commercial-cum-entertainment cluster and will create much

synergy to greatly enhance the people flow and vibrancy of the area.

15. That notwithstanding, at the request of the Tourism Commission, the terminal operator has arranged temporary pop-up stores at the passenger waiting halls of the KTCT during the days with ship calls, so as to provide more commercial activities (such as selling souvenirs and drinks) in the terminal building (please refer to the photos at Annex C). We will explore the feasibility and commercial viability of extending the concept of temporary pop-up stores to other parts of the terminal building to increase the commercial activities thereat. This aligns with the substance of the suggestions to increase the commercial areas at the KTCT as mentioned in paragraph 14 above.

16. Meanwhile, the Energizing Kowloon East Office of the Development Bureau is making preparation for selecting a non-profit-making organisation to operate a weekend flea market on the Tourism Node site pending land disposal to bring more vibrancy to the area. The proposal will provide opportunities for participation by those who are interested, and young persons in particular, and bring more people to the areas surrounding the KTCT during weekends and public holidays.

17. As regards non-cruise events, the successful hosting of many private and public events at the KTCT and its vicinity has proven to be effective in heightening the public's interests and drawing more people to the KTCT. In the past years, there were 48 events, involving a total of 185 days (including setting up and dismantling) with participants ranging from several hundreds to over 50 000 that took place at the KTCT (please refer to the photos at Annex D). In January 2018, the major shore events of the Volvo Ocean Race will be held at the Runway Park next to the KTCT. We expect the event will drive a considerable number of visitors to that area.

18. The post-holder of Assistant Commissioner for Tourism (4) will lead the team in the Tourism Commission in facilitating the hosting of non-cruise events and motivating the terminal operator in attracting more non-cruise events to take place at the KTCT. Specifically, we will help resolve interfacing issues with relevant Government departments (e.g. Immigration Department and Customs and Excise Department) to enable the use of the terminal building and the apron even when there is one cruise ship at berth. This is particularly important as the cruise calendar of the KTCT is getting increasingly busy. Taking November 2017 as an example, we had a total of four events covering eight days (including setting up and dismantling) held at the KTCT while in the same month, the KTCT received 22 ship calls with 18 days with ships at berth. The terminal operator will also allocate resources and hire dedicated staff to promote the use of the KTCT as non-cruise event venue. We will continue to drive more events and hence, more people to visit the KTCT.

Information relating to possible development of a cross-boundary heliport in the vicinity of KTCT

19. According to the policy bureaux concerned, a site located at the tip of the former Kai Tak Runway has been reserved for the development of a cross-boundary heliport. To better utilise land resources, the site has also been identified for establishing a GFS Kai Tak Division, under a co-location arrangement with the future cross-boundary heliport operator(s), in order to maintain GFS' emergency operations under different weather conditions while preserving the development potentials of the northern shore of Lantau.

20. In the process of reviewing the share-use of the Kai Tak site, the Government has endeavoured to engage the commercial helicopter community and reflect their views into the co-location arrangement, which was designed on the basis that the feasibility for providing commercial helicopter services in future would be retained. Sufficient space, including a helicopter parking pad and a take-off pad, and around 2 600 m² on the first floor of the terminal building of the KTCT, have been reserved to cater for the possible development of cross-boundary helicopter services at the site in future. The Government will continue to engage the commercial helicopter community with a view to gauging the industry's views for providing cross-boundary helicopter services at the Kai Tak site. With the co-location arrangement mentioned above, the proposed GFS Kai Tak Division would not be in conflict with the feasibility of the possible development of a cross-boundary heliport thereat.

21. For the proposed establishment of GFS Kai Tak Division under the co-location arrangement, relevant departments consulted the District Councils of Kwun Tong, Wong Tai Sin and Kowloon City, as well as the Harbourfront Commission on the proposal in mid to late 2017. The Legislative Council will also be consulted on the capital works project in the coming months.

Tourism Commission
Commerce and Economic Development Bureau
December 2017

Photos of Kai Tak Cruise Terminal Park



Photos of KTCT during cruise operations



Photos of temporary pop-up stores at KTCT



Photos of non-cruise events at KTCT

