

Legislative Council
Establishment Subcommittee of Finance Committee

*The Government's response to the follow-up actions raised
at the Establishment Subcommittee meeting on 9 April 2018*

PURPOSE

This paper sets out the Government's response to the follow-up actions in respect of EC(2017-18)22 as raised at the Establishment Subcommittee ("ESC") meeting on 9 April 2018.

THE GOVERNMENT'S RESPONSE

(a) *Whether the Government would consider making the Administrative Officer Staff Grade C ("AOSGC") post permanent, or allow the post to lapse upon expiry of the three-year period*

2. Some members of ESC expressed that promoting cruise tourism in Hong Kong, overseeing the operation of the Kai Tak Cruise Terminal ("KTCT"), and overseeing the operation and development of the Hong Kong Disneyland Resort were on-going duties of the Government, and requested the Government to consider creating a permanent AOSGC post, instead of a supernumerary post for three years as proposed in EC(2017-18)22. In view of these views and after detailed consideration, the Government agrees that creating a permanent AOSGC post to handle the relevant duties would facilitate the designated directorate officer to take forward the said duties on an on-going basis, details of which are set out in the note for ESC vide ECI(2018-19)5. We will submit the revised proposal, i.e. the proposed creation of a permanent AOSGC post, to the Finance Committee ("FC") for consideration and approval.

(b) *Progress of the detailed feasibility study ("DFS") for Environmentally Friendly Linkage System ("EFLS") for Kowloon East, including the expected completion date and whether the Government will publish the study report*

3. DFS for EFLS for Kowloon East is undertaken by the Development Bureau ("DEVB") / the Civil Engineering and Development Department ("CEDD"). As mentioned in DEVB's written reply in April 2018 to a question raised by a Legislative Council ("LegCo") Member for the Special FC meeting, in light of diverse public views on the most suitable mode of green transport ("GT") for

EFLS and its alignment, CEDD has taken more time to carry out DFS in two stages, with the first stage assessing various GT modes on an equal basis to identify the most suitable one for Kowloon East. In the interim public consultation completed by CEDD in mid-2017, the public generally supported the suggestion of adopting an elevated GT mode. CEDD is now proceeding with the second stage of DFS, which is to develop a viable EFLS scheme, including determining its network coverage, alignment, station locations, etc., and conducting associated technical assessments to ascertain its feasibility. Upon completion of DFS, the way forward, implementation programme and construction cost estimation for the EFLS project will be formulated. CEDD expects that the study will be completed in 2018 and they will announce the findings afterwards.

(c) *Specific measures to improve the operation of KTCT, including enhancing cruise berthing arrangements, enhancing transport connectivity for KTCT, providing assistance to shop tenants at KTCT to improve business, and studying the possibility of relocating shops in the Kowloon City District dedicated to serving tour groups to KTCT*

4. KTCT is a purpose-built construction with core functions of receiving cruise ships and handling large number of passengers at a time. The Government and the terminal operator have made sustained efforts in improving the operation of KTCT so as to bring experience with convenience and efficiency to visitors.

5. Regarding cruise berthing arrangements, the terminal operator has, at the request of the Government, put in place a mechanism for allocation of berthing slots. Under the mechanism, applications by homeport / turnaround calls and mega cruise ships which frequently berth at KTCT would be accorded priority in allocation of berthing slots provided that the applications are submitted before the berth booking deadline (normally around two years before actual berthing). It is, therefore, a misunderstanding that homeport calls at KTCT are not accorded priority in the allocation of berthing slots at KTCT. However, to better utilise the berthing resources and as a matter of fairness, all applications received after the berth booking deadline will be handled on a first-come-first-served basis. In the past, there were cruise ships with homeport calls at KTCT not being allocated berthing slots because the relevant applications were submitted after the berth booking deadline.

6. As regards improving transport connectivity, given that KTCT is located at the tip of the runway of the former Kai Tak Airport and is the first major development project in the Kai Tak development area upon its completion and opening in June 2013, it is inevitable that the current transport connectivity for KTCT is somehow constrained before the nearby sites and road infrastructures are

fully developed. Notwithstanding, the Government has been making sustained efforts in the past years on this front, details of which are set out in the supplementary information (CB(4)406/17-18(01)) provided to the LegCo Economic Development Panel on 22 December 2017.

7. Looking ahead, a new franchised bus route connecting KTCT and Festival Walk in Kowloon Tong will provide daily service from late June 2018. We have requested the bus company to use vehicles with luggage racks. The bus company will also consider providing special service / short-working service where necessary to shorten the time for cruise passengers to leave KTCT. In addition, the widening works of existing roads leading to KTCT (Cheung Yip Street and Shing Fung Road) to be completed in 2019 will double the traffic capacity of these roads. In the future, the MTR Shatin to Central Link (including Kai Tak Station) and the Road D3 (Metro Park Section) in Kai Tak will also provide a more comprehensive transport network to connect KTCT.

8. As for the assistance to the shop tenants at KTCT, the Tourism Commission (“TC”) and the terminal operator have been paying close attention to how to assist the shop tenants to improve business and responding to the tenants’ requests. Specifically, at the request of a shop tenant at KTCT, TC removed a partition separating the shop concerned and the passenger waiting hall to facilitate access to the shop by passengers waiting to board. The relevant works was completed within a month after the tenant had raised such request. The terminal operator also arranged discussion between travel agencies operating inbound tours and some shop tenants to broaden the customer source, and allowed coaches heading for these shops to use the nearest coach bays for free.

9. TC is aware of the suggestion of introducing shops that operate in the Kowloon City District and mainly serve tour groups to KTCT. Views of the Kowloon City District Council (“KCDC”) on this suggestion are divided. In the past few months, the Commerce and Economic Development Bureau arranged a familiarisation visit to KTCT for the Chairman of KCDC, LegCo Member representing the trade and companies operating inbound tour groups, and explored the feasibility of arranging existing restaurants at KTCT to provide inbound tour groups with catering services.

10. Shops at KTCT are managed by the terminal operator and leased out on a commercial basis. While there is currently no vacant shop for lease at KTCT, the Government is open to the above-mentioned suggestion. Commercial organisations interested in operating at KTCT are welcome to contact the terminal operator direct to discuss the relevant commercial arrangements.

(d) *Analysis report on terminal operation by KTCT's operator and details of its operating strategies to improve visitor flow*

11. Since the commissioning of KTCT in mid-2013, the terminal operator regularly attends the meetings of the KTCT Management Committee chaired by TC to report to the Government the operation of KTCT and its operating strategies. In addition, the terminal operator has to submit to TC an annual operating report and regular reports on its business discussion and liaison with the trade. The terminal operator has its commercial strategies to liaise with various cruise lines and conducts sales meetings regularly. The rising number of ship calls at KTCT over the years reflects the effectiveness of the terminal operator's work. During the regular meetings of the KCTC Management Committee, the terminal operator has also put forward different measures to improve the visitor flow at KTCT, and some of these measures have already been implemented, such as widening the pavement at the transport interchange to improve the pedestrian environment, adjusting the operating mode of lifts to raise their efficiency, and improving the barriers along the coach bays for enhanced safety. On the other hand, the Government has requested the terminal operator to endeavour to lease out all of the seven shops at the terminal building, and the seven shops have all been leased out since the second half of 2017. As requested by the Government, the terminal operator also utilises the cruise operation area of KTCT to host large-scale events when there is no ship call and the cruise operation is not affected. Under the existing busy schedule of ship calls, the terminal operator successfully arranged three large-scale events held at KTCT in April 2018. Since the commissioning of KTCT from 2013, there have been over 50 events with different nature held at KTCT to better utilise the terminal space and attract more visitors.

**Tourism Commission
Commerce and Economic Development Bureau
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