

23 December, 2014

Mr Nicholas Brooke
Chairman
Harbourfront Commission
17/F, West Wing
Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Nick,

**Phase 2 Public Engagement Exercise for the
Proposed Establishment of a Harbourfront Authority**

A dedicated agency

The Chamber welcomes and supports the proposed establishment of a dedicated agency to coordinate the planning, development and management of Hong Kong's waterfront.

Power and authority

2. The power and authority of the proposed Harbourfront Authority ("HFA") should be clearly defined. Given that HFA would be granted with power for land allocation and development, its relationship with and power and authority over other public bodies and agencies may need to be explicitly spelt out. The authority should have the power to access public funds to execute proposals, zone land for various uses, sell or lease sites or buildings on its land to other parties to build or operate, undertake joint ventures with the private sector, and direct related government departments and agencies to provide necessary infrastructure, facilities and services.

3. Although the consultation document says that HFA would not derogate from the existing powers and functions of existing statutory bodies and government agencies, we query how the proposed authority could fit well with some of them such as the Town Planning Board, Planning Department, Leisure and Cultural Services Department, Environmental Protection Department, Energizing Kowloon East Office, and West Kowloon Cultural District Authority. It will be useful to have a clear delineation of their respective roles and responsibilities to enhance public understanding of their relationships.

4. As to HFA's governing board, it should broadly represent both public and commercial interests. The Government may consider following the composition of the Harbourfront Commission in formulating the board with a well-balanced representation of various stakeholders and an independent chairman from the private sector.

Long-term strategic plan

5. The proposed HFA is expected to devise a long-term strategic plan in developing and managing our waterfront. Along the waterfront, there are large stretches of the shoreline that house premises and facilities of different land uses. These land uses may somehow be incompatible with the proposal to make the harbourfront a revitalized place for community, recreation and leisure purposes. Many of these facilities, in particular those unwelcomed by the community such as pumping stations, sewage plants, waste transfer stations, concrete plants, fish and wholesale markets and fuel stations, need not locate at the waterfront. A comprehensive master plan should be put in place to determine what land- and water-based activities and facilities are preferred and needed by the community, and how these facilities could be accommodated.

6. A series of detailed local plans should also be worked out to allow land either developed by the public or private sector to be allocated for intended uses. In these detailed plans, HFA should have the authority to determine the design parameters, functionality, development intensity, pedestrian and vehicular connectivity for all developments under its remit.

Land allocation

7. The Chamber applauds the adoption of a prudent approach in allocating a small amount of land in phases to HFA at the initial stage. HFA should be vested with certain land where government departments or the private sector are unlikely to provide the facilities and services desired by the community. This will allow HFA to demonstrate its ability and secure public support before any large-scale land allocation.

8. Nevertheless, we understand that the land allocation to HFA will be granted by the Government at a nominal or reduced land premium. If HFA charges rentals at market rates on the established facilities and pockets the profits, such subsidization will be perceived as an unfair treatment to private operators of premises on land which is acquired at market price. We therefore would like the Government to clarify the purpose of any intended subsidies to HFA.

Financial matters

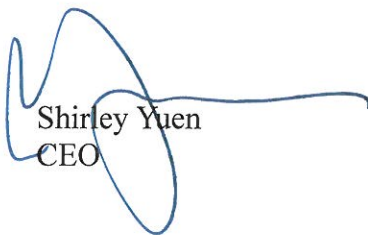
9. Long-term financial sustainability is always an issue of concern. HFA needs to consider whether it would be positioned as a profit-making, self-sustaining venture. It should be required to follow certain guidelines on costs and other financial implications of its proposals and projects funded by public coffer.

Private and public collaboration

10. We are of the view that the proposed establishment of HFA is long overdue, and thus expediting the set-up process without further delays is most welcome. The community is expecting to have an attractive, vibrant, accessible and sustainable harbourfront sooner rather than later. Also, we would appreciate if it would take a more proactive role in forging collaborative relationships with government agencies and the private sector to facilitate public and private partnership.

11. All in all, we would like to reiterate here that the Chamber supports the establishment of the new authority and look forward to working with it in the near future.

Yours sincerely,



Shirley Yuen
CEO