

**立法會**  
**Legislative Council**

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**Finance Committee of the Legislative Council**

**Minutes of the 12<sup>th</sup> meeting**  
**held at the Conference Room 1 of the Legislative Council Complex**  
**on Friday, 27 April 2012, at 3:45 pm**

**Members present:**

Hon Emily LAU Wai-hing, JP (Chairman)  
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon LEE Cheuk-yan  
Hon Fred LI Wah-ming, SBS, JP  
Dr Hon Margaret NG  
Hon CHEUNG Man-kwong  
Hon CHAN Kam-lam, SBS, JP  
Hon WONG Yung-kan, SBS, JP  
Hon LAU Kong-wah, JP  
Hon Andrew CHENG Kar-foo  
Hon TAM Yiu-chung, GBS, JP  
Hon LI Fung-ying, SBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Kwok-hing, MH  
Hon LEE Wing-tat  
Dr Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Hon Ronny TONG Ka-wah, SC

Hon Cyd HO Sau-lan  
Dr Hon LAM Tai-fai, BBS, JP  
Hon CHAN Hak-kan  
Hon Paul CHAN Mo-po, MH, JP  
Hon CHAN Kin-por, JP  
Dr Hon Priscilla LEUNG Mei-fun, JP  
Hon CHEUNG Kwok-che  
Hon WONG Kwok-kin, BBS  
Hon IP Wai-ming, MH  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-yea, GBS, JP  
Dr Hon PAN Pey-chyou  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon Tanya CHAN  
Hon Albert CHAN Wai-yip  
Hon WONG Yuk-man

**Members absent:**

Hon Albert HO Chun-yan  
Dr Hon David LI Kwok-po, GBM, GBS, JP  
Hon James TO Kun-sun  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Hon LEUNG Yiu-chung  
Dr Hon Philip WONG Yu-hong, GBS  
Hon LAU Wong-fat, GBM, GBS, JP  
Hon Miriam LAU Kin-yea, GBS, JP  
Hon Timothy FOK Tsun-ting, GBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon CHEUNG Hok-ming, GBS, JP  
Hon CHIM Pui-chung  
Hon KAM Nai-wai, MH  
Hon Starry LEE Wai-king, JP  
Dr Hon LEUNG Ka-lau  
Hon WONG Sing-chi  
Hon Paul TSE Wai-chun, JP  
Dr Hon Samson TAM Wai-ho, JP

**Public officers attending:**

Professor K C CHAN, SBS, JP	Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Kenneth CHEN, JP	Under Secretary for Education
Mrs Angelina CHEUNG	Deputy Secretary for Education (6)
Mr FOK Kam-hung	Chief Systems Manager (Information Technology Management), Education Bureau
Ms Mable CHAN, JP	Deputy Secretary for Education (2)
Miss Wendy CHUNG	Principal Assistant Secretary for Education (Infrastructure and Research Support)
Dr York CHOW Yat-Ngok, GBS, JP	Secretary for Food and Health
Mrs Marion LAI CHAN Chi-kuen, JP	Permanent Secretary for Food and Health (Food)
Dr LEUNG Siu-fai, JP	Acting Director of Agriculture, Fisheries and Conservation
Dr SO Ping-man	Assistant Director of Agriculture, Fisheries and Conservation (Fisheries)
Mr Andrew WONG, JP	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Mr Philip YUNG, JP	Commissioner for Tourism
Miss Rosanna LAW, JP	Deputy Commissioner for Tourism
Mr Vincent FUNG	Assistant Commissioner for Tourism (2)

**Clerk in attendance:**

Mrs Constance LI	Assistant Secretary General 1
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**Staff in attendance:**

Ms Anita SIT	Chief Council Secretary (1)5
Mr Daniel SIN	Senior Council Secretary (1)7
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)8

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**Item No. 1 - FCR(2012-13)14**  
**CAPITAL WORKS RESERVE FUND**  
**HEAD 710 – COMPUTERISATION**  
**Government Secretariat: Education Bureau**  
**New Subhead "Infrastructure Enhancement for Education Information System"**

The Chairman advised that the item sought the Committee's approval for a new commitment of \$157.017 million for enhancing the information technology infrastructure of the Education information System of the Education Bureau. The Legislative Council (LegCo) Panel on Education had been consulted on the proposal on 9 January 2012.

2. There being no question from members, the Chairman put the item to vote. The Committee approved the funding proposal.

**Item No. 2 - FCR(2012-13)15**  
**LOAN FUND**  
**Head 252 – LOANS TO SCHOOLS/TEACHERS**  
**Subhead 104 Loans to non-profit-making international schools**  
**Capital assistance loan to the Kellett School Association Limited**

3. The Chairman advised that the item sought the Committee's approval for an increase in commitment by \$203.83 million under Head 252 Loans to Schools / Teachers, Subhead 104 Loans to non-profit-making international schools, and allocate the amount to the Kellett School Association Limited (KSAL) as an interest-free loan for meeting part of the construction cost of its new school premises at the juncture of Kai Cheung Road and Wang Kwong Road, Kowloon Bay.

4. The Chairman said that the Administration had provided a supplementary information note, which was tabled at the meeting, on the prevailing policy on admission of non-local students by international schools which received government assistance in the form of vacant premises or

greenfield sites and the requirements on admission imposed on KSAL. Deputy Secretary for Education (2) (DS(Ed)2) briefed members on the contents of the note.

5. Ms Audrey EU said that, despite holding foreign passports, many international school students came from local families that had migrated and returned to Hong Kong. She asked if these students were categorized as "target students", which according to the supplementary information note provided by the Administration referred to non-local children of families coming to Hong Kong for work or investment or non-local students holding student visas for entry into Hong Kong for studies.

6. DS(Ed)2 replied that international school operators would assess individual student applicant's eligibility in meeting the requirement on student mix. One of the criteria considered was whether the student held a foreign passport. According to the Immigration Department, about 100 to 200 students who came to study in Hong Kong's international schools each year, were student visa holders. Many other students arrived as dependents of their parents who came to Hong Kong for work or investment.

7. Ms Audrey EU said that she gathered that many companies were unable to attract overseas employees to work in Hong Kong because of insufficient international schools places. While agreeing that international school places should be made available for "target students", she was concerned that many of those places were taken up by students who, despite holding a foreign passport, were in fact from local families. Determining a student's eligibility for admission to an international school solely on the basis of whether he or she held a foreign passport might not be sufficient to ensure that international school places were available to overseas families that the Administration intended to attract.

8. Under Secretary for Education (USED) said that many families in Hong Kong had right of abode in overseas countries given Hong Kong's metropolitan nature. These families included those who had previously resided in Hong Kong and had migrated and returned. One of the objectives of promoting the development of international schools was to further internationalize Hong Kong by encouraging more overseas families to settle in Hong Kong, regardless of their ethnic origin. Without the development of international schools as a supporting measure, it would be difficult to attract overseas families, or even local families, to remain in Hong Kong.

9. Ms Audrey EU commented that the Administration's definition of "target students" should be refined to distinguish Hong Kong students holding foreign passports from other overseas students. While she did not object to

Hong Kong parents sending their children to study in international schools, if the supply of international school places was insufficient to cater for the needs of overseas families wishing to come to Hong Kong for work or investment, the Administration should further expand the provision of international school places.

10. Mr WONG Yuk-man said that students of international schools were mostly from wealthy families who could afford to provide funds to the schools through debentures. Besides, most of these students would leave Hong Kong after completing their education and would unlikely stay behind to contribute towards the Hong Kong community. He queried the justification for providing interest-free loans to international schools. While acknowledging the need to provide international school places for children of foreign employees, Mr WONG doubted if the Administration had exaggerated the economic benefits that the development of international schools would bring to Hong Kong. Furthermore, Mr WONG said that there were a total of 47 international schools in Hong Kong, which, as at September 2010, had admitted some 31 860 students of whom 13% were local students; there were about 4 100 unfilled places. Some of the international schools had less than 300 students, but they were not subject to the school closure policy. Mr WONG queried the need for more international school places.

11. USED replied that the loans were provided to facilitate school sponsoring bodies to set up international schools in Hong Kong. The financial position of each international school varied, and in the case of KSAL, the school sponsoring body was also raising capital on its own in addition to seeking a loan from the Government. He affirmed that promoting development of international schools would help attract overseas families to Hong Kong for work or investment. At a meeting of the LegCo Panel on Education held earlier this year, representatives from trade associations had expressed the view that the Administration should continue to promote the development of international schools in Hong Kong and should provide suitable land for building new international schools.

12. Mrs Regina IP opined that in line with the immigration policy, the ultimate objective of promoting the development of international schools was to attract overseas families to come to Hong Kong for work or investment, and not to promote diversity of the community. She said that immigrants were admitted for certain specific purposes, none of which was related to taking up residency. Mrs IP asked whether the Administration had any mechanism to align the provision of international school places with overseas companies' plans to set up their operations in Hong Kong, such as whether the Administration would plan for provision of sufficient number of international

school places if Google decided to bring some 200 engineers to set up a high-tier data centre in Hong Kong.

13. USED reiterated that the Administration was committed to developing a vibrant international school sector in meeting the demand for school places from overseas families living in Hong Kong and families coming to Hong Kong for work or investment. It appeared to him that Members considered meeting the needs of returned migrated families as being secondary to attracting overseas families. He did not subscribe to such view, as Hong Kong needed talents and investors, regardless of their ethnic origin. Business associations also pointed out that provision of sufficient school places was an important factor affecting overseas employees' or investors' decision on whether they would come to Hong Kong.

14. Ms Audrey EU requested the Administration to expedite the processing of an application from a school sponsoring body for setting up of an international school in Western District. USED said that a written reply had been issued to Ms EU about the application.

15. The Chairman put the item to vote. The Committee approved the funding proposal.

**Item No. 3 - FCR(2012-13)16**

**CAPITAL WORKS RESERVE FUND**

**HEAD 701 – LAND ACQUISITION**

**Ex-gratia allowances for mariculturists affected by marine works projects in Hong Kong waters**

**Item No. 4 - FCR(2012-13)17**

**CAPITAL WORKS RESERVE FUND**

**HEAD 701 – LAND ACQUISITION**

**Ex-gratia allowances for fishermen affected by marine works projects in Hong Kong waters**

16. The Chairman advised that the two items sought the Committee's approval for the revised arrangements for providing ex-gratia allowances (EGA) to mariculturists and fishermen affected by marine works projects in Hong Kong waters. She said that the two items, FCR(2012-13)16 and 17, would be discussed together, but would be voted on separately.

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17. The Chairman said that the Administration had provided supplementary information notes, which were tabled at the meeting, on the basis of working out the financial implications of the proposals.

18. Mr WONG Yung-kan declared that he was the president of the Federation of Hong Kong Aquaculture Association and had represented the mariculture sector in submitting recommendations to the Administration in relation to the proposed EGA package. The Administration had visited and consulted the mariculture sector, including the operators in Ma Wan, Sok Ku Wan, etc., and the sector accepted the Administration's proposal in principle. Mr WONG said that he also supported the proposed revised EGA arrangements for fishermen affected by marine works projects. The Administration had consulted the affected fishermen in drawing up the proposals. Despite opinion differences between the fisheries sector and the Administration, the sector was willing to accept the Administration's offer.

19. Mr TAM Yiu-chung said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong would support the two funding applications. He expected that many more marine works projects would be implemented in the near future and they would affect the livelihood of fishermen and mariculturists operating in the proximity. The Administration's proposals were timely, and had been developed in consultation with the relevant fishermen and mariculturists. Although the Administration had not taken on board all of the sectors' demands, the proposed packages were acceptable to the sectors.

20. Mr Alan LEONG said that he would make a plea to the Administration on behalf of some fishermen. He urged the Administration to exercise discretion in providing extra payment to affected fishermen, if they were able to provide sufficient evidence to support their claims of having sustained heavier losses than that assessed by the Government.

21. Secretary for Food and Health (SFH) said that the Administration had adopted a very lenient approach in calculating the proposed level of EGA, and the mechanism had allowed for different scenarios, including whether the mariculturists could continue, suspend or terminate his mariculture operation. Most circumstances that the operators might face had been taken into consideration by the Administration in drawing up the proposed EGA packages. However, the Administration would be ready to consider exceptional cases to determine whether additional assistance could be provided within what was permitted under the existing EGA framework.

22. Mr Alan LEONG said that the sector's worry should be alleviated as the Administration was willing to keep an open mind in considering exceptional circumstances faced by individual fishermen.

23. The Chairman put item FCR(2012-13)16 to vote. The Committee approved the item.

24. The Chairman put item FCR(2012-13)17 to vote. The Committee approved the item.

**Item No. 5 - FCR(2012-13)18**

**LOAN FUND**

**HEAD 262 – PRIMARY PRODUCTS**

**Subhead 101 Fisheries Loans**

**Subhead 132 Fish Marketing Organization Loan Fund –  
fishing moratorium loan scheme**

25. The Chairman advised that the item sought the Committee's approval for revision to the scope, terms, conditions and processing procedures of the Fisheries Development Loan Fund (FDLF) and the fishing moratorium loan scheme (FMLS), with a view to meeting the needs of the fisheries sector and helping the trade tide over the challenges brought about by the trawl ban and fishing moratorium, and encouraging them to upgrade themselves to sustainable fisheries.

26. The Chairman said that the Administration had provided a supplementary information note, which was tabled at the meeting, to substantiate the financial implication of the proposal.

27. Mr Tommy CHEUNG said that the Panel on Food Safety and Environmental Hygiene discussed the Administration's proposal on 10 April 2012. Panel members supported the funding proposal. He added that Members belonging to the Liberal Party also supported the funding application.

28. Mr WONG Yung-kan declared that he had represented the Hong Kong Fishermen Consortium in submitting recommendations to the Administration in relation to the current proposal. Some of the suggestions from the fisheries sector had been incorporated in the final package, and the sector hoped FC would approve the application so that the proposed arrangements could be implemented as early as possible. Mr WONG commented that many fishermen, who were still in their thirties or early forties, were worried that after surrendering their vessels under the trawl ban assistance package, they would be unemployed as in the experience of local pig or poultry

farmers. They hoped the Government would support the fisheries sector to expand operation outside Hong Kong waters. The proposed revisions to the scope of FDLF and the adjustment to the security requirements were conducive to this objective. Mr WONG thanked the Administration for having accepted the sector's views, and he appealed to members to support the funding application.

29. The Chairman put the item to vote. The Committee approved the funding proposal.

**Item No. 6- FCR(2012-13)19**

**HEAD 152 – GOVERNMENT SECRETARIAT :  
COMMERCE AND ECONOMIC DEVELOPMENT  
BUREAU  
(COMMERCE, INDUSTRY AND TOURISM  
BRANCH)**

**Subhead 700 General non-recurrent**

**New Item "Mega Events Fund"**

30. The Chairman advised that the item sought the Committee's approval to create a new commitment of \$150 million for extending the operation of the Mega Event Fund (MEF) to attract more internationally-acclaimed mega events to Hong Kong and to reinforce Hong Kong's position as the Events Capital of Asia.

31. Mr Jeffrey LAM declared that he was the Chairman of the MEF Assessment Committee (MEFAC). In his capacity as the Chairman of the Panel on Economic Development, he reported that the funding proposal was discussed at the Panel on Economic Development on 26 March 2012. Panel members generally supported the funding application. Some Panel members pointed out that Hong Kong needed to develop its own brand of mega events, similar to the German Beer Fest and the Songkran Festival of Thailand. Panel members generally considered that the Government had an important role to play in nurturing and promoting the development of local brands of mega events. They suggested that the Administration should provide more tourism supporting facilities and step up publicity efforts overseas so as to attract more in-bound tourists to participate in the mega events. Regarding the Administration's proposal to relax the current restrictions under MEF so as to encourage private organizations to launch mega events in Hong Kong, Panel members urged the Administration to exercise vigilance in vetting funding applications, and effective vetting and monitoring mechanism should be instituted to ensure proper use of public resources. The Administration had provided additional

information in response to Panel members' concerns following the Panel meeting.

32. Noting that the 16 MEF-supported events held in the past three years had attracted a total of more than 900 000 participants, of whom more than 170 000 were non-local visitors, Mr LEE Wing-tat commented that the number of local participants in the events seemed disproportionately high. He said that, based on the feedbacks from his contacts, many local people were not aware of the MEF-supported events. The types of mega events organized so far were not popular among the local population, who favoured popular sports events such as football matches or basketball tournaments. He suggested that mega events should not be limited to special interest activities such as golf tournaments which mainly targeted at attracting tourists, but should also encourage wider local participation.

33. Commissioner for Tourism (C for Tourism) said that the number of non-local visitors participating in mega events, such as the Hong Kong Wine and Dine Festival held in November and the Dragon Boat Race held in the summer, etc., had been increasing over the past three years. He did not consider that the MEF-supported mega events were designed to target at special interest groups, but were appealing to many walks of life in the community. The Tier 1 mechanism under the proposed modified MEF scheme aimed to provide financial incentives to attract new or established high-profile mega events to Hong Kong, thereby attracting a wider spectrum of participants, both visitors and the local public.

34. Referring to the MEF-approved events in enclosure 4 of the paper, Mr LEE Wing-tat commented that the majority of the population were not enthusiastic about events such as "Symphony Under the Stars", "Hong Kong Tennis Classic 2010", "Hong Kong Dragonboat Carnival" or "Hong Kong Well-wishing Festival", etc. He pointed out that the funds for events such as the "UBS Hong Kong Open Championship" which cost \$8 million could have been more beneficially used to sponsor a few football or basketball events to attract a wider patronage.

35. C for Tourism said that most popular sports events were organized by commercial organizations, which were not eligible for funding support under the current MEF scheme. If FC approved the proposed modifications to the MEF scheme, renowned mega events operated by private event management companies or professional organizations established outside Hong Kong could be supported under the Tier 1 mechanism.

36. Mr CHEUNG Kwok-che commented that MEF-supported activities were often associated with events of grandiose scale. He asked if the MEFAC would consider sponsoring the hosting of the Homeless World Cup in Hong Kong. He said participants of the event were homeless people from as many as 70 countries / places. They could not be expected to spend a lot of money while in Hong Kong, but the event would help raise community awareness and concerns about homeless people around the world.

37. Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (PS(CIT)) said that the MEFAC would consider applications in accordance with the established criteria as described in the paper. The objective of the MEF scheme was to promote mega events to be staged in Hong Kong. These events needed not be sumptuous; they could be events which featured local cultural characteristics or major sports activities. The MEFAC would consider any application for staging the Homeless World Cup if the organizer could satisfy the broad principles and assessment criteria of MEF. Mr CHEUNG Kwok-che said that he would advise the organizers of the Homeless World Cup to submit an application for MEF sponsorship if they were interested.

38. Mr Jeffrey LAM said that the MEF should support events that would help promote Hong Kong's economy or facilitate growth of the local tourism industry. The MEFAC had, in the past, approved many funding applications for staging mega events in accordance with the established eligibility criteria. There had been suggestions, including those from LegCo Members, on various types of events to be sponsored under MEF, but could not be followed up due to the restrictions under the current mechanism. He suggested that the Administration should step up publicity on the MEF scheme through the Hong Kong Tourism Board or the Trade Development Council. Events to be funded under MEF could start off as a small scale activity but grow in time into mega events. C for Tourism agreed that publicity was important and efforts in promoting MEF would continue.

39. Mr LEUNG Kwok-hung said that unless the Government agreed, there was no way for the Homeless World Cup to be staged in Hong Kong, because the Government would have to facilitate in providing immigration clearance and related formalities, especially where participants came from countries with which China had not established diplomatic relations. The fact that the Home Affairs Bureau declined the suggestion of Hong Kong hosting the Homeless World Cup in 2003 was a case in point. Mr LEUNG commented that MEF should not be used to sponsor events that were organized by commercial organizations. In this connection, he queried how the international golf tournament could be held with MEF sponsorship whereas football events

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could not, as he surmised that the international golf tournament was organized with commercial sponsorship.

40. PS(CIT) said that without pre-empting any decision of the MEFAC regarding MEF sponsorship for hosting the Homeless World Cup in Hong Kong, any application that satisfied the eligibility criteria of MEF would be considered by the Assessment Committee. It was not a question of whether or not the Government approved of a particular event to be staged in Hong Kong, but the applicants would have to satisfy the Assessment Committee that they were capable of organizing the event as described in their proposal.

41. C for Tourism said that the UBS Hong Kong Open Championship 2011, which was held in December 2011 under MEF sponsorship, was organized by the Hong Kong Golf Association Limited, which was a local non-profit-making organization. Apart from MEF sponsorship, the Association also received funding from other sources and income from admission proceeds. Any surplus generated from the MEF-supported events was required to be deducted from the MEF sponsorship. He added that Tier 1 events sponsored under the proposed modified MEF scheme would be organized by business organizations under commercial principles. Any profit arising from an event would be shared between the organizers and the Government. The organizers would be responsible for losses or expenses in excess of the MEF sponsorship.

42. Mr LEUNG Kwok-hung queried whether the conditions implied that the Government was financing the losses incurred by the mega event organizers. He commented that it was unreasonable to sponsor any commercial organization for holding a profit-making event.

43. C for Tourism said that in considering an application, the MEFAC would examine the applicant's budget, the proposed scale of the event, and the detailed operational arrangements. Sponsorship would only be approved if the proposal was considered viable. PS(CIT) said that the Administration's goal was to introduce mega events into Hong Kong. If the organizer was able to deliver the promised results by having attracted the target number of visitors to Hong Kong and achieving the desired publicity effects, the objective of the MEF sponsorship would have been achieved, even if the event itself turned out to be in deficit.

44. Mr LEUNG Kwok-hung criticized that the Administration's response was illogical. Staging an event in Hong Kong was a commercial decision of the organizer, who would have already benefited from Hong Kong's well-serviced infrastructure and the various supporting facilities and services,

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all provided at taxpayers' expense. It was unreasonable for the Government to recompense the organizer's loss with public funds.

45. There being no further question, the Chairman put the item to vote. The Committee approved the funding application.

46. The meeting was adjourned at 4:45 pm.

Legislative Council Secretariat  
25 July 2012