

**立法會**  
***Legislative Council***

LC Paper No. FC163/17-18

(These minutes have been  
seen by the Administration)

Ref : FC/1/1(16)

**Finance Committee of the Legislative Council**

**Minutes of the 33<sup>rd</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 28 April 2017, at 3:45 pm**

**Members present:**

Hon CHAN Kin-por, BBS, JP (Chairman)  
Hon Michael TIEN Puk-sun, BBS, JP (Deputy Chairman)  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon LEUNG Kwok-hung  
Hon Claudia MO  
Hon Steven HO Chun-yin, BBS  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon MA Fung-kwok, SBS, JP  
Hon CHAN Chi-chuen  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Kenneth LEUNG  
Dr Hon KWOK Ka-ki  
Hon Dennis KWOK Wing-hang  
Hon Christopher CHEUNG Wah-fung, SBS, JP

Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Alvin YEUNG  
Hon Andrew WAN Siu-kin  
Hon CHU Hoi-dick  
Hon Jimmy NG Wing-ka, JP  
Dr Hon Junius HO Kwan-yiu, JP  
Hon LAM Cheuk-ting  
Hon Holden CHOW Ho-ding  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan  
Dr Hon Pierre CHAN  
Hon CHAN Chun-ying  
Hon Tanya CHAN  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LAU Kwok-fan, MH  
Dr Hon CHENG Chung-tai  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Nathan LAW Kwun-chung  
Dr Hon YIU Chung-yim  
Dr Hon LAU Siu-lai

**Members absent:**

Hon Abraham SHEK Lai-him, GBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon Frankie YICK Chi-ming, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Han-pan, JP  
Hon Alice MAK Mei-kuen, BBS, JP

Hon KWOK Wai-keung  
Hon HO Kai-ming  
Hon LUK Chung-hung  
Hon Kenneth LAU Ip-keung, MH, JP

[According to the Judgment of the Court of First Instance of the High Court on 14 July 2017, LEUNG Kwok-hung, Nathan LAW Kwun-chung, YIU Chung-yim and LAU Siu-lai have been disqualified from assuming the office of a member of the Legislative Council, and have vacated the same since 12 October 2016, and are not entitled to act as a member of the Legislative Council.]

**Public officers attending:**

Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Carol YUEN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Gregory SO Kam-leung, GBS, JP	Secretary for Commerce and Economic Development
Miss Cathy CHU, JP	Commissioner for Tourism
Mr Aaron LIU	Deputy Commissioner for Tourism
Mr Eddie LEE	Assistant Commissioner for Tourism (1)
Mr George TSOI	Assistant Commissioner for Tourism (4)
Miss Cheryl CHOW	Principal Assistant Secretary for Development (Planning and Lands) 2
Mr Adolph LEUNG, JP	Principal Economist (2), Economic Analysis and Business Facilitation Unit
Mr Samuel LAU	Executive Vice President and Managing Director, Hong Kong Disneyland Resort
Miss Linda CHOY	Vice President, Public Affairs, Hong Kong Disneyland Resort

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
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**Staff in attendance:**

Mr Derek LO	Chief Council Secretary (1)5
Ms Ada LAU	Senior Council Secretary(1)7
Mr Raymond SZETO	Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Yannes HO	Legislative Assistant (1)6

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Action

**Item No. 1 — FCR(2017-18)7**

**RECOMMENDATION OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 16 MARCH 2017**

**PWSC(2016-17)41**

**HEAD 703 — BUILDINGS**

**Education — Others**

**111ET — A special school for students with mild, moderate and  
severe intellectual disabilities in Area 108, Tung Chung**

The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

2. The Chairman said that this item invited the Finance Committee ("FC") to approve the recommendation of the Public Works Subcommittee ("PWSC") made at its meeting held on 16 March 2017, i.e. the recommendation set out in PWSC(2016-17)41, which was about the construction of a special school for students with mild, moderate and severe intellectual disabilities ("ID") in Area 108, Tung Chung. The Chairman declared that he was an independent non-executive director of The Bank of East Asia.

3. The Chairman said that as no member had requested the recommendation be put to vote separately at the FC meeting, no relevant public officers had been invited to this meeting to respond to members' views and questions.

4. Dr YIU Chung-yim said that he had initially requested that this item be put to vote separately at the relevant FC meeting. The Administration had subsequently provided a paper, setting out the possible implications of works delay on the relevant construction works and the commissioning date of the proposed special school. At the request of the Administration and after perusing the supplementary paper, he withdrew his original request for separate voting. Dr YIU held that should there be similar

cases in future, the Administration should inform members at PWSC meetings of the critical time factors concerning the project in question so that members would be in a better position to determine whether the relevant item should be put to vote separately at FC meetings.

Increasing the number of school places and boarding places provided by special schools

5. Dr Fernando CHEUNG expressed support for this item. Given the population growth of Tung Chung alongside with its future development, he pointed out that Tung Chung would still be short of special school places after the completion of this project. Dr KWOK Ka-ki considered that the Administration should identify suitable sites in different districts for the construction of more special schools so as to reduce the waiting time of children with ID for school places. Dr LAU Siu-lai expressed similar views. Dr KWOK Ka-ki and Dr Fernando CHEUNG requested that the Administration should expeditiously consult parents and school sponsoring bodies on the design of the school premises of the proposed special school. Dr KWOK also requested the Administration to provide suitable ancillary transport facilities for the school.

6. Mr CHU Hoi-dick suggested that the Administration should allow flexibility in respect of the architectural design of the proposed special school to facilitate future expansion for the provision of additional school places and boarding places. Mr Jeremy TAM and Mr LEUNG Yiu-chung expressed similar views. Mr LEUNG asked whether the proposed school would be equipped with air-conditioning facilities.

*[Post-meeting note: The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC186/16-17 on 20 June 2017.]*

7. Dr LAU Siu-lai expressed support for this item and reflected the views of parents with ID children that the Administration should increase the number of boarding places provided by the proposed special school and enhance the provision of support services for parents. Mr SHIU Ka-chun enquired whether the maximum number of boarding places that the proposed school could provide was 60 and how these places would be distributed among children with different ID levels. Dr Fernando CHEUNG urged the Administration to increase the number of boarding places to be provided by the proposed school as far as possible and provide seven-day boarding places.

Review of the special school building policy

8. Dr Fernando CHEUNG was concerned that as the relevant building proposal was put forth by the Education Bureau ("EDB") in 2004, the construction of this school had been delayed by more than a decade due to local opposition. Dr CHEUNG urged the Administration to face up to this situation and adopt a tougher stance when such projects were to be implemented at district level in future. Mr SHIU Ka-chun, Mr LEUNG Kwok-hung and Mr CHAN Chi-chuen expressed similar views. They urged the Administration to implement this project as soon as possible. Mr LAM Cheuk-ting requested the Administration to study the reasons for the delay of the project so as to avoid repeating the same mistake.

9. Mr Holden CHOW said that he was a member of the Equal Opportunities Commission. Mr CHOW suggested that the Administration should review the current policy on building special schools. For example, if the construction of relevant facilities faced opposition at the community level, the Administration might consider offering some favourable conditions to the community in exchange for local support.

10. Mr IP Kin-yuen supported the funding proposal. Mr IP remarked that special schools and schools for social development were some of the facilities which were discriminated against by local communities. He called on different sectors of the community to support the building of these education facilities in their neighbourhood. Mr Dennis KWOK said that the presence of special schools would not have any negative impact on local communities. He also pointed out that early intervention and support would greatly facilitate the growth of children with ID. Therefore, he hoped that no development projects for special schools would suffer delay in the future.

11. Ms Claudia MO expressed concern that this project had been discriminated against in the community. She asked how the proposed special school could cater for the special educational needs of ethnic minority students and reduce their dropout rate.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC186/16-17 on 20 June 2017.]

Re-provisioning of the Rotary Club of Hong Kong Island West Hong Chi Morninghope School

12. Dr Fernando CHEUNG said that the Rotary Club of Hong Kong Island West Hong Chi Morninghope School ("Hong Chi Morninghope School") currently located in Chai Wan was originally planned to be re-provisioned in Area 108 of Tung Chung. However, there was another special school which was originally planned to be re-provisioned in Area 27 of Tung Chung, but residents in Area 27 of Tung Chung opposed the construction of a special school in Area 27 of Tung Chung. In view of the above, EDB changed the plan by relocating the site for the construction of that school to Area 108 of Tung Chung, and the re-provisioning plan for the Hong Chi Morninghope School had to be shelved. In this connection, Dr CHEUNG requested the Administration to expeditiously follow up on the issues relating to the re-provisioning of the Hong Chi Morninghope School.

13. Ms Tanya CHAN asked the Administration to listen to members' suggestions made on this item at relevant meetings. She also requested the Administration to follow up on and respond to members' aspirations.

14. There being no further requests from members to speak on this item, the Chairman put the item to vote. The Chairman was of the view that the item was supported by a majority of the members voting and declared that the item was approved.

**Item No. 2 — FCR(2017-18)1**

**CAPITAL INVESTMENT FUND**

**HEAD 973 — TOURISM**

**New Subhead— "Equity in Hongkong International Theme Parks Limited for the Expansion and Development Plan at Phase 1 site of the Hong Kong Disneyland Resort"**

15. The Chairman said that this item invited FC to approve a commitment to inject \$5,450 million as equity from the Capital Investment Fund to the Hongkong International Theme Parks Limited ("HKITP") to support an expansion and development plan ("the Plan") at the Phase 1 site of the Hong Kong Disneyland Resort ("HKDL"). The Chairman declared that he was an independent non-executive director of The Bank of East Asia.

Points of order

16. Mr CHU Hoi-dick referred to the Chairman's decision on 27 April 2017 concerning the motions to be proposed by Dr YIU Chung-yim, Mr LEUNG Kwok-hung and him under paragraph 21 of the Finance Committee Procedure ("FCP") and paragraph 5(b) of the Resolution on Capital Investment Fund (Cap. 2B) in respect of this agenda item. The Chairman had decided that as the proposed motions were not in compliance with the notice requirement under FCP 21, the proposed motions would not be dealt with at the meeting, and that notices of the proposed motions should be returned to the members concerned (LC Paper No. FC115/16-17(06)). Mr CHU sought explanation from the Chairman as to why he had not exercised his discretion under FCP 21 to allow a shorter notice, i.e. allowing the three of them to give a notice of only two clear days for their motions, and why he had returned the notices of their motions to the three of them.

17. Dr Fernando CHEUNG pointed out that according to FCP 21, the Administration's notice of the items of business to be included in the agenda of FC should reach the Clerk at least six clear days before the meeting concerned. Under this current mechanism, it was practically difficult for members to give notices of their motions to the Clerk at least six clear days in advance. Before the current mechanism could be changed, Dr CHEUNG hoped that the Chairman would exercise discretion to allow members to propose motions which sought to specify additional terms and conditions for this funding item.

18. Mr James TO concurred with Dr Fernando CHEUNG. Mr TO considered that the Chairman should, as far as possible, allow members to exercise their powers by proposing motions under FCP 21. Dr KWOK Ka-ki sought legal advice from the Counsel to FC regarding the Chairman's discretion in allowing members to give shorter notices for their motions.

19. Mr Dennis KWOK said that under paragraph 5(b) of Cap. 2B, FC might specify terms and conditions for a funding proposal that sought FC's approval so as to regulate how the Financial Secretary might expend the funds. Mr KWOK pointed out that the Chairman, in his ruling made on 25 April 2017 (LC Paper No. FC109/16-17(01)), had not addressed the issue of the circumstances under which the conditions that Mr CHU Hoi-dick, Dr YIU Chung-yim and Mr LEUNG Kwok-hung sought to impose on this funding proposal as stated in their proposed motions could be put forth. He asked the Chairman whether he would make another ruling on this issue.

20. Mr LEUNG Kwok-hung considered that the Chairman had returned the notices of the motions to the members concerned because he expected that this item would be put to vote at a meeting held today. Should this item continue to be deliberated at a meeting on a future date, the motions in question should have fulfilled the notice requirement of six clear days under FCP 21.

21. Regarding the motions proposed by Mr CHU Hoi-dick, Dr YIU Chung-yim and Mr LEUNG Kwok-hung in their letters sent to him via email on 25 and 26 April 2017, the Chairman responded that his decision was made with reference to the established practice of the Council in handling the notice periods required for Members in giving notices of amendments to Government bills and subsidiary legislation. For details of the relevant ruling, please refer to LC Paper No. FC115/16-17(06).

#### The agreement between the Government and The Walt Disney Company

22. Dr Fernando CHEUNG made the criticism that the agreement signed between the Administration and The Walt Disney Company ("TWDC") on the development of HKDL was an unfair deal to Hong Kong. He pointed out that in terms of financial input, including investments in the relevant infrastructure projects, the Hong Kong Government injected a lot more financial resources into HKDL than TWDC did. The Secretary for Commerce and Economic Development ("SCED") advised that the level of financial investments in HKITP made by the Government and by TWDC was getting more balanced throughout the operation of HKDL in the past 11 years. The gap in investment between the two parties had narrowed down gradually, from \$6.9 billion in 1999 to \$1.2 billion at present, reflecting the substantial investment made by TWDC in HKDL.

#### Royalties and management fees

23. Mr Michael TIEN and Dr KWOK Ka-ki asked whether TWDC had stated that the financial arrangements as well as the royalty and management fee arrangements currently proposed under the Plan were final with no room for further discussion, and that if the Administration refused to accept this final proposal, the plan for expanding HKDL would fall through ("take it or leave it"). SCED advised that the said proposal was the best deal that could be secured between the Administration and TWDC.

24. Mr Michael TIEN said that in the case of Disneyland Paris, TWDC waived its royalties and management fees from 1994 to 1998, and charged only a total of 3% of royalties and management fees per annum between 1999 and 2003; and this annual rate, though adjusted upward in 2004, had been maintained at the level of 6% since then. By contrast, TWDC had been charging HKDL royalties and management fees at the average annualized rates of 7.5% and 1.7% respectively, with the two rates adding up to 9.2%. Mr TIEN and Dr KWOK Ka-ki enquired whether the Administration, in its negotiation with TWDC, had bargained for terms on a par with those enjoyed by Disneyland Paris for the benefit of Hong Kong.

25. SCED advised that Disneyland Paris, owing to its unique circumstances, had a management fee structure that was different from that for HKDL. The Executive Vice President and Managing Director of HKDL, when responding to members' questions at previous meetings, had already explained the relevant arrangements.

Motion for the adjournment of further proceedings of the Finance Committee

26. At 4:59 pm, Dr KWOK Ka-ki moved without notice under FCP 39 that further proceedings of FC be then adjourned. The Chairman proposed the question on the motion to adjourn further proceedings of FC. The Chairman directed that each member might speak once for not more than three minutes.

27. Dr KWOK Ka-ki briefed members on his motion. Dr KWOK pointed out that the Administration had failed to give precise answers to some key questions raised by members. In addition, there was no urgency in approving this funding proposal and it should be left to the next-term Government. As this item was not worth further discussion, he moved that further proceedings of FC be then adjourned.

28. Mr LEUNG Kwok-hung, Mr Alvin YEUNG, Mr Nathan LAW, Mr LEUNG Yiu-chung, Mr Dennis KWOK, Dr LAU Siu-lai, Mr CHU Hoi-dick, Dr Fernando CHEUNG, Mr CHAN Chi-chuen, Mr Jeremy TAM, Dr YIU Chung-yim, Ms Claudia MO and Mr KWONG Chun-yu spoke in support of Dr KWOK's motion. In essence, they held that the Administration had failed to bargain for better terms of cooperation for Hong Kong in its negotiation with TWDC and had not worked out any detailed plan for withdrawing its investment from HKDL. Considering that it was not the best time to negotiate with TWDC and there was no urgency in approving the funding proposal, they supported Dr KWOK's

motion. Mr Michael TIEN expressed similar views but did not make it clear whether he was in support of the motion.

29. Ms Starry LEE spoke against Dr KWOK's motion. In her view, members should vote on this funding proposal after protracted discussion. Adjournment of further proceeding of FC was only a waste of time.

30. The meeting ended at 5:45 pm.

Legislative Council Secretariat  
27 February 2018