

立法會
Legislative Council

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House Committee of the Legislative Council

**Minutes of the special meeting
held in the Legislative Council Chamber
at 3:15 pm on Friday, 5 November 1999**

Members present :

Dr Hon LEONG Che-hung, JP (Chairman)
Dr Hon YEUNG Sum (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon James TIEN Pei-chun, JP
Hon David CHU Yu-lin
Hon HO Sai-chu, SBS, JP
Hon Cyd HO Sau-lan
Hon Edward HO Sing-tin, SBS, JP
Hon Michael HO Mun-ka
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Wing-tat
Hon LEE Cheuk-yan
Hon Eric LI Ka-cheung, JP
Hon LEE Kai-ming, SBS, JP
Hon NG Leung-sing
Prof Hon NG Ching-fai
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon Ronald ARCULLI, JP
Hon MA Fung-kwok
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon Ambrose CHEUNG Wing-sum, JP
Hon HUI Cheung-ching
Hon Christine LOH Kung-wai
Hon CHAN Kwok-keung

Hon CHAN Yuen-han
Hon Bernard CHAN
Hon CHAN Wing-chan
Hon CHAN Kam-lam
Hon Mrs Sophie LEUNG LAU Yau-fun, JP
Hon LEUNG Yiu-chung
Hon Gary CHENG Kai-nam, JP
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon Jasper TSANG Yok-sing, JP
Hon Howard YOUNG, JP
Hon YEUNG Yiu-chung
Hon LAU Chin-shek, JP
Hon Mrs Miriam LAU Kin-yee, JP
Hon Ambrose LAU Hon-chuen, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon SZETO Wah
Hon Timothy FOK Tsun-ting, SBS, JP
Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP

Members absent :

Hon Albert HO Chun-yan
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Dr Hon Philip WONG Yu-hong
Hon WONG Yung-kan
Hon LAU Kong-wah
Hon LAU Wong-fat, GBS, JP
Hon Andrew CHENG Kar-foo
Hon FUNG Chi-kin

Public Officers attending :

Mr Gordon SIU, JP	Secretary for Planning, Environment and Lands
Mr Stephen IP, JP	Secretary for Economic Services
Miss Denise YUE, JP	Secretary for the Treasury
Mr Martin GLASS	Deputy Secretary for the Treasury

Mr S S LEE, JP	Secretary for Works
Mr Kevin HO	Deputy Secretary for Transport
Mr M J T ROWSE, JP	Commissioner for Tourism
Mr Albert LAM, JP	Director of Civil Aviation
Mr R D POPE, JP	Director of Lands
Mr Rob LAW, JP	Director of Environmental Protection
Mr Bosco FUNG, JP	Director of Planning
Mr LO Yiu-ching, JP	Director of Civil Engineering
Mr K Y TANG	Government Economist

Clerk in attendance :

Mrs Justina LAM	Clerk to the House Committee
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Staff in attendance :

Mr Jimmy MA	Legal Adviser
Mr LAW Wing-lok	Chief Assistant Secretary (2)5
Miss Mary SO	Senior Assistant Secretary (2)8

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The Chairman said that the purpose of the meeting was to continue discussion with the Administration on the Hong Kong Disneyland (HKD) project. The Chairman added that the 16 members who had raised their hands but were unable to ask questions at the special House Committee meeting on 3 November 1999 would be invited to ask questions first.

2. Mr Kenneth TING asked whether the financial accounts of the Hong Kong International Theme Parks Limited (HKITP) would be audited by an independent auditor or the Director of Audit. Secretary for the Treasury (S for Tsy) replied that HKITP would be registered under the Companies Ordinance and would comply with the auditing requirements of the Ordinance. S for Tsy added that she did not see any need for the Director of Audit to get involved in the auditing HKITP's financial accounts.

3. Mr James TIEN said that according to the information given in the "Briefing paper on Hong Kong Disneyland", the estimated economic benefits to Hong Kong in the sum of \$148 billion over 40 years would derive mainly from additional tourists visiting Hong Kong as well as additional spending by existing tourists and local residents. He asked whether the Administration could provide a breakdown of the benefits from such sources over periods of 10, 20 and 30 years.

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4. The Government Economist (G Econ) said that the calculation of economic benefits of \$148 billion over a period of 40 years was based on the assumption that the Base Case forecast of performance was achieved. G Econ added that apart from the key parameters of the Government, the projections on additional tourists produced by The Walt Disney Company (WD) and the Hong Kong Tourist Association were also used in working out the various forecasts.

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5. G Econ further said that the respective numbers of tourists and local residents visiting HKD were projected to increase from 3.2 million and 1.8 million in the opening year to 7.3 million and 2.8 million in 2024. G Econ also undertook to provide a breakdown of the economic benefits of \$148 billion in phases over the 40-year period in writing as requested by Mr TIEN.

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6. Mr Edward HO enquired whether the estimated number of jobs to be generated during the construction of HKD included jobs for professional personnel. G Econ replied that the 18 000 jobs to be created by the land formation and infrastructure works as well as the construction of the various elements of HKD included construction site workers and professional/management staff. G Econ added that further details on employment creation arising from the project would be provided in a written reply available early next week.

7. Mr Eric LI said that as the HKD project would spread over a long period of time with options for further expansion, he asked whether there would be flexibility in the Government's strategy in the development of Phase II and Phase III of the project. He also asked how the Government would monitor the expenditure of \$13.6 billion which would spread over a period of 10 years.

8. S for Tsy responded that future expansion of HKD would be dependent upon the performance of Phase I of HKD. S for Tsy further said that less than half of the \$13.6 billion would be spent in the period up to 2003-2004, and the timeframe for providing other facilities related to Phase I to attract more visitors would depend on how HKD performed in the early years after opening.

9. Commissioner for Tourism (CT) added that the performance of HKITP would be monitored against the Base Case financial projections. CT further said that the Board of Directors of HKITP could appoint independent experts from time to time to appraise particular aspects of HKITP's performance.

10. In response to Mr LI's further enquiry about the assumptions used by the Government in arriving at the Base Case forecast of economic benefits, CT said that the Government had carried out two types of analyses, viz. the economic analysis and the financial analysis. CT further said that since similar questions on the economic benefits were also raised at the meeting on 3 November 1999, the Administration would provide a written reply early next week detailing the major input assumptions used for the Base Case forecast. As regards the assessment of financial benefits, CT pointed out that the

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return on Government's investment was projected to be higher than the benchmark of around 10% set for investment in major commercial infrastructure projects such as the airport or railways. CT added that the Administration could only provide details on those parts of the financial arrangements which were not of a commercially sensitive nature.

11. Mr LAW Chi-kwong asked whether the Government had considered making greater use of land-based public filling materials or inert construction waste in reclaiming land for the HKD project, so as to reduce the extent of the use of marine fill in order to keep the environmental impact at Penny's Bay to a minimum.

12. Secretary for Works (S for W) said about 62 million cubic metres of fill would be required for Phase I of the HKD project. S for W pointed out that if marine fill was not used in the reclamation, the delivery of such a large amount of land-based fill would cause greater impact to the environment along the route to the HKD site. S for W added that contractors engaged for the reclamation works were expected to import part of the marine fill required.

13. Mr LAW further enquired about the estimated requirements of marine fill, land-based public fill and inert construction waste for Phase I of the project. S for W undertook to provide the details in writing.

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14. Miss Cyd HO enquired about the basis of Government's confidence in the ability of HKD to attract adequate patronage throughout the entire forecast period of 40 years. She also asked when the Government would start to receive a return on its investment in the project. CT replied that Phase I of HKD would not be fully developed in the initial years of its operation, and only 17 attractions were planned to be provided upon park opening. HKITP would progressively add more attractions in the following 15 years to attract visitors to return to visit the theme park again.

15. G Econ said that given that the land would be granted for a period of 50 years with an option for renewal for another 50 years, the forecast of economic benefits over a period of 40 years was not unreasonable. G Econ further said that projected economic benefits over shorter periods of time had also been made. According to these projections, the economic benefits would reach \$86 billion and \$123 billion over 20 years and 30 years respectively after park opening.

16. Miss HO further enquired about the rate of return on the Government's investment vis-à-vis what WD would earn on its investment.

17. CT explained that there was a difference between economic return and financial return. In terms of economic return, the HKD project would bring overall economic benefits to Hong Kong to the tune of \$148 billion over 40 years. CT further explained that much of the economic benefits would be generated from the on-site activities, but a significant part of the overall economic benefits would also come from the wider spin-

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offs, including those business activities in support of the theme park and associated facilities as well as the additional tourists' spending induced elsewhere in Hong Kong. In the case of the WD, it derived no economic benefit from the project. As regards the financial return, WD's return derived mainly from its equity in HKITP, management of theme park and license fees for its intellectual property. As for the Government's return, it came from the equity contribution and interest earned from the loan to HKITP. G Econ added that a comparison of the economic benefits and economic costs showed that there would be net economic benefits after five years of park opening.

18. Mrs Selina CHOW asked whether the Government Directors on the Board of HKITP would safeguard Hong Kong's interests in the development of intellectual property of HKD, given that the management of HKD rested with WD. CT responded that the Board of Directors of HKITP would no doubt be concerned about the quality of intellectual property developed for HKD. CT further said that WD had expressed the hope that more of HKD's intellectual property would be developed locally. CT stressed, however, that the royalty on WD intellectual property belonged to WD, but Hong Kong manufacturers would benefit from the manufacture of HKD products.

19. Mrs CHOW asked whether Hong Kong manufacturers would be granted more favourable terms than those given to their rivals in the region in the production of merchandising items that would be sold inside HKD.

20. CT said that the Government as shareholders in HKITP would be acting in a commercially prudent way. In his view, it would not be right for the Government Directors to order HKITP to act in a way that would be contrary to its best commercial interests. CT further pointed out that Hong Kong manufacturers would be in a more competitive position to bid for orders as transportation and other costs would be lower.

21. Mrs CHOW further enquired whether all of the Government Directors would be civil servants. CT replied that no decision had yet been made in this regard.

22. Mr David CHU asked whether HKITP was required to exercise the option to purchase the Phase II site within a fixed timeframe. CT replied that the option to purchase the Phase II site could be exercised any time within 20 years after park opening. However, if the annual attendance of Phase I of HKD reached 10 million and HKITP failed to exercise the option within the 20 years, the option would lapse. If the annual attendance reached 8 million in the three years immediately preceding the end of the 20-year period, HKITP could ask to extend the option for a further period.

23. Mr LEE Kai-ming said that the HKD site was originally reserved for the construction of Container Terminals 10 and 11. He asked where the two Container Terminals would be relocated as a result of the development of HKD.

24. Secretary for Economic Services (SES) said that construction of Terminal 9 would start next year. The first berth would be ready in 2002, and its sixth and final

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berth was expected to be completed by 2004. With the completion of Terminal 9, there would be adequate facilities to meet the growth in the demand for port facilities until 2008. SES further said that the Government was actively studying the feasibility of constructing container terminal facilities in Tuen Mun, and he was confident that an alternative site could be found for the construction of Terminals 10 and 11.

25. Mr LEE Kai-ming expressed concern that there might not be sufficient lead time for the Government to construct additional container terminal facilities to meet the anticipated demand in future years, given that it took a long time to identify the area at Penny's Bay on Lantau Island as a suitable site for Terminals 10 and 11.

26. SES responded that the sites earmarked for Terminals 12 and 13 could also be used if necessary. SES reiterated that there would be adequate time for the Government to plan for the construction of additional container terminal facilities to meet future demand.

27. Secretary for Planning, Environment and Lands (SPEL) added that the construction of Terminals 10 and 11 in Tuen Mun would have two main advantages. Firstly, there would be no need for ships to pass through Ma Wan and Victoria Harbour as a new waterway would be constructed to the west of Hong Kong. Secondly, the Government was studying the feasibility of building a bridge that would straddle Deep Bay to connect Hong Kong and Shekou, and this would make the journey time to Tuen Mun less than that to Lantau Island.

28. Miss CHOY So-yuk asked whether the infrastructure projects related to the HKD development would be monitored by the new Council for Sustainable Development, and if not, what would be the point of having such a body. She also asked whether other infrastructure projects in the pipeline would be affected by the HKD project.

29. SPEL responded that the relationship between the Council for Sustainable Development, which had yet to be set up, and other monitoring bodies would have to be considered carefully by the Government. Pending the establishment of this new body, the existing bodies would continue to be responsible for monitoring major infrastructure projects. SPEL further said that before the Government had agreed in principle to build HKD, the Government had examined all relevant aspects such as economic benefits, rate of return on investment, employment opportunities, traffic demand and impact on the environment. S for W added that the construction of HKD would not delay other infrastructure projects.

30. Mr MA Fung-kwok said that the development of HKD would bring with it a new wave of American culture to Hong Kong. He asked whether the Government had conducted any study to assess its impact on Hong Kong's cultural heritage. SES replied that the Disney concept was not a novelty to Hong Kong people, as Hong Kong had always been an international city with its unique blend of East and West. SES further

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said that the attractions in HKD would centre around both traditional Disney characters and Chinese cultural heritage.

31. Prof NG Ching-fai asked whether the Council for Sustainable Development would carry out sustainability impact assessment of the HKD project. SPEL reiterated that no timetable had been set for establishing this new body, as the Government would need to consider carefully duties to be prescribed for the new body and its relationship with other consultative bodies. SPEL further said that it was not clear at this stage whether the new body would assess the sustainability impact of the HKD in totality or in parts, but he was of the view that such assessment would provide valuable input to the HKD project.

32. Mr CHAN Kam-lam said that the Democratic Alliance for the Betterment of Hong Kong supported the building of HKD. He enquired whether the Government would hold a minimum stake in the HKITP to safeguard its interest, given that it had the option to sell down its shares after the first year of operation of HKD.

33. CT replied that as the Government would hold a 57% stake in the HKITP at the outset and its stake in the company would progressively increase when the \$4 billion worth of subordinated shares were able to convert to ordinary shares, he anticipated that the Government would hold a substantial stake in the company for an extensive period of time. He further said that so long as the Government held 10% of the paid up capital of the company, the Government would play a significant role in the operation of HKD.

34. Mr CHAN further enquired whether there was any plan for the HKITP to become a publicly listed company. CT replied that this possibility had been raised in the negotiations with WD, but it was premature to say at this stage whether, and if so when, such an eventuality would occur as much would depend on the performance of the theme park.

35. Mrs Miriam LAU said that according to the road map of HKD set out in Annex D to the "Briefing Paper on Hong Kong Disneyland", there were two road links to the theme park, viz. via the Tsing Ma Bridge and North Lantau Highway, and via Tsing Lung Bridge and the proposed Route 10. She pointed out that the construction of Route 10 would not be completed until 2007, and asked whether the existing road link to Lantau was able to cope with the traffic increase when the theme park opened in 2005.

36. Deputy Secretary for Transport (Dep S for T) said that prior to the completion of Route 10 in 2007, the only way for vehicles to have access to North Lantau was via Tsing Ma Bridge. Dep S for T pointed out that both the Government and WD took the view that the traffic generated in the early years of HKD operation would not be so heavy as to warrant the provision of another road link to coincide with the park opening, taking into account that half of the visitors to the theme park would be expected to travel by rail. In addition to the road and rail networks, the two public piers to be built nearby would also provide an alternative mode of transport to the theme park. Dep S for T

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added that the Government would endeavour to speed up the construction of Route 10 linking Tsing Lung Bridge.

37. Mrs LAU further asked whether the Government had made any contingency plans to cope if the actual traffic demand along the route to HKD via Tsing Ma Bridge exceeded the estimated demand, or there was a temporary shut down of the rail service. Mrs LAU hoped that the Administration could give a response to the LegCo Panel on Transport if it could not do so at the meeting. Dep S for T replied that the estimated number of visitors used in forecasting traffic demand was greater than that used in the Base Case forecast. He added that the Government had taken into account all possible scenarios when devising the transport plan for the HKD project.

38. Mrs Sophie LEUNG said that it was a good thing for Hong Kong to reach an agreement with WD to build HKD. She further opined that the service sector, particularly the tourism industry, should make use of the lead time before park opening to upgrade their service so as to take full advantage of the business opportunities that the HKD project would bring to Hong Kong.

39. CT concurred with Mrs LEUNG and said that given WD's reputation for creativity and operational excellence, the operation of HKD would set a new standard for the service sector in Hong Kong. CT added that HKD would enable Hong Kong to become a major international family holiday and entertainment destination. SES added that other tourist attractions not related to HKD such as the building of a cable car to Po Lin Monastery and a fisherman's wharf would need to be instituted between now and 2005 in order to reap the full benefits generated by the HKD project.

40. Mrs LEUNG further opined that environment-friendly work practices, such as the installation of a centralized dishwashing system to handle dishwashing in all eating establishments in the theme park, should be considered. CT responded that this was one type of operation which the theme park management would be sure to consider. CT further said that WD's commitment to environmental sensitivity in its theme parks around the world would help set a new standard for Hong Kong in this regard.

41. Miss CHAN Yuen-han said that the Hong Kong Federation of Trade Unions supported the HKD project. She enquired whether the Government had made any assessment of the downside potentials of the HKD project.

42. SES replied that both the Government and WD had agreed to use conservative forecasts of patronage for the Base Case projections. The Base Case assumed an attendance of some 5 million in the first year of park opening, as compared with an average annual attendance of around 10 million in other Disney theme parks. SES further said that an average annual growth rate of 5% "base tourists" was used in the Base Case, which was quite a conservative growth rate given that the number of tourists for the first nine months of this year had increased by about 11%.

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43. CT added that the Base Case which represented a prudent view of what was likely to happen was a reasonable basis for conducting the economic assessment. It was clear from the Base Case forecast that the HKD project would need to have encountered significant adversity over its lifetime before the return on the Government's investment in HKITP would be diluted below the cost of capital.

44. In reply to Miss CHAN's further enquiry as to whether WD had agreed not to build another theme park in China in the next ten years, CT said that no such condition was included in the agreement. CT added that as the interval between WD establishing theme parks in new locations tended to be about ten years, the arrival of a new rival would be a long time coming.

45. In reply to Mr LEUNG Yiu-chung's enquiry about the impact of the HKD project on the Government budget, S for Tsy said that the Government would not raise taxes nor cutback public expenditure as a result of the Government's investment in the project. S for Tsy further said that the total Public Works Programme expenditure in the Medium Range Forecast announced in March this year included sufficient provision to meet the cash flow requirement of the project for the period 1999-2000 to 2002-2003.

46. Mr LEUNG further enquired whether the HKD project would bring about deficit budgets in the coming years. S for Tsy said that according to the Medium Range Forecast, the deficit for the current financial year was estimated to be about \$36 billion. S for Tsy further said that assuming that a substantial minority share of the Mass Transit Railway Corporation could be successfully privatized through a public offering, the deficit in the next financial year was projected to be about \$5.6 billion.

47. Miss Emily LAU said that in her view, the development of HKD could not be regarded as an infrastructure project despite what the Government had said. CT explained that the Government considered it appropriate to look at HKD as an infrastructure project in view of the very substantial economic benefits which would be derived from the development of HKD, although the financial return on the Government's investment in the HKD project would be higher than the average return of around 10% on investment in other infrastructure projects. CT pointed out that Hong Kong at present lacked holiday attractions which would induce families to consider Hong Kong as a family holiday and entertainment destination. HKD would give Hong Kong's tourism industry an extra dimension in this regard.

48. CT further said that a good analogy to the development of HKD as an infrastructure project was the construction of the Convention and Exhibition Centre which played an important role in promoting Hong Kong's status as a major international hub for business. CT added that after the construction of the Centre was completed, it was handed over to the private sector for management on a profit-sharing basis with no possibility of charging a premium for the land.

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49. CT explained that financing arrangements for the HKD project were comparable to, and in some areas even more favourable than, the arrangements for the Disney theme parks in Tokyo and Paris. In the case of the Euro Disneyland in Paris, the French Government gave cash grant and tax concessions to WD in addition to expending a vast amount of public money on infrastructure facilities. The French Government also allowed WD to buy a huge piece of land around the theme park at agricultural land prices with the option to use the land for other developments.

50. Miss Emily LAU asked whether the Government and WD were the only two partners in the HKD project was because third party investors had withdrawn from the project after they had seen the forecast financial returns. She further enquired about the rate of return on the \$22.45 billion if it was invested in the Exchange Fund for a period of 40 years.

51. S for Tsy responded that a distinction should be made between the financial return and the economic return. In so far as the financial return was concerned, S for Tsy said that the overall return which the Government would get on its investment in HKD, which would include the return on equity investment and the return from the interest earned on its \$5.6 billion loan to HKITP, would far exceed the return on government's fiscal reserves invested with the Exchange Fund. S for Tsy pointed out that the overall return would be further improved when the \$4 billion worth subordinated shares were able to convert into ordinary shares. S for Tsy reiterated that the Base Case was not the most optimistic assessment. The sensitivity tests on the project's downside potentials showed that even if the HKD project performed below the Base Case forecast, the financial return on the Government's investment in the project would still fare better than the return from investing the capital in the Exchange Fund.

52. On the issue of third party investors, CT said that potential third party investors could become shareholders in HKITP before and after park opening. CT added that strategic investors such as airlines, travel agents and hotel operators would see advantage in a tie-up with a major tourist attraction and were more likely to join in prior to park opening. The other type of investors would be independent investors who would see the project purely in investment terms and would join in after park opening if the project offered acceptable returns.

53. Miss Emily LAU further asked the Administration to provide detailed information on the assessment of economic benefits under the best and worst case scenarios, the financial performance of the theme parks in Paris and Tokyo during the initial years of park opening, and the terms which the French and Japanese sides had offered to WD for the Disney theme parks. The Administration undertook to provide the information in writing within the following week.

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54. Mr LEE Cheuk-yan asked how the Government would be able to come up with the money to invest in the HKD project without resorting to raising tax or curtailing public expenditure.

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55. S for Tsy replied that the \$22.45 billion would be spent over a period of ten years. Given that the average annual Government expenditure was about \$260 billion - \$270 billion, the estimated annual outlay on the project represented only a small fraction of the total annual Government expenditure. S for Tsy added that there was no need for the Government to raise taxes or reduce expenditure in other areas in order to come up with the capital for financing the HKD project as sufficient provision had been included in the Medium Range Forecast.

56. In reply to Mr James TO's enquiry as to whether the Administration would disclose details of the contractual arrangements reached with WD, CT said that it was not possible to disclose the full details of the different contract documents as much of the details involved commercially sensitive information. Mr TO suggested that the Administration should provide a list setting out the categories of information that could not be disclosed together with the reasons for non-disclosure. CT undertook to give as much details as possible early next week for Members' information.

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57. Dr YEUNG Sum asked whether under the terms of the contractual agreements, HKD could suspend the licensing fees to WD in the event that the park ran into financial difficulty.

58. CT pointed out that what happened in Euro Disneyland in Paris was that it was the commercial banks which forced a financial restructuring. CT reiterated that the Government and WD were mindful of the Euro Disneyland experience and had decided not to over-leverage the HKD project. To this end, the Government and WD had agreed that the HKD construction cost should be financed by a mixture of debt and equity at a commercially prudent ratio of approximately 60:40. CT further said that in the event of a very serious downside scenario occurring, the two sides would need to discuss how to deal with the problem.

59. Dr TANG Siu-tong enquired whether there was any provision in the agreement to ensure that the Government loan of \$5.6 billion to HKITP would be repaid with interest in case the project performed below the Base Case forecast. S for Tsy replied that provisions had been included in the agreement to safeguard the Government's interest. CT said that the Administration would provide more details on such provisions in writing.

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60. Miss Margaret NG said that it would assist Members in their consideration of the economic viability of the HKD project if the Administration could provide more details on the financial arrangements as well as the methodology and assumptions used in arriving at the Base Case forecast of net economic benefits of \$148 billion over 40 years.

61. In reply to the Chairman's enquiry about the provision of medical facilities for the theme park, CT said that there would be first-aid posts inside the park as well as a fire/ambulance station in the vicinity of the park.

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62. Dr YEUNG Sum suggested that outside financial experts and academics should be invited to give views on the HKD project. Miss Emily LAU expressed support for Dr YEUNG's suggestion. She further said that the Establishment Subcommittee (ESC) should defer discussion of the submission on the staffing proposals for the HKD project at the meeting scheduled for 10 November 1999 until Members had received all the relevant information from the Administration and heard the views from deputations.

63. Mr Eric LI said that it would be more appropriate for the Panel on Economic Affairs to follow up on the matter. Mr James TIEN, Chairman of the Panel, concurred with Mr LI.

64. CT said that the Administration had no strong views on deferring the consideration of the ESC submission so long as the deferral would not delay the consideration of the HKD project by the Finance Committee on 26 November 1999. CT suggested that the ESC submission and the Public Works Subcommittee (PWSC) submission be dealt with on the same day, i.e. 17 November 1999. The Chairman said that the chairmen of the ESC and PWSC would be notified of the new arrangement.

65. With the concurrence of Mr James TIEN, the Chairman suggested that the Panel on Economic Services should hold a special meeting at 8:30 am on 11 November 1999 to continue discussion with the Administration on the HKD project and to meet deputations. Non-Panel members would also be invited to attend the meeting. Members agreed.

66. The meeting ended at 5:16 pm.

Legislative Council Secretariat
22 November 1999