



*From the desk of the
Director-General
投資推廣署署長用箋*

Our Ref : IHK/AMB/2/3 IX
Your Ref : CB(3)/PAC/R42

6 May 2004

Ms Miranda Hon
Clerk to Public Accounts Committee
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Urgent by Fax

Dear Ms Hon,

**The Director of Audit's Report on the
Results of Value for Money Audits (Report No. 42)**

Chapter 4 : Hong Kong Harbour Fest

Thank you for your letter of 3 May 2004.

On (a), the breakdown of the talent budget of \$73.3 million as submitted by the American Chamber of Commerce in Hong Kong (AmCham) on 6 July 2003 is enclosed.

As regards the breakdown of the expenditure of \$89.1 million for artist fees in the audited accounts of Red Canvas, we understand from AmCham that a confidentiality agreement exists covering all contracts of talents performing in Harbour Fest. Against this background, we do not have access to and hence are unable to provide the Committee with the breakdown.

On (b), AmCham has advised that there are no profit and loss accounts for individual shows of Harbour Fest, because a number of overhead costs are spread over the various shows in the festival.

On (c), AmCham has advised us that the 12 000 complimentary tickets were mainly distributed to commercial entities (e.g. shops and

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restaurants, etc), which were either sponsoring the festival in kind or providing assistance in support of the festival (e.g. help distribute flyers and/or put up posters in their premises, etc). According to AmCham, most of these tickets were for the less expensive seats. However, they have not been able to provide further details of the breakdown of distribution.

I shall be pleased to discuss further if you or the Committee require any further clarification.

Yours sincerely,

A handwritten signature in black ink, appearing to read "M J T Rowse". The signature is written in a cursive style with a large initial "M".

(M J T Rowse)
Director-General of Investment Promotion

cc AA/FS

Hong Kong International Autumn Festival

<i>Talent Budget</i>	COMPONENT TOTAL IN USD
Talent costs all delivered: (fees plus all expenses)	
Bruce Springsteen and Band	1,800,000
Family Festival	450,000
Viva Las Vegas	850,000
Linkin Park or J Lo	750,000
NBA Experience	500,000
X Games	200,000
Asian Pop Stars/Coco Lee	1,000,000
Sting	1,000,000
Jazz and Comedy Fest	500,000
Blues Fest with James Brown	400,000
Kylie or Britney or Faith	1,000,000
Santana or Enrique	800,000
Taste of Hong Kong	150,000
TOTALS	\$ 9,400,000