# 立法會 Legislative Council

LC Paper No. ESC130/16-17 (These minutes have been seen by the Administration)

Ref: CB1/F/3/2

#### **Establishment Subcommittee of the Finance Committee**

# Minutes of the 13<sup>th</sup> meeting held in Conference Room 1 of Legislative Council Complex on Wednesday, 26 April 2017, at 8:30 am

# **Members present:**

Hon Mrs Regina IP LAU Suk-yee, GBS, JP (Chairman)

Hon Alvin YEUNG (Deputy Chairman)

Hon James TO Kun-sun

Hon WONG Ting-kwong, SBS, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon WONG Kwok-kin, SBS, JP

Hon Paul TSE Wai-chun, JP

Hon LEUNG Kwok-hung

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

Dr Hon KWOK Ka-ki

Hon KWOK Wai-keung

Dr Hon Fernando CHEUNG Chiu-hung

Dr Hon Helena WONG Pik-wan

Hon IP Kin-yuen

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 CHU Hoi-dick

Hon Jimmy NG Wing-ka, JP

Hon HO Kai-ming

Hon LAM Cheuk-ting

Hon Holden CHOW Ho-ding

Hon SHIU Ka-fai

Hon Wilson OR Chong-shing, MH

Hon YUNG Hoi-yan

Hon CHAN Chun-ying

Hon Tanya CHAN

Hon LUK Chung-hung

Hon KWONG Chun-yu

Hon Jeremy TAM Man-ho

Hon Nathan LAW Kwun-chung

Dr Hon YIU Chung-yim

# **Member attending:**

Hon CHAN Hak-kan, BBS, JP

#### **Members absent:**

Hon Abraham SHEK Lai-him, GBS, JP Hon Charles Peter MOK, JP Hon SHIU Ka-chun Hon LAU Kwok-fan, MH

# **Public Officers attending:**

Ms Carol YUEN Siu-wai, JP Deputy Secretary for Financial Services

and the Treasury (Treasury) 1

Mr Eddie MAK Tak-wai, JP

Mr Andrew LAI, JP

Deputy Secretary for the Civil Service 1

Deputy Secretary for Financial Services

and the Treasury (Treasury) 2

Ms Pecvin YONG Principal Assistant Secretary for

Financial Services and the Treasury

(Treasury)(Revenue)

Mr TAM Tai-pang, JP Deputy Commissioner of Inland

Revenue (Operations)

Mr HON Chi-keung, JP Permanent Secretary for Development

(Works)

Mr Vincent MAK Deputy Secretary for Development

(Works) 2

Mr LAM Sai-hung, JP Director of Civil Engineering and

Development

Mr Robin LEE, JP Project Manager (Hong Kong Island

and Islands), Civil Engineering and

Development Department

#### **Clerk in attendance:**

Ms Connie SZETO Chief Council Secretary (1)4

#### **Staff in attendance:**

Mr Keith WONG Council Secretary (1)4

Ms Alice CHEUNG Senior Legislative Assistant (1)1

Miss Yannes HO

Ms Haley CHEUNG

Legislative Assistant (1)6

Legislative Assistant (1)9

#### Action

The Chairman drew members' attention to the information paper ECI(2017-18)1, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the five items on the agenda. She then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interest relating to the funding proposal under discussion at the meeting before they spoke on the item. She also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

EC(2016-17)28

Proposed creation of one permanent post of Administrative Officer Staff Grade C (D2) in the Treasury Branch of the Financial Services and the Treasury Bureau to strengthen support on policy and legislative matters on initiatives regarding various Hong Kong's cooperation with the international community on tax matters; and making permanent of one supernumerary post of Chief Assessor (D1) in the Inland Revenue Department to cope with the increased workload and various policy initiatives relating to stamp duty

2. <u>The Chairman</u> remarked that the staffing proposal was to create one permanent post of Administrative Officer Staff Grade C (D2) in the Treasury Branch of the Financial Services and the Treasury Bureau ("FSTB(TsyB)") to strengthen directorate support on policy and legislative matters on various initiatives regarding Hong Kong's cooperation with the international community on tax matters; and make permanent one supernumerary post of Chief Assessor (D1) in the Inland Revenue Department ("IRD") to cope with the increased workload and various policy initiatives relating to stamp duty. She pointed out that discussion of the item was carried over from the meeting on 25 April 2017.

<u>Creation of one permanent directorate post in the Treasury Branch of the Financial Services and the Treasury Bureau</u>

Implementation of actions plans under the package of measures to tackle base erosion and profit shifting of enterprises

3. Mr Paul TSE expressed support for this staffing proposal. He noted that some members pointed out at the meeting on 25 April that Hong Kong should endeavour to implement the international tax cooperation initiatives put forward by the Organisation for Economic Co-operation and Development ("OECD"), such as the package of measures to tackle base erosion and profit shifting ("BEPS") of enterprises, so as to avoid being included in the lists of "non-cooperative tax jurisdictions". He did not agree with such suggestion, and was worried that Hong Kong's business environment might be undermined if some of the tax cooperation proposals put forward by OECD were implemented in Hong Kong. He opined that Hong Kong had to maintain a simple and flexible tax regime that was trade-friendly when fulfilling its international tax obligations. He enquired how Hong Kong would implement the various BEPS action plans, and how Hong Kong as an Associate of OECD was different from other

member states in terms of obligations to be fulfilled.

- 4. <u>Deputy Secretary for Financial Services and the Treasury (Treasury) 2</u> ("DS(Tsy)2") replied that the main purpose of the BEPS package formulated by OECD was to prevent tax avoidance by multinational corporations. There were 15 action plans in the package, with four of them being minimum requirements. He advised that as Hong Kong was obliged to comply with the requirements in respect of international tax cooperation while at the same time needed to safeguard its interests, the Government only planned to implement the four necessary action plans in the package to meet the minimum requirements of OECD. He added that as Hong Kong was not a member state of OECD, it was involved in the BEPS package as an Associate whose responsibilities were comparable to those of member states.
- 5. Mr WU Chi-wai commented that Hong Kong's simple tax regime was instrumental in protecting the local economy, and that it was necessary for the Government to make comprehensive consideration in handling tax issues to ensure that a balance was struck between implementing international obligations and safeguarding Hong Kong's interests. He enquired how OECD would monitor the implementation of the four necessary action plans by member states, and whether it had set out a timetable for member states to implement the remaining 11 action plans. He also enquired about the number of member states having implemented the BEPS package so far.
- 6. <u>DS(Tsy)2</u> advised that OECD would conduct peer review on the implementation of the BEPS package, and member states which failed to implement the four necessary action plans might be included in the list of "non-cooperative tax jurisdictions" or subject to the tax sanctions by member states. At present, there were nearly 100 countries which had undertaken to implement the BEPS package, including China, the United States, countries in the European Union and Japan, etc. He supplemented that OECD had yet to set out any timetable for the implementation of the remaining 11 action plans by member states, but it was expected that following its review of the BEPS action plans in 2020, member states would be required to implement the remaining action plans in stages.
- 7. <u>Dr KWOK Ka-ki</u> expressed support for increasing the manpower of FSTB(TsyB) for handling tax cooperation matters. He was worried that Hong Kong as an international financial centre would become a haven for tax avoidance or evasion if the Government's initiatives merely focused on maximizing Hong Kong's interests at the expense of the obligations on international tax cooperation. <u>Dr KWOK</u>, <u>Mr WU Chi-wai</u> and

- Mr LEUNG Kwok-hung sought the Administration's explanation on how the implementation of the BEPS action plans in Hong Kong would achieve the purpose of combating tax avoidance in Hong Kong by large enterprises.
- 8. DS(Tsy)2 explained that the main objective of introducing the BEPS package by OECD was to ensure that multinational companies would link up their regional profits with tax obligations. prevent such companies from transferring the profits generated from their operations around the world to areas with low tax rates. Under the BEPS package, multinational companies with an annual turnover exceeding €750 million were required to file tax returns to the local governments, and member states might exchange the tax information of multinational companies to facilitate tax investigation. Hong Kong would tie in with the tax information exchange arrangement under the BEPS package. Hong Kong had all along adopted the territorial source principle of taxation, only the profits generated from companies' operations in Hong Kong would be taxed by IRD. Therefore, even though the information on multinational companies' profits generated outside Hong Kong could be obtained through the implementation of the BEPS package, it was not expected to contribute significantly to Hong Kong's tax revenue. stressed that companies with profits generated from operations in Hong Kong were required to pay tax, and IRD would strictly enforce various revenue collection initiatives to prevent tax avoidance or evasion.
- 9. The Chairman expressed support for the Government's proactive participation in international organizations relating to tax cooperation, and commented that Hong Kong could safeguard its interests as well as its edge on taxation on international platform through its participation in international tax affairs. She enquired whether the Administration had considered setting up an office in support of Hong Kong's participation in OECD.
- 10. <u>DS(Tsy)2</u> advised that the Special Representative to the European Union of the Hong Kong Economic and Trade Office, Brussels under the Commerce and Economic Development Bureau was currently responsible for supporting Hong Kong's participation in OECD. He said that he would reflect to relevant bureaux the Chairman's suggestion of setting up an office in support of OECD-related work.
- 11. <u>Mr LUK Chung-hung</u> enquired whether the present low tax regime of Hong Kong coupled with its sound legal system and favourable geographical factors would draw overseas companies to register and file tax returns in Hong Kong and even resort to their business operation in Hong Kong so as to avoid the need to file tax returns in areas with high tax rates.

12. <u>DS(Tsy)2</u> replied that IRD was duty-bound to ensure that companies registered in Hong Kong would file tax returns and pay tax on the basis of the profits generated from their Hong Kong operations. It was difficult for the Government to assess why individual companies sought to register and operate in Hong Kong. He added that there were currently nearly 1.3 million registered companies in Hong Kong, and according to the statistics for the 2015-2016 financial year, about 110 000 companies were required to pay profits tax, amounting to more than \$130 billion in total and accounting for nearly 25% of the Government's overall tax revenue.

# Work of the proposed post

- 13. <u>Mr WU Chi-wai</u> enquired how the proposed post would promote the implementation of various international agreements on tax cooperation in Hong Kong. <u>Dr KWOK Ka-ki</u> enquired why the proposed post was not created as a time-limited supernumerary post if it was only responsible for implementing the four BEPS action plans by 2020.
- 14. DS(Tsy)2 advised that the scope of work of the proposed post would include consulting relevant sectors before promoting new tax arrangements and explaining to them the impact such arrangements would have on them, as well as helping them resolve the difficulties in respect of compliance. He supplemented that apart from the BEPS package, Hong Kong would also need to implement the common reporting standard under automatic exchange of financial account information in tax matters. was necessary for the Government to amend the Inland Revenue Ordinance (Cap. 112) in order to take forward the requirements of the above international agreements on tax cooperation. The proposed post would need to handle a great deal of work involving the amendment to the Inland Revenue Ordinance. In the long run, given the increasing workload in respect of international agreements on tax cooperation as expected by the Government, there was an imminent need to create a permanent post for handling such work.

# <u>Creating one supernumerary post of Chief Assessor in Inland Revenue</u> Department

15. Noting from paragraph 21 of the Government's paper that the Stamp Office ("SO") of IRD had to deal with a large number of appeal cases involving stamp duty in recent years and that handling these appeal cases was part of the responsibilities of the proposed post, <u>Dr KWOK Ka-ki</u> enquired about the number of appeal cases handled by SO over the past

three years and the amount of stamp duty under dispute.

16. Deputy Commissioner of Inland Revenue (Operations) replied that as of March 2017, there were a total of about 150 appeal cases involving stamp duty that were yet to conclude and would be taken to court, and nearly 20% of them were related to the Government's demand-side management measures addressing the overheating property market. He added that given the rising number of appeal cases as well as their increasing complexity, IRD needed to create the proposed post to monitor and handle the cases, but it was difficult to project for the time being the amount of tax to be successfully recovered following creation of the post. He agreed to provide detailed statistics on the appeal cases to the Subcommittee later.

[*Post-meeting note*: The supplementary information provided by the Administration was circulated to members on 22 May 2017 vide LC Paper No. ESC103/16-17(01).]

# Voting on the item

17. <u>The Chairman</u> put the item to vote. She considered that the majority of the members voting were in favour of the item, and declared that members of the Subcommittee agreed to recommend the item to the Finance Committee ("FC") for approval. <u>Mr CHU Hoi-dick</u> requested that the item be voted on separately at the relevant FC meeting.

### EC(2016-17)29

Proposed creation of four supernumerary posts of one Principal Government Engineer (D3), one Government Town Planner (D2) and two Chief Engineers (D1) in the Civil Engineering and Development Department (CEDD) to lead a new Sustainable Lantau Office (SLO) up to 31 March 2021; and redeployment of three D3, five D2 and 13 D1 directorate posts within CEDD arising from the establishment of SLO and re-organization of the existing Development Offices in CEDD with immediate effect upon approval by the Finance Committee

18. <u>The Chairman</u> remarked that the staffing proposal was to create four supernumerary posts of one Principal Government Engineer (D3), one Government Town Planner ("GTP") (D2) and two Chief Engineers (D1) in the Civil Engineering and Development Department ("CEDD") to lead a

new Sustainable Lantau Office ("SLO") up to 31 March 2021; and redeploy three D3, five D2 and 13 D1 directorate posts within CEDD arising from the establishment of SLO and re-organization of the existing Development Offices in CEDD with immediate effect upon approval by FC.

19. The Chairman advised that the Administration consulted the Panel on Development on the proposal on 16 December 2016. Members of the Panel noted that the proposed SLO would mainly be staffed by engineers, and most of the projects to be taken forward or coordinated by SLO were development projects. Some members were therefore concerned that SLO would not endeavor to protect Lantau's natural environment. In addition, some members queried the rationale for setting up SLO, as some of the projects to be taken forward or coordinated by SLO were currently carried out by CEDD. Some members also pointed out that SLO would be dedicated to taking forward the development of East Lantau Metropolis ("ELM"), which was a proposal under "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030". As the relevant public engagement exercise was still going on, some members considered it inappropriate to set up SLO at this stage. Members held divergent views on whether the proposal should be submitted to the Establishment Subcommittee for consideration. Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong, the Hong Kong Federation of Trade Unions and the Liberal Party as well as Mr YIU Si-wing said they supported the submission. Members belonging to the Civic Party, Mr LEUNG Yiu-chung, Mr CHAN Chi-chuen, Dr Fernando CHEUNG, Mr CHU Hoi-dick and Dr CHENG Chung-tai said they did not support the submission, and Dr YIU Chung-yim said he could not support the submission for the time being.

# Development and conservation initiatives for Lantau

- 20. <u>Dr KWOK Ka-ki</u> expressed opposition against the staffing proposal. He pointed out that development projects of various new towns such as North East New Territories, Hung Shui Kiu and Wang Chau, Yuen Long had already resulted in dwindling countryside areas, and the Government's pursuit of Lantau development would lead to further reduction of the countryside areas and disrupt Lantau's ecological environment. In addition, he queried if the development initiatives for Lantau were meant to allow landowners there to profit from development.
- 21. Mr CHU Hoi-dick was concerned that some sites in South Lantau, such as Pui O wetlands, were currently not covered by Development Permission Area plans and hence were not protected by the law, resulting in damage made to areas with conservation value. He commented that if

the Government had no plan to amend the legislation for the protection of sites of ecological value, members of the public would not believe in the Government's determination to conserve Lantau despite renaming SLO as "Sustainable Lantau Office".

- 22. <u>Mr CHAN Chi-chuen</u> expressed opposition against the staffing proposal as well as the Government's development initiatives for Lantau. He queried the need to create the proposed posts, and enquired whether CEDD could handle the task of Lantau development through its existing structure rather than establishing a special SLO should the next-term Government decide to reduce the scale of Lantau development.
- 23. Permanent Secretary for Development (Works) ("PSD/W") advised that it was the Government's vision to develop Lantau under the principle of "Development at the North; Conservation for the South" to strengthen protection of areas in South Lantau while pursuing development for North The Government had reserved \$30 million in the 2017-2018 financial year for the Environment and Conservation Fund in support of the conservation work at Pui O, Tai O and Shui Hau. Upon establishment, SLO would conduct comprehensive studies on how development and conservation of Lantau should be planned and would launch various short, medium and long-term initiatives. He supplemented that Lantau development initiatives were currently implemented by several bureaux and departments, and it was difficult to achieve optimal work outcomes with scattered manpower and resources. SLO would be a one-stop office responsible for coordinating and taking forward the various initiatives.
- Mr WU Chi-wai said that the Democratic Party had no objection in principle to the Government's move to take forward the various committed developments for North Lantau, and was of the view that such projects would help increase land supply to address the needs for housing and economic development. However, he was worried that the Government's ambitious development of other areas in Lantau would damage Lantau's ecological environment. In line with the Government's strategy of pursuing development for North Lantau and conservation for South Lantau, he enquired whether the Government would consider an arrangement where each of the two Deputy Heads ("DHs") of SLO would respectively in charge of development and conservation for Lantau.
- 25. <u>PSD/W</u> responded that a Government Engineer would be DH1 of SLO responsible for overseeing the various Lantau development projects at the design and construction stages, while a GTP would be DH2 of SLO responsible for the planning of development and conservation issues. In carrying out their work, both DHs would need to take into account the

various initiatives for the conservation of Lantau's ecology concurrently. He opined that such arrangement would help the two DHs identify the conservation elements in their scope of work to achieve the objective of placing equal emphasis on development and conservation for Lantau. The arrangement was more appropriate than each of the two DHs being respective leaders of development and conservation initiatives.

- 26. <u>Ir Dr LO Wai-kwok</u> advised that he and the Business and Professionals Alliance for Hong Kong supported the staffing proposal. He pointed out that upon completion of the Hong Kong-Zhuhai-Macao Bridge and the airport's third runway, Lantau would become an important transport and logistics hub for Hong Kong to connect with areas around the world as well as in the Pearl River Delta ("PRD") region. The Government should pursue ambitious development for Lantau to promote the economic activities of the area and develop Lantau into a livable town. He urged the Government to take in different views from the community while pursuing development for Lantau and show understanding of the opposition so as to strike a balance between development and conservation for Lantau.
- 27. Mr LAW Kwun-chung queried that the Government's ambitious development plan for Lantau was meant to expedite the integration of Hong Kong with the Mainland through the construction at Lantau of infrastructure connecting with PRD region. He was concerned that Hong Kong would lose its autonomy on planning and development.
- 28. <u>PSD/W</u> pointed out that it was necessary for any economy pursuing development to establish close ties with neighbouring areas. He reiterated that the Government was committed to Lantau development in order to foster Hong Kong's ties with the Greater PRD region to become an international logistics hub of the region. The Government was free of external interference in its planning for Lantau development.
- 29. The Chairman pointed out that construction of community facilities had been given no attention in Hong Kong's new town developments in the past, and there was inadequacy in such facilities as elderly care, child care services and healthcare services in many new towns. She enquired how the Administration would address residents' needs for community facilities in its planning for Lantau development. In addition, the Chairman pointed out that a topical paper on PRD region development was published in an international journal in April, and suggested that the Administration provide the paper to members for reference.

[*Post-meeting note*: The supplementary information provided by the Administration was circulated to members on 18 May 2017 vide LC Paper No. ESC101/16-17(01).]

- 30. <u>Dr CHIANG Lai-wan</u> commented that in its planning for Lantau development, the Government should optimize the basic ancillary facilities for the elderly in order to attract them to live in Lantau. She suggested that the Government should listen to the views of the planning sector during its planning. She also enquired when the Government would publicize the overall planning blueprint for Lantau development.
- 31. <u>PSD/W</u> replied that the Lantau Development Advisory Committee had completed a three-month public consultation in April 2016 and published a report in November 2016 on the consultation on Lantau development. Due to inadequate manpower and scattered resources at the bureau level, work involving the drawing up of the blueprint for Lantau development and conservation had yet to conclude. He expected such work to accelerate upon SLO's establishment. He reiterated that SLO would coordinate the development initiatives for Lantau in a one-stop manner upon its establishment, including planning for community facilities in the area and studies on traffic and transport, to address the needs of Lantau residents. He agreed to provide to the Subcommittee the topical paper on PRD region development published in the international journal concerned later.
- 32. Mr Jeremy TAM expressed opposition to the Government spending a huge amount of public money on the construction of artificial islands as well as to the staffing proposal. Mr LEUNG Kwok-hung commented that the Government needed to halt the Tung Chung new town development project due to its wrong projection of Hong Kong's economic development years ago. He queried that the Administration's projection of Hong Kong's future population and economic development was inaccurate, resulting in erroneous planning for Lantau development.
- 33. <u>PSD/W</u> pointed out that according to the projection of the Census and Statistics Department, Hong Kong's population would reach 8.22 million by 2043; and given the dwindling household size, the number of households was projected to increase by 500 000 by 2044. Moreover, the current living space per capita merely stood at 10 or so square metres, which was far behind that of other advanced cities. These figures reflected Hong Kong's need for more land to address the escalating demand for housing. In addition, in the Government's estimate, more than 300 000 buildings would be aged 70 or above by 2046, and it was necessary to reserve sites for rehousing residents when such buildings were being

renovated or redeveloped. He stressed that the Government's use of public money on infrastructure development would help drive economic growth and enable Hong Kong to remain highly competitive in the global community. As regards the Tung Chung new town development project, relevant work had already commenced, and the Government would also consult the Panel on Development on the project.

#### Reclamation for the construction of artificial islands

- 34. <u>Dr KWOK Ka-ki</u> opposed the Administration's plan to develop artificial islands in the eastern waters of Lantau by reclamation. <u>Mr WU Chi-wai</u> expressed support for the Administration's studies on the construction of artificial islands in the central waters near Kau Yi Chau by reclamation, but opposed extending the artificial islands southward to the waters around Hei Ling Chau and Mui Wo.
- 35. PSD/W pointed out that 7% of Hong Kong's land came from reclamation at present, amounting to around 6 800 hectares; nearly 27% of its population lived on such reclaimed land; and nearly 70% of its commercial floor area was situated on reclaimed land, showing that generating land from reclamation was an essential means of increasing the supply of land. At present, the Government had plans to increase land in Tsing Yi, Ma Liu Shui and Lantau by reclamation, but it was still necessary to pursue reclamation for the long-term planning and development of Hong The Government was of the view that the central waters near Kau Yi Chau were of low ecological value, and the favourable spatial setup there allowed connection with Hong Kong, Kowloon and Lantau, so it was applying for funding from the Legislative Council to look into the feasibility of constructing artificial islands there by reclamation. added that if artificial islands were constructed in the waters around Kau Yi Chau, it would be necessary to develop a transport network connecting with Lantau. The Government would look into the feasibility of connecting the artificial islands with North or South Lantau.
- 36. Mr CHU Hoi-dick estimated that the project cost of reclamation coupled with the various infrastructure projects to be carried out on the artificial islands amounted to hundreds of billion dollars, which was a waste of public money. He opposed the Government's construction of artificial islands in the central waters by reclamation as well as the staffing proposal. In addition, to his understanding, CEDD had completed an assessment report on the traffic connecting the artificial islands with Kennedy Town, but the Administration had all along declined to make public the report. He requested the Administration to provide relevant information. Director of Civil Engineering and Development replied that

#### Action

the traffic assessment would be completed later this year, and members might request access to relevant information in accordance with the Government's Code on Access to Information.

- 37. Noting from the Government's paper that the Government hoped to meet the demand for commercial and residential land through the construction of artificial islands, <u>Mr Jeremy TAM</u> enquired about the details of the artificial island development project and the projected population intake of the islands.
- 38. <u>PSD/W</u> replied that according to the preliminary study on ELM, the Government envisaged to develop the artificial islands into a smart, low-carbon community and would consider developing the artificial islands into the third Core Business District to reduce the demand for transport infrastructure arising from residents travelling elsewhere for work. In addition, the artificial islands were projected to measure 1 000 hectares to accommodate a population of 400 000 to 700 000.

#### Other issues

39. The Chairman pointed out that Mr CHU Hoi-dick had submitted written questions. She opined that some questions involved the operation of Hong Kong Disneyland, which was not directly relevant to the staffing proposal. Mr CHU Hoi-dick responded that there were currently height restrictions on the government land in the vicinity of Hong Kong Disneyland, and the Administration was in negotiation with The Walt Disney Company on relaxing such restrictions. Therefore, he requested the Administration to provide more information regarding his concerns, and the request was relevant to the staffing proposal. The Chairman agreed that Mr CHU's questions be referred to the Administration for follow-up. PSD/W advised that the information requested by Mr CHU would be provided as far as practicable.

[*Post-meeting note*: The written questions raised by Mr CHU Hoi-dick on 26 April 2017 and the information provided by the Government were circulated to members on 19 May 2017 vide LC Paper No. ESC102/16-17(02).]

40. At 10:29 am, the Chairman said that the Subcommittee would continue to discuss this item at the next meeting.

41. The meeting ended at 10:29 am.

Council Business Division 1
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15 June 2017