

立法會
Legislative Council

LC Paper No. CB(1) 1933/00-01
(These minutes have been seen
by the Administration)

Ref: CB1/BC/5/00/2

**Bills Committee on
Hong Kong Science & Technology Parks Corporation Bill**

**Meeting on
Tuesday, 20 February 2001, at 2:30 pm
in Conference Room A of the Legislative Council Building**

Members present : Hon Kenneth TING Woo-shou, JP (Chairman)
Hon James TIEN Pei-chun, JP
Ir Dr Hon Raymond HO Chung-tai, JP
Dr Hon LUI Ming-wah, JP
Hon HUI Cheung-ching
Hon CHAN Kam-lam
Hon YEUNG Yiu-chung
Hon CHOY So-yuk
Hon LAU Ping-cheung

Members absent : Hon Eric LI Ka-cheung, JP
Prof Hon NG Ching-fai
Hon CHAN Yuen-han
Hon SIN Chung-kai

Public officers attending : Mr Francis HO
Commissioner for Innovation and Technology

Miss Agnes WONG
Assistant Commissioner for Innovation and Technology
(Infrastructure)

Mr W B MADDAFORD
Senior Assistant Law Draftsman

Miss Monica LAW
Senior Assistant Law Draftsman

Clerk in attendance : Mr Andy LAU
Chief Assistant Secretary (1)2

Staff in attendance : Ms Bernice WONG
Assistant Legal Adviser 1

Mrs Queenie YU
Senior Assistant Secretary (1)6

I Meeting with the Administration

The Administration had provided a written response to members' concerns raised at the last meeting on 8 February 2001 vide LC Paper No. CB(1) 615/00-01 (01).

2. Miss CHOY So-yuk was concerned about the requirement for the new Corporation to operate on a self-financing basis and to pursue for profit. As a public body receiving grants and subsidies from the Government, she was also worried about the gradual development of the Corporation into a monopolized body, and the resulting high service fees and impact on the growth of the small and medium-sized enterprises in Hong Kong. She therefore suggested that the business activities of the new Corporation should be clearly defined, and that it should operate as a cost centre which provided supporting services to the industry.

3. The Commissioner for Innovation and Technology (CIT) replied that under clause 7 of the Bill, the new Corporation should conduct its business according to prudent commercial principles. There was no specific provision requiring the Corporation to operate on a self-financing basis. To achieve an effective use of public financial resources whilst assisting Hong Kong's industrial and technological development, a proper balance would need to be maintained in actual implementation. As regards the member's concern about the gradual development of the Corporation into a monopolized body thereby competing for profit with its private counterparts, CIT said there was no case of monopolization. Since there were similar services provided by the private sector, tenants would switch to the private sector or move to the mainland if the fees were set too high by the new Corporation.

4. Referring to the mission of the new Corporation to assist local start-ups to get off the ground by providing them with the necessary support and services, Mr James TIEN opined that a specific provision should be included to bar the new Corporation from charging excessive fees on small and medium-sized enterprises.

In this regard, the new Corporation should only aim at achieving full-cost recovery in providing services to the industry.

5. In reply, CIT explained the details of the Business Incubation Programme. He said that some form of subsidies had been granted to the eligible companies. These included ready-to-use office space and facilities at discounted rate during their three-year residency, the granting of an operating allowance and a comprehensive package of value-added business development services such as management, marketing, investment matching and general business services at nominal costs or free of charge. However, there might be cases where full market rate should be charged for other ordinary companies. The Board of the new Corporation would take into account all relevant factors before making a decision on the matter.

6. Whilst supporting the merger proposal, Dr LUI Ming-wah was concerned about the future development of the merged Corporation, given that the existing three corporations had different missions and mode of operation. CIT said that the merger could streamline the existing service delivery structure and maximize synergy among the three organizations. The Administration had already provided the latest balance sheets of the three existing organizations to the Bills Committee for reference. On future allocation of resources, and other financial management and control-related issues, they would be matters for the Board to decide, taking into account all relevant factors including the public mission of the new Corporation. Dr LUI Ming-wah however was of the view that Government should have a policy in this regard, rather than leaving it entirely to the new Corporation.

7. CIT responded that Government had a clear policy to assist Hong Kong technology start-ups or existing small high-tech firms to get off the ground by providing them with suitable support. However, the types of services and exact level of subsidies to be provided would be a matter for the Board to determine, taking all relevant factors into consideration.

Clause-by-clause examination

8. Members went through the Bill clause by clause and they raised no further comments on the Bill except Schedule 2.

9. Schedule 2 provided for the constitution and proceedings of the Board. Dr LUI Ming-wah asked if consideration could be given to specifying the composition of the Board with adequate representatives from various trade associations and Legislative Council to enhance its representativeness. He also enquired if there was a need to specify the maximum term for re-appointment.

10. On the composition of the future Board, CIT responded that the Administration had reviewed the need to specify the number of public officers on the future Board as if the current arrangements for the Hong Kong Industrial Estates Corporation. The Administration's view was that it should leave the

present provisions intact without stipulation of the professional and institutional sources of membership of the Board and their respective numbers so as to provide for flexibility to deal with any changing needs of the Corporation in pursuing its public mission in the rapidly changing technology development/business environment. Regarding the maximum term of a member of a public body or Government advisory body, he advised that it was the Government's policy to appoint a member for a maximum period of six years but there might be exceptions to the general rule. The present provision provided for flexibility to ensure that the best available persons were appointed, taking into account the appointees' abilities, expertise, experience and contribution.

Committee Stage amendments

11. Members noted and supported the Committee Stage amendments (CSAs) to be moved by the Administration as set out in LC Paper No. CB(1) 625/00-01(01). These CSAs covered technical amendments and improvements to various provisions in the Bill. The major ones included the amended provision to enable public access to information regarding interests declared by members of the Board or a Committee (Clause 10) and the provision to provide for a general description of the duties of the Chief Executive Officer so that the relationship between the Board, the Chairman of the Board and the Chief Executive Officer could be made clearer and more explicit (Clause 14).

12. The Chairman concluded that the Bills Committee had completed deliberations on the Bill and supported the CSAs to be moved by the Administration. He would report to the House Committee on 9 March 2001, recommending the Second Reading debate on the Bill on a date to be determined by the Administration.

II Any other business

13. There being no other business, the meeting ended at 3:30 p.m.

Legislative Council Secretariat
29 August 2001