

**Introductory Remarks by
Chairman of the Public Accounts Committee,
Dr Hon Philip WONG Yu-hong, GBS,
at the First Public Hearing of the Committee
on Thursday, 26 April 2007**

Good morning, ladies and gentlemen. Welcome to the Public Accounts Committee's public hearing relating to Report No. 48 of the Director of Audit on the results of value for money audits, which was tabled in the Legislative Council on 18 April 2007.

2. The Public Accounts Committee is a standing committee of the Legislative Council. It plays the role of a watchdog over public expenditure through consideration of the reports of the Director of Audit laid before the Council on the Government's accounts and the results of value for money audits of the Government and those organisations which receive funding from the Government. The consideration by the Committee of the Director's reports involves gathering evidence relevant to the facts contained in the Director's reports, so that the Committee may draw conclusions and make recommendations in a constructive spirit and forward-looking manner. I also wish to stress that the objective of the whole exercise is such that the lessons learned from past experience and our comments on the performance of the public officers concerned will enable the Government to improve its control over the expenditure of public funds, with due regard to economy, efficiency and effectiveness.

3. The consideration of the Director's reports follows an established process of public hearings where necessary, internal deliberations and publication of the Committee's report. The Committee has an established procedure for ensuring that the parties concerned have a reasonable opportunity to be heard. After the Committee is satisfied that it has ascertained the relevant facts, it will proceed to form its views on those facts, followed by a process of formulating its conclusions and recommendations to be included in its report. In accordance with Rule 72 of the Rules of Procedure of the Legislative Council, the Committee is required to make its report on the Director's report to the Legislative Council within three months of the date at which the Director's report is laid on the Table of the Council. Before then, we will not, as a committee or individually, be making any public comments.

4. Following a preliminary study of Report No. 48, the Committee has decided, in respect of two chapters in the Report, to invite the relevant public officers and parties concerned to appear before the Committee and answer our questions. We have, apart from this morning's hearing, also set aside the afternoon of 30 April 2007 for the other public hearing.

5. The public hearing this morning is on Chapter 2 of Report No. 48 concerning the administration of the Hong Kong Applied Science and Technology Research Institute Company Limited (ASTRI). The witnesses are Mr Francis HO (Permanent Secretary for Commerce, Industry and Technology), Mr Anthony WONG (Commissioner for Innovation and Technology), Miss Clara TANG (Assistant Commissioner for Innovation and Technology), Miss Fion LEE (Senior Manager, Innovation and Technology Commission). Representatives of ASTRI are: Dr Allan WONG (Chairman, Board of Directors), Mr Ernest WONG (Chief Financial Officer), Mr Manuel Costa (Vice President (Planning)), Mr Victor CHIN (Director of Administration) and Mrs Kitty LAM (Director of Human Resources).

6. I would like to mention that Dr Robert YANG, ASTRI's former Chief Executive Officer, was originally invited to this hearing. However, ASTRI informed the clerk on 24 April 2007 that Dr YANG had tendered his resignation on that day, his resignation was accepted by ASTRI's Board of Directors and took immediate effect. Instead of Dr YANG, the above staff members of ASTRI would attend the hearing. Under such circumstances, Dr YANG is not present today. However, I wish to make clear that the Committee will invite Dr YANG to a further hearing to answer our questions if we consider necessary.

7. ASTRI's representatives are reminded that when addressing the Committee, you are not covered by the protection and immunity provided under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382).

8. I now proceed to the public hearing.