

立法會
Legislative Council

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seen by the Administration)

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Establishment Subcommittee of the Finance Committee

Minutes of the 8th meeting
held in Conference Room 1 of Legislative Council Complex
on Wednesday, 15 May 2013, at 8:30 am

Members present:

Hon WONG Ting-kwong, SBS, JP (Chairman)
Hon Kenneth LEUNG (Deputy Chairman)
Hon Starry LEE Wai-king, JP
Hon Emily LAU Wai-hing, JP
Hon WONG Kwok-kin, BBS
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Steven HO Chun-yin
Hon YIU Si-wing
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Hon Martin LIAO Cheung-kwong, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu
Hon CHUNG Kwok-pan

Public Officers attending:

Ms Esther LEUNG, JP

Deputy Secretary for Financial Services
and the Treasury (Treasury)1

Mr Eddie MAK Tak-wai, JP	Deputy Secretary for the Civil Service (1)
Mr Richard YUEN, JP	Permanent Secretary for Food and Health (Health)
Prof Sophia CHAN, JP	Under Secretary for Food and Health
Mr Sidney CHAN, JP	Head (eHealth Record), Food and Health Bureau
Ms Ida LEE	Deputy Head (eHealth Record), Food and Health Bureau
Dr CHEUNG Ngai-tseung	Consultant (eHealth)
Mr Gordon LEUNG, JP	Acting Permanent Secretary for Constitutional and Mainland Affairs
Mr Daniel CHENG, JP	Deputy Secretary for Constitutional and Mainland Affairs
Ms Noel TSANG	Principal Assistant Secretary for Constitutional and Mainland Affairs
Mr Eddie CHEUNG	Deputy Secretary for Financial Services and the Treasury (Financial Services)

Clerk in attendance:

Ms Connie SZETO	Chief Council Secretary (1)4
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Staff in attendance:

Mr Hugo CHIU	Council Secretary (1)4
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Ms Clara LO	Legislative Assistant (1)9

(At 10:17 am, the Chairman announced that the meeting be extended to 10:45 am. Members agreed.)

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The Chairman drew members' attention to the information paper ECI(2013-14)1, which set out the latest changes in the directorate establishment approved since 2002.

EC(2013-14)1 Proposed retention of two supernumerary posts of one Administrative Officer Staff Grade B (D3) and one Administrative Officer Staff Grade C (D2) in the Electronic Health Record Office of the Health Branch of the Food and Health Bureau up to 31 March 2015 to provide continued directorate support in the planning, development and implementation of the territory-wide Electronic Health Record Sharing System

2. The Chairman said that the Administration's proposal was to retain two supernumerary posts of one Administrative Officer Staff Grade B and one Administrative Officer Staff Grade C in the Electronic Health Record (eHR) Office of the Health Branch of the Food and Health Bureau up to 31 March 2015 to provide continued directorate support in the planning, development and implementation of the territory-wide Electronic Health Record Sharing System (eHRSS).

3. The Chairman remarked that the Panel on Health Services had been consulted on the proposal at its meeting on 18 March 2013. Panel members generally supported the proposal. Panel Members considered that in taking forward the Electronic Health Record Programme (eHR Programme), eHR Office should proactively promote the programme and encourage participation from the relevant stakeholders, including private hospitals, clinics, Chinese medicine practitioners and patients. It was also necessary for eHR Office to work out relevant procedures with reasonable fees for patients to check their health data and develop systems for protecting patients' privacy and ensuring system security, as well as encourage the information technology (IT) sector to develop systems and services relating to eHR Programme in the future.

Implementation and benefits of eHRSS

4. With eHRSS commenced for four years and full development was expected to complete in 2018-2019, Dr KWOK Ka-ki enquired about the participation of patients and healthcare providers in the system currently, including the planned and actual participation rate. He expressed concern about cost-effectiveness of eHRSS as he noted that many patients and frontline healthcare practitioners were still not aware of the system.

5. Permanent Secretary for Food and Health (Health) (PS(Health)) responded that eHRSS was a territory-wide system with development in two stages and participation by patients and healthcare providers on a voluntary basis. The first stage focused on the development of core infrastructure with

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targets to set up eHR sharing platform by late 2014 for connection with all public and private hospitals, to have electronic Medical Record/electronic Patient Record systems and other information systems available in the market for private doctors, clinics and other healthcare service providers to connect to eHR sharing platform, and to prepare eHR legislation to provide for the legislative framework in implementing eHRSS (such as to protect privacy and system security) prior to the commissioning of eHRSS. The Administration intended to introduce the relevant Bill into the Legislative Council (LegCo) in the 2013-14 legislative session. On the participation of healthcare providers in eHRSS, Consultant (eHealth) (Con(eH)) said that two pilot schemes, namely the Public Private Interface-electronic Patient Record (PPI-ePR) Sharing Pilot Project and the Radiological Image Sharing Pilot Project, had been launched. PPI-ePR, which was at present a one-way sharing pilot enabling participating private healthcare providers to view the patient records in the Hospital Authority (HA) subject to patients' consent, currently had more than 280 000 registered patients and 2 000 registered private doctors, and had a steady monthly enrollment rate of around 3 000 participants. The number of registered private doctors in PPI-ePR represented about 40% of all practicing private doctors in Hong Kong.

6. Noting from paragraph 3 of EC(2013-14)1 that the long term objective of eHR Programme was to promote public/private sector collaboration, enhance continuity of care and improve quality of healthcare delivery, Ms Emily LAU enquired about the concrete benefits of eHRSS. She also asked whether the Administration had studied why private doctors were reluctant to join eHRSS, and the measures the Administration would take to facilitate private doctors to connect to the system.

7. PS(Health) advised that eHRSS would facilitate doctors to retrieve the medical records including prescribed drugs of patients, to better understand patients' medical histories and particular problems, such as allergies to drugs. With the implementation of eHRSS, comprehensive health data of the elderly and the new-borns could be kept properly, which would be particularly useful in view of the ageing population in Hong Kong. Moreover, eHRSS could promote public/private sector collaboration by allowing doctors of the public sector to access patients' information gathered in participating private hospitals/clinics as needed, and vice versa. Regarding the participation in the future eHRSS, PS(Health) said that with increasing public awareness of the benefits of the system, number of patients participating was anticipated to be higher than the PPI-ePR pilot. Con(eH) supplemented that the majority of patients' records kept by HA had been computerized and hence there would be no problem in connecting such electronic records to eHR sharing platform. To encourage those private doctors still using hand-written records for their patients, the Administration had been developing a simplified version of the

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necessary software to facilitate and encourage their participation in eHRSS. In response to Ms Emily LAU's enquiry about the situation of IT equipment of private doctors, Con(eH) estimated that around 2 000 out of 5 000 practicing private doctors in Hong Kong (i.e. about 40%) currently used a computer system in their practice.

8. Mr Kenneth LEUNG enquired whether eHRSS covered dentists and whether the Administration would assess the IT proficiency and security awareness of private doctors before allowing them to join eHRSS. He also enquired about the interface between eHR Programme and the proposed private medical insurance scheme.

9. Deputy Head (eHealth Record) confirmed that dentists would be able to participate in eHRSS. PS(Health) said that eHRSS was a user-friendly system, and highlighted the importance of ensuring security of the system for the protection of data privacy. Besides working on the interface and connection of the electronic Medical Record/ Patient Record systems currently used by private doctors with eHRSS, the Administration would set out the requirements and responsibilities of healthcare providers in keeping and accessing patients' records in eHRSS to ensure system security and data protection. As for public/private sector collaboration, PS(Health) pointed out that implementation of eHRSS would enable the access and sharing of patients' health data by the public and private healthcare sectors, and facilitate patients in switching between public and private medical services in meeting their needs.

10. Mr CHUNG Kwok-pan expressed support for eHRSS and mandatory participation in the system by both the public and private healthcare sectors. Mr CHUNG enquired about the future development of eHR Programme, in particular the capacity of eHRSS to cope with rising demand arising from the ageing population, ways to assist doctors with low IT proficiency in inputting health data into the system, the health data to be recorded in eHRSS and how to facilitate patients in understanding the recorded data.

11. PS(Health) responded that sharing of electronic health records was in a pilot stage. The eHRSS would operate on a voluntary basis to encourage participation of private sector healthcare providers. Whether to make the participation in eHRSS mandatory would be considered in future, taking into account the effectiveness and reliability of eHRSS, as well as the number of users of the system. He also pointed out that advancement in IT and decreasing costs of relevant hardware and software equipment could facilitate further development of eHRSS and implementation of eHR Programme in coping with rising demand from the ageing population. All hospitals of HA

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were fully computerized and this would be conducive to the development of eHR Programme. As regards patients' health data in eHRSS, PS(Health) said that they would mainly consist of structured information (which doctors would input by selecting pre-set information) and clinical records that would be typed into eHRSS (instead of hand-written notes) by doctors. As such, there would be no difficulty for patients to read the recorded health data. Con(eH) supplemented that eHRSS was a user-friendly system and HA was exploring means to facilitate the input of data, including developing standardized terminologies used by medical practitioners.

Data access in eHR Programme and eHRSS

12. Noting from paragraph 16 of EC(2013-14)1 that the Administration would only assess the technical feasibility and desirability of facilitating patients' access to their health data in the second stage of development of eHR Programme, Ms Starry LEE considered that the Administration should step up its effort in this area and endeavor to meet the target for patients to access their health data in the second stage of eHR Programme. Ms Emily LAU also enquired about the principles adopted by the Administration in allowing patients' access to their health data in eHRSS, common practice of other jurisdictions in this regard in implementing programmes similar to eHR Programme, and how the Administration would ensure that the health data recorded would be easily understood by patients.

13. PS(Health) pointed out that under the first stage of eHR Programme, patients were allowed to retrieve their health data by making applications and the records could be provided in hard copy or electronic form. However, as eHRSS would be a closed system that was accessible only by designated hospitals and doctors connected to the system in order to ensure system security, patients were not allowed to access their health data in eHRSS online. Such arrangements would be reviewed in the second stage of eHR Programme having regard to relevant issues like protection of data privacy, system security (such as precautionary measures against system hacking) and IT developments. PS(Health) added that it would be more appropriate for patients to be accompanied by doctors in accessing their health data as doctors could provide professional advice where necessary and assist patients in comprehending the records.

14. In response to Ms Starry LEE's enquiry about whether a patient could request a private doctor who had not participated in eHRSS to input his health data into eHRSS for access by other doctors, PS(Health) advised that all public hospitals and likely the majority of private hospitals would take part in eHRSS. The Administration would encourage private doctors to participate in eHRSS. However, he stressed that participation in eHRSS would be

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voluntary.

15. Noting that eHRSS was a closed system, Mr Kenneth LUENG enquired whether doctors participating in eHRSS could access data of eHRSS online. Con(eH) advised that for security reasons, data of eHRSS could only be accessed through designated computers with the relevant software installed. As whether participating doctors would be allowed to access eHRSS using their mobile device, e.g. notebook, Con(eH) responded that eHR legislation would set out the responsibilities of doctors on data security. The relevant code of practice would also set out how doctors should access eHRSS. HA would exercise vigilance in maintaining system security. In this regard, Mr LEUNG considered that there should be proper control on the number of software copy provided to participating doctors of eHRSS to avoid misuse of software in order to protect data privacy.

16. The Chairman enquired whether doctors were allowed to store the data of eHRSS in their own storage devices like USB drives, and if so, what measures would be taken to protect data privacy in the event of loss of the storage devices. PS(Health) responded that patients' health data in eHRSS would be encrypted. Access to such data would require patients' consent, and each doctor would be given a password, which would be necessary for accessing patients' health data. Every access to the patients' record would be logged by the system. Besides, data of eHRSS could only be accessed at designated computers. The eHR legislation would also stipulate doctors' responsibilities in safe-keeping patients' health data.

Catering for the need of Chinese Medicine practitioners

17. In response to the Chairman's enquiry, PS(Health) advised that Chinese medicine practitioners could also participate in eHRSS. Dr Helena WONG supported the staffing proposal. She stressed the need for eHR Programme to cater for the need of Chinese medicine practitioners, in particular in the development of eHRSS and the supporting hardware and software systems. Dr WONG pointed out that three local universities were offering courses on Chinese medicine practitioners and the graduates, who were mostly young people, had sufficient level of IT proficiency to participate in eHRSS.

18. Under Secretary for Food and Health responded that Chinese medicine practitioners could later participate in eHRSS and the system would cater for their needs. Con(eH) supplemented that HA was currently working with the Chinese medicine sector on projects that could facilitate the future participation of Chinese medicine practitioners in eHRSS, such as the standardization of terminology used in Chinese medicine. Computerization

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of the Chinese medicine sector would be required to facilitate their participation in eHR sharing.

19. Pointing out that Chinese medicine practitioners would record health data in Chinese, the Chairman enquired whether eHRSS allowed the input of Chinese data. Con(eH) responded that the Administration was working out ways to resolve the bilingual issue as automated translation of medical terms may not be useful for understanding of the medical records.

Duration and future need of the posts

20. In response to Dr KWOK Ka-ki's enquiry about whether the Administration would consider extending the two supernumerary posts further when the two-year extension period expired on 31 March 2015, PS(Health) said that the two posts were retained for undertaking major tasks, including policy steer for development of eHRSS, preparation of eHR legislation, and the long-term operation of eHR Programme (such as the institutional and staffing arrangements for the future eHR Commissioner). Upon the commencement of eHRSS, its operation and administration would be taken up by eHR Commissioner. It was envisaged that when the longer term staffing arrangement for the operation of eHRSS was in place, further extension of the supernumerary posts would not be required.

21. Ms Starry LEE conveyed the support of Democratic Alliance for the Betterment and Progress of Hong Kong to the staffing proposal, and asked whether the Administration had considered extending the duration of the two supernumerary posts to over two years in view of the large number of tasks they were required to take up.

22. PS(Health) responded that eHR Programme was an innovative initiative and there were on-going developments in related principles and systems in various jurisdictions in the world. During previous consultation of eHR Programme, relevant stakeholders had indicated the need to strike a balance between operational need and protection of data privacy. As such, the initial thinking of the Administration was to implement eHRSS on a voluntary basis for healthcare providers. At the early years of implementation of the initiative, eHRSS would target at patients of HA (especially the elderly) and later new-borns. In taking forward the initiative, the Administration had to consider relevant factors like protection of data privacy, system security, legislative framework and institutional arrangement for the long-term operation of eHR Programme. Upon finalizing the institutional arrangement for the long-term operation of eHR Programme, permanent staff requirements would be worked out.

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23. The item was voted on. Members agreed that the Subcommittee should recommend the item to the Finance Committee ("FC") for approval. No members requested for separate voting for the item at the FC meeting to be held on 7 June 2013.

EC(2013-14)2 Proposed making permanent of one post of Administrative Officer Staff Grade B (D3) in the Constitutional and Mainland Affairs Bureau and retention of one supernumerary post of Administrative Officer Staff Grade C (D2) for a period of three years, with effect from 1 July 2013 to implement in full the key initiatives to strengthen "homeland relationship" as promulgated in the 2013 Policy Address and to deepen the regional co-operation between Hong Kong and the Mainland

24. The Chairman said that the Administration's proposal was to convert one supernumerary of Administrative Officer Staff Grade B (designated as Deputy Secretary for Constitutional and Mainland Affairs (3) (DS(CMA))) into a permanent post and to retain one supernumerary post of Administrative Officer Staff Grade C (designated as Principal Assistant Secretary for Constitutional and Mainland Affairs (8) (PAS(CMA))) in the Constitutional and Mainland Affairs Bureau (CMAB) for a period of three years with effect from 1 July 2013, for implementing in full the key initiatives to strengthen "homeland relationship" as promulgated in the 2013 Policy Address and to deepen the regional co-operation between Hong Kong and the Mainland.

25. The Chairman advised that the Panel on Commerce and Industry (CI Panel) had been consulted on the proposal at its meeting on 19 March 2013. Panel members supported the proposal in principle and expressed concern on a number of issues, including the scale of operation and manpower requirements of the Wuhan Economic and Trade Office (ETO) which was expected to commence operation in 2014, and the assistance rendered to Hong Kong residents in the Mainland involved in litigation or detained by the Mainland authorities. Panel members also urged the Administration to enhance the functions of the Mainland Offices of the Hong Kong Special Administrative Region Government (the Mainland Offices of HKSARG) to step up support for Hong Kong residents and groups in the Mainland, and to set up a new Immigration Division in Shanghai ETO in view of the large number of Hong Kong residents and groups in the city.

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Work of the Mainland Offices of HKSARG and their relationship with the Mainland offices of the Hong Kong Trade Development Council and the Hong Kong Tourism Board

26. Mr CHUNG Kwok-pan supported the staffing proposal in order to strengthen "homeland relationship", in particular to enhance provision of information and assistance to Hong Kong residents and groups in the Mainland. He enquired whether the Administration had other plans to step up efforts in this area and whether the Mainland Offices of HKSARG would recruit Mainland residents as staff to facilitate its work in understanding the sentiment of the Mainland and views of its people. Acting Permanent Secretary for Constitutional and Mainland Affairs (PSCMA) said that under the guidance of the two directorate posts proposed to be created under CMAB, the Mainland Offices of HKSARG would formulate and implement measures to step up assistance to Hong Kong residents and enterprises in the Mainland. He added that the Mainland Offices of HKSARG had been monitoring the developments and sentiments in the Mainland community through liaison with their interlocutors in the Mainland.

27. Referring to paragraph 11 of EC(2013-14)2 that the HKSARG, the Hong Kong Trade Development Council (HKTDC) and the Hong Kong Tourism Board (HKTB) had established offices in a number of cities in the Mainland, Dr Helena WONG expressed concern that the roles, operations and resources of these offices might overlap (e.g. the Mainland Offices of HKSARG and those of HKTDC were both responsible for promoting Hong Kong's trade and commercial interests in the Mainland). She enquired whether the Administration would consider consolidating the offices in some major Mainland cities. Mr YIU Si-wing considered that the Administration should explore the feasibility of setting up consolidated offices in developing medium-sized Mainland cities. Mrs Regina IP considered that there would be no overlap on the work of the Mainland Offices of HKSARG with that of offices set up by HKTDC and HKTB as some tasks, like introducing the culture and ways of living of Hong Kong to the Mainland community, would only be conducted by the Mainland Offices of HKSARG.

28. Deputy Secretary for Constitutional and Mainland Affairs (DS(CMA)) pointed out that the roles of and functions of the Mainland offices concerned complemented each other. For instance, the Mainland Offices of HKSARG primarily focused on enhancing Government-to-Government (G2G) co-operation while those of HKTDC on liaison work with enterprises and trade bodies and organizing trade and commercial promotional activities in the Mainland. He added that as promulgated in the 2013 Policy Address, the HKSARG planned to establish a new ETO in Wuhan, in addition to the existing four offices in Beijing, Guangdong, Shanghai and Chengdu. The

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HKSARG was also looking into the feasibility of setting up more liaison units in Mainland cities, on top of the existing three in Shenzhen, Chongqing and Fujian. He further mentioned that as announced in the 2013 Policy Address, the Administration would study ways to rationalize the working relationship between the offices of HKSARG, HKTDC and HKTB in the Mainland with a view to increasing their synergy and effectiveness.

29. Dr Helena WONG opined that strengthening support to Hong Kong residents and groups in the Mainland and enhancement of G2G co-operation were two distinct tasks and enquired how they could be carried out simultaneously in practice.

30. DS(CMA) responded that the work to enhance G2G co-operation and strengthen support to Hong Kong residents and enterprises in the Mainland were complementary. Through G2G channels, the HKSARG would reflect the views and concerns of Hong Kong enterprises and professionals to the relevant Mainland authorities, lobby for favourable policies and measures and obtain information on the latest economic and policy development in the Mainland for dissemination to various Hong Kong groups. These could assist Hong Kong enterprises and professionals in accessing the Mainland market and seizing new business opportunities in the Mainland.

31. Mrs Regina IP enquired about the number of offices set up by HKTDC and HKTB in the Mainland and whether ETOs in the Mainland would, like ETOs in the United States, play a leading role in co-organizing promotional activities with such offices. Mrs IP further suggested that ETOs in the Mainland should organize activities to introduce Hong Kong's culture and ways of living to Mainland people in order to promote proper exchanges and enhance mutual understanding. She considered that such work was similar to the practices of overseas ETO's in promoting the "soft power" of Hong Kong. She also urged that the Mainland Offices of HKSARG should provide relevant support to Members of the Legislative Council. The Chairman agreed with Mrs IP's views.

32. DS(CMA) responded that HKTDC and HKTB had set up eleven and four offices in the Mainland respectively. He remarked that the Mainland Offices of HKSARG had also been promoting the soft sides of Hong Kong. In studying ways to rationalize the working relationship between the offices of HKSARG, HKTDC and HKTB in the Mainland; it was important for the offices concerned to step up co-operation in organizing promotional activities. He undertook to relay Mrs Regina IP's views regarding the organization of activities on Hong Kong's culture and life styles to the relevant parties.

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33. Dr Helena WONG enquired whether the Mainland Offices of HKSARG would promote Hong Kong's core values to the Mainland, such as respect for freedom and democracy, which were treasured by Hong Kong people; and whether the offices would convey the grave concern of Hong Kong people about the treatment of human rights defenders in the Mainland.

34. PSCMA responded that the functions of the Mainland Offices of HKSARG were to promote economic and trade ties as well as co-operation and exchanges on various fronts between the two places, and support Hong Kong residents and enterprises in the Mainland. In pursuing their work in the Mainland, the Mainland Offices would adhere to the "One Country and Two Systems" principle.

35. Mr YIU Si-wing supported the proposal on the two posts. Noting that the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge would commence operation in 2015 and 2016 respectively, Mr YIU enquired whether the posts would include duties in implementing cross-boundary infrastructure projects, for example conducting researches on operational issues. DS(CMA) responded that the matters concerned were under the purview of other relevant bureaux/departments and CMAB would play a coordinating role.

36. Ms Starry LEE enquired about the proposed staffing of Wuhan ETO. DS(CMA) responded that preparatory work for setting up the Wuhan ETO was underway. In considering the staffing requirement of Wuhan ETO, reference would be made to the staffing provision of Shanghai and Chengdu ETOs where there were some ten civil servants in each of these two ETOs. The resources required would be reflected in the Estimates of Expenditure for 2014-15.

37. Noting that EC(2013-14)2 had set out various tasks in relation to enhancing "homeland relationship", Mr CHUNG Kwok-pan was concerned whether the proposed manpower arrangement could cope with the heavy workload. PSCMA responded that in addition to the two proposed directorate posts, CMAB would deploy other non-directorate staff to provide the necessary support. The Administration would monitor the workload and manpower situation and seek additional resources if necessary.

38. Mr WONG Kwok-kin expressed concern about insufficient resources and manpower provided for Mainland Offices of HKSARG (which only some ten staff were deployed in each Office) and inadequate support provided for Hong Kong residents and groups in the Mainland. He noted that some Hong Kong residents in the Mainland had to seek assistance from

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non-governmental organizations like the Hong Kong Federation of Trade Unions. Mr WONG urged the Administration to strengthen the manpower support of the Mainland Offices of HKSARG to enhance their services to Hong Kong residents and groups in the Mainland.

39. DS(CMA) responded that as set out in EC(2013-14)2, apart from establishing a new ETO in Wuhan, the functions of the Mainland Offices of HKSARG would also be enhanced. The latter included strengthening liaison with various Hong Kong resident groups and providing them with information and assistance as far as possible, establishing a new Immigration Division in the Chengdu ETO to provide more timely assistance to Hong Kong residents in distress in the Mainland, stepping up efforts in conducting policy researches, and enhancing communication and publicity targeted at different sectors in the Mainland. Additional resource and manpower provisions had been made available for the Mainland Offices to enhance their functions.

40. Mr Steven HO enquired whether the Administration had considered a ceiling number of ETOs to be set up in the Mainland. He also expressed concern about inadequate support provided by existing Mainland Offices of HKSARG to Hong Kong fishermen operating near the Mainland waters. DS(CMA) responded that in considering the overall network of the offices of HKSARG in the Mainland, the Administration would take into account, among other things, the progress and potential of development of different provinces, municipalities and economic zones in the Mainland and availability of resources. As regards issues relating to the Mainland Offices' support to Hong Kong fishermen, PSCMA said that the matter was not related to the staffing proposal under consideration and could be dealt with separately after the meeting.

41. Mr YIU Si-wing and Dr KWOK Ka-ki enquired about the regulation of entertainment expenses of the Mainland Offices of the HKSARG and whether they were subject to the same guidelines and expenditure provisions applicable to Government offices in Hong Kong. Mr IP Kin-yuen asked whether the Administration had plans to strengthen the regulation on entertainment expenses of offices set up in the Mainland.

42. DS(CMA) responded that staff in the Mainland Offices of HKSARG were subject to the same regulations and guidelines on entertainment as those applicable to civil servants in Hong Kong.

43. Pointing out that the Hong Kong Economic, Trade and Cultural Office in Taiwan also tackled cultural issues, Mr IP Kin-yuen considered that the Mainland Offices of HKSARG could, apart from promoting economic and trade ties and cooperation, deal with cultural issues. He further remarked that

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the Administration had not provided the details in implementing work in relation to enhancing "homeland relationship" and suggested that a relevant paper should be submitted to the Panel on Constitutional Affairs (CA Panel) for discussion. The Chairman concurred that Mr IP's views regarding the details of "homeland relationship" involved policy issues, and said that members should follow up relevant issues at meetings of CA Panel.

44. Ms Emily LAU agreed that assistance to Hong Kong residents and groups in the Mainland should be strengthened and remarked that the case she mentioned at the meeting of CI Panel on 19 March 2013 (i.e. a complaint received by the Public Complaints Office of LegCo on 19 February 2013 from a group of Hong Kong enterprises operating in the Mainland) had not been properly resolved by the Administration.

Press report regarding assessment on the impact of Hong Kong policies on the Mainland during the policy formulation process

45. Ms Emily LAU referred to the report of Apple Daily on 10 May 2013 regarding an alleged internal Government circular directing Bureaux and Departments to conduct assessment on the impact of Hong Kong policies on the Mainland during the policy formulation process. She said that she had discussed her concerns about the press report with the Under Secretary for Constitutional and Mainland Affairs on the same day, including whether the said assessment involved a change in the existing policy/practice of the HKSARG and whether the need for the assessment work had revealed inadequacies in the policy formulation process in the past, how such assessment work would be implemented and whether it would involve additional resources, whether such assessment work would invite the Mainland authorities to interfere in the internal affairs of Hong Kong, and whether the information on such assessment would be provided in papers submitted to LegCo and its committees. Ms LAU pointed out that while the Government had issued a press release on 10 May 2013 responding to media enquiries on the matter, the press release could not address her concerns. She remarked that it would be proper for the Government to solicit views of the community and relevant stakeholders including the Mainland during the policy formulation stage in an open manner. However, she was concerned that the report of Apple Daily had contemplated hidden agenda of the Administration and considered that the Administration should clarify its stance and respond to concerns raised by LegCo Members and the public.

46. While expressing understanding on the need for the Government to strengthen communication with the Mainland, Dr KWOK Ka-ki and Dr Helena WONG shared Ms Emily LAU's concerns. Dr KWOK was worried that assessment of Mainland's reaction on Hong Kong policies would

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jeopardize the "One Country, Two Systems" principle and how the Administration would protect the interests of Hong Kong people if a policy, which was supported by the Hong Kong community, was objected by the Mainland. Dr WONG observed that in the past, the Hong Kong and Macao Affairs Office (HKMAO) had assumed a "gate-keeping" role in preventing the Mainland authorities from interfering in the internal affairs of Hong Kong (e.g. Mainland provincial and municipal officials visiting Hong Kong had to seek the prior approval of HKMAO). The arrangement revealed in Apple Daily's report was a change from the existing policy/practice.

47. Ms Starry LEE declared that she was a representative of the Chinese People's Political Consultative Conference of Wuhan. The Chairman, Ms Starry LEE, Mr WONG Kwok-kin and Mr Steven HO considered it reasonable for the HKSARG to assess Mainland's reaction during the policy formulation stage. Ms LEE and Mr HO opined that increasing interaction between Hong Kong and Mainland had unavoidably revealed conflicts in the life styles and culture between Hong Kong and Mainland people, and agreed that it was necessary for the HKSARG to strengthen "homeland relationship". Ms LEE was of the view that it would be natural and useful for the Administration to consider a policy/measure from various perspectives and it would be important to ensure that the interests of Hong Kong people would be accorded the highest priority. She hoped that the Administration would clarify its stance on the matter to allay public concern. Mr WONG and Mr HO remarked that the Administration should conduct the assessment work of Mainland's reaction in an open manner to avoid misunderstanding and dispel public suspicion.

48. PSCMA pointed out that the Administration issued a press release on 10 May 2013 in response to media enquiries about a reported internal circular in policy formulation by the HKSARG. He reiterated that in formulating policies, it had been the Government's standard practice to take into consideration all relevant factors to ensure that the policies, when implemented, would accord with constitutional and legal principles, reasonable and rational; strike a balance among the views from different sectors; be in line with the latest developments of the society; and be in the overall interest of the Hong Kong community and long-term development. Since the Reunification, under the "One Country, Two Systems" principle, economic co-operation between the Mainland and Hong Kong had become increasingly closer while exchanges at the community level had also become more frequent. It was a responsible practice for the HKSARG to assess the possible reaction in the Mainland when formulating policies. This could also help the Administration in explaining relevant policies of Hong Kong to the Mainland community to avoid misunderstanding. PSCMA stressed that the Administration would accord highest priority to the "One Country, Two

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Systems" principle and the interests of Hong Kong people. However, owing to the confidentiality of Executive Council business, he could not comment on the alleged internal circular mentioned in the report of Apple Daily which related to the business of the Executive Council.

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49. Ms Emily LAU was not satisfied with the Administration's responses which she considered had not addressed her concerns. She requested CMAB to reflect her views and concerns to the relevant Bureaux and Departments and provide a written response addressing her concerns (mentioned in paragraph 45 above). PSCMA undertook to relay Ms LAU's views and would consider how best to respond to her request.

(Post-meeting note: The Administration's written response was issued vide LC Paper No. ESC41/12-13 on 3 June 2013.)

50. Dr KWOK Ka-ki queried whether the staffing proposal under discussion was related to the assessment work of Mainland's reaction and enquired about the details in implementing the work. Dr KWOK also enquired whether upon the approval of the proposal, the post of DS(CMA) would take up all duties relating to Mainland affairs, including the co-ordination work in relation to the National Five-Year Plans and housekeeping support to the various Mainland Offices which were currently taken up by the Deputy Secretary for Constitutional and Mainland Affairs (2) and his team under Division 2 of CMAB. Mr CHUNG Kwok-pan also enquired how the assessment work of Mainland's reaction would be carried out.

51. PSCMA clarified that the proposed posts of DS(CMA) and PAS(CMA) in Division 3 under CMAB would be responsible for implementing the relevant initiatives set out in the 2013 Policy Address to strengthen support to Hong Kong residents and groups in the Mainland and deepening regional co-operation between Hong Kong and the Mainland. The lead bureau/department of a particular policy matter would be responsible for assessing the possible reaction in the Mainland on the basis of its professional knowledge and adopting a common sense approach. In doing so, it would adhere strictly to the "One Country, Two Systems" principle. PSCMA further explained that Division 2 was in-charge of matters relating to the exchange and co-operation mechanism with Taiwan, external affairs, implementation of the work to co-ordinate the HKSARG's work to complement the national Five-Year Plans, promotion of the Basic Law, etc. Division 3 was responsible for taking forward the key initiatives set out in the 2013 Policy Address (e.g. strengthening support to Hong Kong residents and groups in the Mainland) and co-ordinating and promoting regional co-operation between Hong Kong and the relevant provinces and municipalities in the Mainland and

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the Macao HKSAR. Given the wide range of duties of Divisions 2 and 3 as set out in EC(2013-14)2, the existing division of work between the two Divisions was considered appropriate.

52. The item was voted on. Dr KWOK Ka-ki claimed a division. Of the 15 members present, 9 voted for the item, and 5 abstained from voting. The Chairman declared that the Subcommittee agreed to recommend the item to FC for approval. Ms Emily LAU requested that the item be voted on separately at the FC meeting to be held on 7 June 2013. The voting results of individual members were as follows -

For

Ms Starry LEE	Mr WONG Kwok-kin
Mrs Regina IP	Mr Steven HO
Mr YIU Si-wing	Mr KWOK Wai-keung
Mr Martin LIAO	Mr POON Siu-ping
Mr TANG Ka-piu	
(9 members)	

Abstain

Ms Emily LAU	Mr Kenneth LEUNG
Dr KWOK Ka-ki	Dr Helena WONG
Mr IP Kin-yuen	
(5 members)	

EC(2013-14)3 Proposed retention of one supernumerary post of Administrative Officer Staff Grade C (D2) in the Financial Services Branch of the Financial Services and the Treasury Bureau with effect from 15 October 2013 to 31 October 2015 to provide continued directorate support to complete the current legislative and related work in relation to, among other things, the establishment of an independent Insurance Authority and Policyholders' Protection Fund

53. The Chairman said that the Administration's proposal was to retain one supernumerary post of Administrative Officer Staff Grade C in the Financial Services Branch of the Financial Services and the Treasury Bureau with effect from 15 October 2013 to 31 October 2015 to provide continued directorate support to complete the current legislative and related work in relation to, among other things, the establishment of an independent Insurance Authority (IIA) and Policyholders' Protection Fund (PPF).

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54. The Chairman advised that the Panel on Financial Affairs had been consulted on the proposal at its meeting on 8 April 2013. Panel members had no objection to the Administration submitting the proposal for consideration of the Subcommittee. Some Panel members expressed concern about whether the proposed two-year extension for the post would be adequate to handle tasks relating to the establishment of IIA and PPF. They further called on the Administration to carefully consider and address the views and concerns expressed by the insurance industry, and to refine the relevant legislative proposals as appropriate.

55. Dr KWOK Ka-ki supported the proposal. Pointing out that a number of statutory bodies had been criticized for settling retired directorate civil servants with excessive remuneration packages, Dr KWOK was concerned that IIA might perform like an "independent kingdom" and enquired whether a mechanism would be in place for determining the remuneration packages of the senior management of IIA.

56. Deputy Secretary for Financial Services and the Treasury (Financial Services) responded that a mechanism would be in place to determine the remuneration packages of the management of IIA. It was likely that IIA would commission a consultant to, with reference to pay packages of the relevant industry, recommend on the appropriate remuneration packages for the executives of IIA. Open recruitment would also be conducted for staff of IIA.

57. As three members had indicated that they would raise questions on the proposal, and given that the meeting would soon end at 10:45 am, the Chairman proposed and members agreed, discussion of the item would be postponed to the next meeting scheduled for 29 May 2013.

58. There being no other business, the meeting ended at 10:44 am.