

立法會
Legislative Council

LC Paper No. FC182/14-15

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Finance Committee of the Legislative Council

Minutes of the 30th meeting
held at Conference Room 1 of the Legislative Council Complex
on Tuesday, 3 February 2015, at 8:30 am

Members present:

Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)

Hon CHAN Kin-por, BBS, JP (Deputy Chairman)

Hon Albert HO Chun-yan

Hon LEE Cheuk-yan

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon LEUNG Yiu-chung

Hon Emily LAU Wai-hing, JP

Hon TAM Yiu-chung, GBS, JP

Hon Frederick FUNG Kin-kee, SBS, JP

Hon Vincent FANG Kang, SBS, JP

Hon WONG Kwok-hing, BBS, MH

Hon Jeffrey LAM Kin-fung, GBS, JP

Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon WONG Ting-kwong, SBS, JP

Hon Cyd HO Sau-lan, JP

Hon Starry LEE Wai-king, JP

Hon CHAN Hak-kan, JP

Hon WONG Kwok-kin, SBS

Hon IP Kwok-him, GBS, JP

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Hon Paul TSE Wai-chun, JP

Hon Alan LEONG Kah-kit, SC

Hon LEUNG Kwok-hung

Hon Albert CHAN Wai-yip

Hon WONG Yuk-man
Hon Claudia MO
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin
Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Hon YIU Si-wing
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Dr Hon CHIANG Lai-wan, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent:

Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Ronny TONG Ka-wah, SC
Dr Hon LAM Tai-fai, SBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon Michael TIEN Puk-sun, BBS, JP

Hon James TIEN Pei-chun, GBS, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, JP
Dr Hon Helena WONG Pik-wan
Ir Dr Hon LO Wai-kwok, BBS, MH, JP

Public officers attending:

Professor K C CHAN, GBS, JP	Secretary for Financial Services and the Treasury
Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ¹
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Gregory SO Kam-leung, GBS, JP	Secretary for Commerce and Economic Development
Miss Susie HO, JP	Permanent Secretary for Commerce and Economic Development (Communications and Technology)
Mr Joe WONG, JP	Deputy Secretary for Commerce and Economic Development (Communications and Technology)
Miss Janet WONG, JP	Commissioner for Innovation and Technology
Mr Johann WONG, JP	Deputy Commissioner for Innovation and Technology
Mr Victor LAM, JP	Acting Government Chief Information Officer
Miss Joey LAM, JP	Deputy Government Chief Information Officer (Policy and Community)

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
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Staff in attendance:

Mr Derek LO	Chief Council Secretary (1)5
Mr Daniel SIN	Senior Council Secretary (1)7
Mr Raymond SZETO	Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5
Miss Yannes HO	Legislative Assistant (1)6

Action

The Chairman said that additional meetings had been scheduled for 5, 6 and 14 February 2015 to deal with unfinished business, if any, on the agenda.

Item No. 1 – FCR(2014-15)36

**RECOMMENDATION OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 11 JUNE 2014**

Item No. 2 – FCR(2014-15)37

**NEW HEAD "GOVERNMENT SECRETARIAT :
INNOVATION AND TECHNOLOGY BUREAU"**

**HEAD 47 – GOVERNMENT SECRETARIAT :
OFFICE OF THE GOVERNMENT CHIEF
INFORMATION OFFICER**

**HEAD 55 – GOVERNMENT SECRETARIAT :
COMMERCE AND ECONOMIC DEVELOPMENT
BUREAU (COMMUNICATIONS AND
TECHNOLOGY BRANCH)**

**HEAD 155 – GOVERNMENT SECRETARIAT :
INNOVATION AND TECHNOLOGY COMMISSION**

2. The Chairman said that the two items FCR(2014-15)36 and FCR(2014-15)37 were related to the establishment of the Innovation and Technology Bureau ("ITB"). He directed that discussion on the two items be combined but they would be voted on separately at the meeting.

3. The Chairman advised that the item FCR(2014-15)36 invited the Committee's approval of EC(2014-15)7 which recommended the creation of posts necessary for the establishment of ITB. The item FCR(2014-15)37

invited the Committee's approval for the changes to the 2014-2015 Estimates of Expenditure to give effect to the establishment of ITB.

4. The Chairman said that to save paper, public submissions on the subject would be circulated to members by emails and would be uploaded to the Committee's website. No hard copies would be provided.

Discussion on the withdrawal of outstanding items from the agenda

5. Ms Cyd HO raised "a point of order" and requested the Administration to explain the rationale for withdrawing the agenda item FCR(2014-15)45 on the Fisheries Development Loan Fund, which was still being deliberated by the Committee.

6. Secretary for Financial Services and the Treasury ("SFST") said that the Administration's letter dated 2 February 2015 (circulated to members vide LC Paper No. FC99/14-15(01) on the same date) had already set out the rationale for the withdrawal of the item FCR(2014-15)45. He said that there were precedents where the Administration withdrew an outstanding item from the agenda of the Finance Committee ("FC").

7. The Chairman said that the meeting was being held to deliberate the two proposals from the Administration related to the establishment of ITB and that the issue raised by Ms Cyd HO was not on the agenda of the meeting. Ms Emily LAU suggested that the Chairman should allow some time for members to discuss the matter. The Chairman responded that if members so wished, he would convene a special meeting on another date to discuss the matter.

8. As many members indicated their intention to comment or query the meeting arrangement and, in particular, the Administration's decision to withdraw items that were pending deliberation or where deliberation had started but not yet completed, the Chairman said he would allow members to speak on the matter once, and he would not impose a limit on their speaking time in this instance. The Chairman would then give his response after all members had spoken.

9. Mr LEUNG Yiu-chung, Ms Claudia MO and Mr LEUNG Kwok-hung spoke on the matter.

10. Mr LEUNG Kwok-hung spoke loudly in his seat after the Chairman had invited Dr Fernando CHEUNG to speak. The Chairman warned Mr LEUNG Kwok-hung and ordered him to stop speaking.

11. Dr Fernando CHEUNG, Mr Gary FAN, Dr Kenneth CHAN, Mr Alan LEONG, Mr CHAN Chi-chuen, Mr IP Kin-yuen, Mr Albert CHAN, Mr Frederick FUNG, Mr LEE Cheuk-yan, Mr TAM Yiu-chung, Dr KWOK Ka-ki, Mr James TO and Mr Paul TSE spoke.

12. Some of these members criticized the Administration for having withdrawn from the FC agenda items which were either livelihood or safety-related, just to make way for the early deliberation on the proposals on the establishment of ITB. Some of them criticized the Chairman for not having resisted the Administration's proposed arrangements. They said that the Chairman had set a bad precedent which was detrimental to FC's role in monitoring the use of public funds by the Administration. Some members maintained that the Administration should clearly explain to the public the basis of and rationale for withdrawing the items which were important and beneficial to the community. Some other members, however, criticized pan-democrat members for procrastinating the funding process by prolonging the deliberations in the Committee.

13. Mr James TO noted that the Administration would submit a revised paper on the Fisheries Department Loan Fund to FC notwithstanding the many rounds of questions members had raised on the proposal. He commented that when the Administration resubmitted the proposal to FC for funding approval, members would legitimately raise the same questions again, and in doing so, it would take longer than was necessary to complete the deliberation of the item.

14. Mr LEE Cheuk-yan said that according to paragraph 30 of the Finance Committee Procedure ("the FC Procedure"), the Committee could determine its own practice and procedure. He suggested that the Committee should formulate procedure to handle any suggestion from the Administration to withdraw outstanding items from the FC agenda.

15. At the invitation of the Chairman, the Clerk explained that, according to Rule 9(2) of the Legislative Council Rules of Procedure ("the RoP"), a designated public officer might give notice to the Clerk of items of business to be included in the Agenda of the Council or the agenda of FC. Paragraph 21 of the FC Procedure also specified the list of public officers designated under Article 62(6) of the Basic Law, who could give notice to the Clerk of the items of business to be included in the agenda of FC before the meeting concerned. As there were already procedural provisions dealing with agenda items of a meeting of FC, the Clerk advised that paragraph 30 of the FC Procedure was not applicable in the current circumstances.

16. The Chairman also responded that his approval was not required for the Administration to withdraw funding items from the FC agenda. In fact, paragraph 26 of the FC Procedure already provided for circumstances under which the Administration might withdraw an item from a meeting.

17. The Chairman said that if members still had queries on the Administration's recent arrangements for FC agenda items, he would arrange a special meeting in March for more in-depth discussion. The Chairman said that the Committee should in the meantime focus on the items on the agenda.

18. At the invitation of the Chairman, SFST said that according to the FC Procedure, it was up to the Administration to initiate funding items for deliberation and approval by FC, and there had been instances where the Administration withdrew discussion items during the Committee's deliberation. This time, the Administration notified members of its intention to withdraw outstanding items before the concerned meetings so that members would have more time to prepare for discussion on the remaining items on the agenda. SFST said that the arrangement was consistent with on-going practice and was in compliance with the FC Procedure.

19. The Chairman said that as he was satisfied that the Administration's arrangements did not contravene the RoP or the FC Procedure, he had accordingly approved the agenda for the relevant meetings. He said that the Clerk had also circulated the Administration's letters regarding the arrangements to members for reference.

Resumption of deliberation on FCR(2014-15)36 and FCR(2014-15)37

20. At the invitation of the Chairman, Dr Elizabeth QUAT, Chairman of the Panel on Information Technology and Broadcasting ("the ITB Panel"), reported that the ITB Panel discussed the proposed establishment of ITB on 14 April 2014. The majority of the Panel members supported the proposal in principle, as they considered that the proposed establishment of ITB would facilitate the long term sustainable development of innovative technology in Hong Kong. Some members, however, objected to the proposal and considered that the objectives could be achieved through alternative measures such as internal redeployment within the Administration, or by creating a new Permanent Secretary post under the Commerce and Economic Development Bureau to oversee the technology portfolio.

21. Dr Elizabeth QUAT added that the ITB Panel held a special meeting on 3 May 2014 to receive public views on the proposal of establishing ITB. The majority of the deputations supported the proposal. The Panel had passed

two motions urging the Administration to establish ITB at the earliest opportunity.

22. At the invitation of the Chairman, Mr WONG Ting-kwong, Chairman of the Panel on Commerce and Industry ("the CI Panel"), reported that the CI Panel discussed the proposal on 15 April 2014. Panel members supported in principle the establishment of ITB to steer the long-term development of innovative technologies in Hong Kong.

23. Mr WONG Ting-kwong added that some members of the CI Panel suggested that the portfolio relating to creative industries, intellectual properties, communications and broadcasting should be transferred to the proposed ITB. A member expected that ITB would implement measures to encourage public and private organizations in Hong Kong to increase investments in research and development. The CI Panel had passed a motion expressing support for the establishment of ITB as early as possible.

24. The Chairman said that members who wished to submit proposed motions to be moved under paragraph 37A of the FC Procedure to express views on the items FCR(2014-15)36 or FCR(2014-15)37 should clearly state in each proposed motion the item, i.e. FCR(2014-15)36 or FCR(2014-15)37, on which the view was to be expressed. He said that he would first put the proposed motions that he had ruled to be directly related to FCR(2014-15)36 to the Committee to decide whether they should be proceed forthwith. After the Committee had dealt with these motions, he would put the item FCR(2014-15)36 to vote. He would then deal with the proposed motions with respect to FCR(2014-15)37 and then put the item to vote in the same manner.

25. The Chairman directed that the speaking time for each member including the Administration's response should be limited to five minutes for the first round of questions.

26. Mr CHAN Kam-lam commented that Hong Kong was losing its competitive edge in traditional industries, and was in need of developing innovative technologies as well as promoting innovation in various economic sectors as a new direction for growth. The community was in support of establishing ITB to spearhead these initiatives. He urged the Administration to implement the initiatives as early as possible and he asked what resources would be made available to support the operation of the new bureau.

27. Permanent Secretary for Commerce and Economic Development (Communications and Technology) said that after the establishment of ITB, the existing Innovation and Technology Commission ("ITC") and the Office of the

Government Chief Information Officer ("OGCIO") would be transferred to the new bureau. Four and two non-directorate posts from OGCI and ITC, respectively, would be transferred to support the work of the proposed ITB. The Innovation and Technology Fund would be brought under the purview of the new bureau.

28. Mr LEE Cheuk-yan commented that the proposed ITB was not conducive to promoting innovation and technological development in Hong Kong. He said that there were fundamental structural issues that would hinder rather than facilitate development in innovation and technologies. For example, the high rental cost and the reluctance of financial institutions to provide capital needed for development of new technologies. Mr LEE also commented that the Administration began to introduce policies and measures that, in effect, suppressed innovation and creativity. He said the whole environment was not conducive to development and growth of new technologies. Mr LEE did not see the need for the creation of the proposed ITB.

29. Mr LEE Cheuk-yan then moved, without notice, a motion under paragraph 39 of the FC Procedure that further proceedings of the Committee should be then adjourned.

30. The Chairman thereupon put the question on Mr LEE Cheuk-yan's motion to adjourn further proceedings of the Committee. He said that members, when speaking on the question, should not speak more than once and should not make a speech for longer than three minutes.

31. At the invitation of the Chairman, Mr LEE Cheuk-yan introduced his motion.

32. Ms Emily LAU, Ms Claudia MO, Dr KWOK Ka-ki, Mr Alan LEONG, Dr Kenneth CHAN, Mr Gary FAN, Mr IP Kin-yuen, Mr WU Chi-wai, Mr Albert HO, Ms Cyd HO, Mr CHAN Chi-chuen and Mr Albert CHAN spoke in support of the motion. These members criticized the Administration for withdrawing the other outstanding items just to make way for priority deliberation of the ITB proposal by FC. They also commented that actually the proposed establishment of a new ITB was mainly to accommodate the Chief Executive's cronies rather than to promote innovation and technology development in Hong Kong.

33. Mr WONG Kwok-hing, Dr Elizabeth QUAT, Mr CHAN Han-pan, Mr IP Kwok-him, Mr Steven HO, Mr CHAN Kam-lam and Mr CHAN Kin-por

spoke against the motion. They mainly criticized the members moving and in support of the motion for procrastinating the funding process deliberately.

34. At 10:30 am, the Chairman declared that the meeting be adjourned and that the debate on Mr LEE Cheuk-yan's motion would end with the meeting and would not be carried over to the next meeting scheduled for 5 February 2015.

35. The meeting was adjourned at 10:30 am.

Legislative Council Secretariat

3 June 2015