

立法會
Legislative Council

LC Paper No. FC183/14-15
(These minutes have been
seen by the Administration)

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Finance Committee of the Legislative Council

Minutes of the 31st meeting
held at Conference Room 1 of the Legislative Council Complex
on Thursday, 5 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 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 Starry LEE Wai-king, JP

Dr Hon LAM Tai-fai, SBS, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

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 WONG Yuk-man

Hon Claudia MO

Hon Michael TIEN Puk-sun, BBS, JP

Hon James TIEN Pei-chun, GBS, JP
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
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, 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
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon James TO Kun-sun
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
Hon Cyd HO Sau-lan, JP
Hon CHAN Hak-kan, JP
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon WONG Kwok-kin, SBS

Hon Albert CHAN Wai-yip
Hon CHAN Han-pan, JP
Hon Kenneth LEUNG
Dr Hon Helena WONG Pik-wan
Dr Hon CHIANG Lai-wan, JP

Public officers attending:

Professor K C CHAN, GBS, JP	Secretary for Financial Services and the Treasury
Ms Elizabeth TSE Man-ye, 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

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**

In response to Ms Emily LAU's and Mr LEE Cheuk-yan's enquiry on the arrangements for holding meetings in addition to the two meetings already scheduled for 14 February 2014, the Chairman said that members were being consulted on the Administration's request for holding two additional meetings on 14 February 2014 and some members had yet to provide their response. He assured members that he would adhere to the Finance Committee Procedure ("the FC Procedure") in considering requests from the Administration for convening additional meetings.

2. In response to Mr LEE Cheuk-yan's comment on the Administration's withdrawal of four outstanding Finance Committee agenda items and incorporation of these items into the Estimates of Expenditure 2015-2016, Secretary for Financial Services and the Treasury said that the Administration

had already explained the legality of and rationale for the arrangement vide the information note on the Management of Finance Committee Agenda Items (LC Paper No. FC98/14-15(01)) issued on 4 February 2015. The Chairman informed the meeting that he would separately arrange a special meeting in March so that members could discuss the matter with the Administration and would notify members when the relevant arrangements had been finalized.

3. The Committee continued with the joint discussion of the items FCR(2014-15)36 and FCR(2014-15)37 related to the establishment of a new Innovation and Technology Bureau ("ITB").

Establishment of the Innovation and Technology Bureau

4. Mr WONG Kwok-hing, Mr WONG Ting-kwong, Mr Andrew LEUNG, Dr Priscilla LEUNG and Mr Jeffrey LAM expressed support for the establishment of ITB as soon as practicable. Mr WONG Kwok-hing said that the establishment of ITB would bring about new employment opportunities in innovation and technology industries. Dr LEUNG urged the Administration to explore more avenues to assist youth entrepreneurship in innovation and technology.

5. Mr WONG Ting-kwong asked how the establishment of ITB would benefit the operation of the Hong Kong Research and Development ("R&D") Centre programme. He also asked the Administration to elaborate its policy on commercialization of innovation and collaboration with research academia. Secretary for Commerce and Economic Development ("SCED") said that the new ITB would contemplate policies to further develop innovation and technology, such as the Internet of Things. Commissioner for Innovation and Technology said that the establishment of ITB would help develop more policies to promote commercialization of innovation and collaboration with research academia.

6. Mr Andrew LEUNG urged the Administration to consider providing economic incentives, such as tax relief, to encourage more innovation from the private sector. SCED said that the existing R&D Cash Rebate Scheme was conducive to cultivating a research culture among private industries. The Administration would explore other initiatives to further promote R&D, encourage collaboration with neighbouring Mainland cities and attract non-local investments. The establishment of ITB would provide dedicated support for research and application of innovation and technology.

7. Mr Jeffrey LAM asked about the time it would take ITB to be fully staffed for operation after the present proposals were approved by the

Committee. Permanent Secretary for Commerce and Economic Development said that preparation was largely completed and the new Bureau could operate shortly after the proposal was approved by the Committee.

8. Mr Charles MOK expressed support for the establishment of ITB, but he had reservations about the Administration's decision to withdraw the agenda items to expedite approval of the present proposals. He said that dedicated reforms on policies and legislation on innovation and technology were long overdue. He also named several regional competitors of Hong Kong, such as South Korea, China and Singapore, to illustrate the importance these governments placed in having dedicated ministries for innovation and technological development.

9. Ms Emily LAU asked how the Administration would step up its support for innovation and technology. SCED said that with the establishment of the ITB, the Administration would be able to take a more dynamic stance, maintain dedicated focus and intensify its efforts to promote research and application of science and technology, and sustain competitiveness.

Policy portfolio of the Innovation and Technology Bureau

10. Mr Dennis KWOK and Dr Fernando CHEUNG considered that logically, some policy areas now under the Commerce and Economic Development Bureau ("CEDB"), such as creative industries, broadcasting and intellectual property protection should be transferred to the new ITB, instead of being retained in CEDB as currently proposed. They asked the Administration to explain its rationale for the proposed arrangements. Dr CHEUNG said that the Administration's omission of creative industries in the policy portfolio of ITB raised doubt on its commitment to drive innovation and technological development. SCED said that creative industries and broadcasting covered economic activities beyond innovation and technology. However, the Administration was open to conducting reviews on the demarcation of policy portfolios between CEDB and ITB after ITB had operated for some time.

11. The Chairman said that for the items presently under discussion, he allowed members to raise questions about matters other than the financial aspects. Dr Fernando CHEUNG said that questions about policy responsibilities to be transferred from CEDB to ITB were related to the financial aspects of the items.

12. Mr LEUNG Kwok-hung expressed disappointment towards the Administration's past initiatives in driving innovation, such as the Cyberport development. He asked the Administration to compare the administrative

structure in Hong Kong for driving policies on innovation and technology with those in similar countries or cities overseas. Deputy Secretary for Commerce and Economic Development (Communications and Technologies) said that, as an illustration, in the United Kingdom, the Department for Business Innovation and Skills was responsible for science and research whereas in Singapore, the Ministry of Trade and Industry was responsible for policies on innovation and technological development.

Freedom of information

13. Ms Claudia MO criticized the Administration of rewarding the supporters of the Chief Executive by appointing them to the key posts in ITB. She expressed concern that ITB would drive policies to limit the freedom of information. Mr Charles MOK said that he would continue to scrutinize the Administration's policies in ensuring the freedom of information. SCED clarified that the establishment of ITB would not in any way undermine the freedom of information.

Motion to adjourn further proceedings of the Committee

14. The Chairman declined Mr LEUNG Kwok-hung's request to move the motion, without notice, that the meeting should be then adjourned pursuant to the paragraph 39 of the FC Procedure as Mr LEUNG did it beyond his speaking time. Ms Claudia MO and Mr CHAN Chi-chuen requested for a review of video record of the meeting to ascertain whether Mr LEUNG Kwok-hung had moved the motion beyond his speaking time. The Chairman declined the members' request and said that he had already made his ruling and did not see a need to review the video record. The Chairman said that a review by staff of the Legislative Council Secretariat confirmed his decision.

15. Mr LEUNG Kwok-hung spoke loudly in his seat without permission. The Chairman asked Mr LEUNG to stop speaking.

16. Mr CHAN Chi-chuen said that there had not been sufficient opportunities for members to raise questions on the proposals. He moved, without notice, a motion pursuant to paragraph 39 of the FC Procedure that further proceedings of the Committee should be then adjourned.

17. Mr Albert HO, Ms Claudia MO, Mr LEUNG Yiu-chung, Mr WU Chi-wai, Mr LEE Cheuk-yan and Mr IP Kin-yuen spoke in support of the motion. In gist, these members criticized the Administration for unilaterally withdrawing agenda items to make way for the early deliberation on the proposals on the establishment of ITB and thereby undermining the role of the

Committee in scrutinizing the Government's funding proposals. Members also expressed dissatisfaction with the Administration's reluctance to respond to members' questions on policies under the proposed ITB.

18. Mr TANG Ka-piu, Mr CHAN Kam-lam, Mr LEUNG Chi-cheung, Mr WONG Kwok-hing, Dr Elizabeth QUAT and Mr IP Kwok-him spoke against the motion. In gist, these members said that there was a need to establish ITB as soon as possible and filibustering tactics of members of the pan-democrat camp should not be supported.

19. Mr Charles MOK said that while he opposed the motion, the Administration should review its present approach in expediting the funding process for the proposals on the establishment of ITB.

20. At 10:30 am, as there were members still waiting to speak on the motion, the Chairman said that there would not be sufficient time to put the motion to vote before the scheduled end time of the meeting. He said that the motion would lapse with the close of the meeting and the debate would not be carried over to the next meeting.

21. The Chairman declared that the meeting be adjourned.

22. The meeting was adjourned at 10:31 am.

Legislative Council Secretariat

3 June 2015