

**立法會**  
***Legislative Council***

LC Paper No. FC131/15-16  
(These minutes have been  
seen by the Administration)

Ref : FC/1/1(3)

**Finance Committee of the Legislative Council**

**Minutes of the 4<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 23 October 2015, at 5:10 pm**

**Members present:**

Hon CHAN Kin-por, BBS, JP (Chairman)  
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Hon Emily LAU Wai-hing, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Kwok-hing, BBS, MH  
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN  
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  
Dr Hon LAM Tai-fai, SBS, 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 Claudia MO  
Hon James TIEN Pei-chun, GBS, JP  
Hon NG Leung-sing, SBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, JP  
Hon YIU Si-wing, BBS  
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 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  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS

**Members absent:**

Hon LEE Cheuk-yan  
Dr Hon LAU Wong-fat, GBM, GBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Starry LEE Wai-king, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Dr Hon LEUNG Ka-lau  
Hon CHEUNG Kwok-che  
Hon WONG Yuk-man  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon WU Chi-wai, MH  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP

Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Helena WONG Pik-wan  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu, JP

**Public officers attending:**

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) <sup>1</sup>
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 Shuk-ye, 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)
Ms Annie CHOI Suk-han, JP	Commissioner for Innovation and Technology
Mr Johann WONG, JP	Deputy Commissioner for Innovation and Technology
Ir Allen YEUNG	Government Chief Information Officer
Mr Victor LAM Wai-kiu, JP	Deputy Government Chief Information Officer (Consulting and Operations)

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
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**Staff in attendance:**

Mr Derek LO	Chief Council Secretary (1) <sup>5</sup>
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Mr Raymond SZETO  
Mr Frankie WOO  
Ms Michelle NIEN

Senior Council Secretary (1)7  
Senior Legislative Assistant (1)3  
Legislative Assistant (1)5

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Action

**Item No. 1 – FCR(2014-15)36B**

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

**Subhead 000 Operational Expenses**

**Item No. 2 – FCR(2014-15)37B**

**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**

The meeting continued with the joint discussion of items FCR(2014-15)36B and FCR(2014-15)37B carried over from the last meeting.

2. The Chairman said that the Committee's deliberation on the items for the establishment of Innovation and Technology Bureau ("ITB") had spanned over a number of meetings, and some questions raised by members were repetitive. To answer members' questions with substantive details, the Administration had provided a supplementary document (LC Paper No. 9/15-16(01)) ("the Supplementary Document"). He reminded members to focus their speeches or questions on the items and not to repeat the points or questions previously raised by other members. He also called on members wishing to move motions under paragraph 37A of the Finance Committee Procedure ("FC Procedure") to submit their motions as soon as practicable.

### Establishment of an ITB

3. Dr Fernando CHEUNG queried the benefits of having a dedicated ITB, as the existing Commerce and Economic Development Bureau was already implementing policies on innovation and technology.
4. Mr Gary FAN enquired how the new ITB could improve upon the policies and programmes being implemented by the Hong Kong Science and Technology Parks Corporation ("HKSTPC") and Cyberport.
5. Dr LAM Tai-fai and Mr James TO expressed worries that the new ITB would not take forward the existing policy initiatives outlined in the Supplementary Document, as the new secretary of ITB could have different views on innovation and technology. Mr TO expressed worries that if the new secretary of ITB would not pursue these policy initiatives, there would be no basis of evaluation for members to review the actual efficacy of the ITB after its establishment.
6. Secretary for Commerce and Economic Development ("SCED") said that the proposed ITB could provide a dedicated focus for the strategic development on innovation and technology. The Supplementary Document provided an objective analysis of the current situation and the Administration's vision and policy direction in innovation and technology. It was envisaged that the new ITB would continue with the current policy direction.
7. In response to an enquiry by Dr CHIANG Lai-wan, SCED confirmed that the R&D development of Chinese medicine would be under the purview of ITB.

### Policies on innovation and technology

8. Mr Gary FAN expressed concerns about long leases of sites managed by HKSTPC to be granted to meritorious applicants.
9. Commissioner for Innovation and Technology ("CIT") said that the Administration's revised policy was to construct multi-storey industrial buildings to be rented to multiple users, and long leases for sites under HKSTPC would be granted only on exceptional circumstances, such as for companies manufacturing construction materials requiring substantial capital investment and space provisions for production equipment.
10. Ms Claudia MO expressed worries about the Government's intervention with the free market through policies and programmes such as the

incubation programmes at HKSTPC and Cyberport. Government-led initiatives could be competing against private-sector incubators.

11. SCED and CIT said that the incubation programmes run by HKSTPC and Cyberport would benefit R&D companies, in particular startups, by providing them with financial and technical support. These incubation programmes would not conflict with private-sector incubators operating on a different model where a company would establish an incubator specific to its own preferred sector.

12. On further enquiry by Ms Claudia MO about the Administration's incubator initiatives, Government Chief Information Officer ("GCIO") explained that Cyberport had implemented an incubation programme and a micro fund which would subsidize successful and creative innovations. Private investments would be encouraged to acquire innovation companies with potential, an example of which was GoGoVan.

13. Dr Fernando CHEUNG called on the Administration to take into account the wider cultural and socioeconomic impact of policies on innovation and technology, and place emphasis on sustainable development.

#### Key performance indicators

14. Mr CHAN Chi-chuen called on the Administration to identify quantifiable performance indicators.

15. Dr LAM Tai-fai enquired how the establishment of ITB could bring about concrete benefits in terms of growth in Gross Domestic Product ("GDP").

16. SCED said that the innovation and technology sector could produce more effective technologies, which could improve the efficiency of production in various industries. However, it would be difficult to set a concrete GDP growth target.

17. Mr Alan LEONG enquired how the new ITB would work with the Office of Government Chief Information Officer ("OGCIO") to better promote and facilitate Government departments to use information technology ("IT") to deliver efficient and effective public services, and whether key performance indicators could be identified to quantify the improvements.

18. SCED said that the new ITB could provide focused efforts to work with OGCIO, which would bring about improvements to the latter's work.

Cultivating talents

19. Mr IP Kin-yuen enquired about the details of the Enriched IT Programme for Secondary School. SCED and GCIO said that the Enriched IT Programme for Secondary School targeted potential talents in innovation and technology. There were eight participating secondary schools, with over 300 Form 2 students enrolled and would be expanded to Form 3 to Form 6 in the future.

20. Mr LEUNG Yiu-chung and Mr IP Kin-yuen called on the Administration to step up its inter-bureau collaboration with the Education Bureau ("EDB") to enhance existing policies on cultivating talents such as expanding the Enriched IT Programme for Secondary School for territory-wide implementation.

21. GCIO said that the results produced by the programme would be applicable to all secondary schools in the territory. CIT said that a subcommittee had been formed under the Advisory Committee on Innovation and Technology, with representatives from EDB, industries and universities, to explore new ways to nurture talents in innovation and technology.

22. Dr LAM Tai-fai enquired about details of the Technology Start-up Support Scheme for Universities recently launched in September 2014.

23. Deputy Commissioner for Innovation and Technology said that there were six local universities with faculties in engineering and mathematics participating in the scheme. The \$24 million funding earmarked was to be equally distributed among the six universities at \$4 million each. The outcome of the scheme remained to be seen as it was only launched a year ago.

Inter-bureau coordination

24. Mr CHAN Chi-chuen and Ms Claudia MO expressed doubts about the efficacy of inter-bureau collaboration for development in innovation and technology upon the establishment of ITB.

25. SCED said that ITB would play an important role in ensuring effective inter-bureau collaborations.

26. Mr Albert HO enquired about the situation on the use of IT systems in Government departments vis-à-vis other advanced countries, and how the new ITB could provide improvement.

27. Deputy Government Chief Information Officer said that the Administration was committed to developing suitable IT systems for departmental needs. The implementation of IT systems in the Government had gained high recognition internationally and had received various awards.

Re-industrialization

28. Mr Albert CHAN expressed support for re-industrialization, which would bring about significant benefits to GDP growth and employment opportunities. Mr CHAN remarked that land available for industrial use had been shrinking significantly, and called on the Administration to reverse this trend.

29. SCED said that the Administration was committed to providing new land for re-industrialization.

30. Dr LAM Tai-fai sought details of the Administration's plan to assist the upgrading and transformation of the traditional industrial sector by focusing on high value-added production and facilities as outlined in paragraph 9 of the Supplementary Document.

31. SCED said that R&D results could be applied to traditional industries and thus could facilitate their upgrading and transformation. For instance, nanotechnologies could be applied to produce new materials which were beneficial to the development of textile and fashion industries.

32. With reference to paragraph 9 of the Supplementary Document, Dr LAM Tai-fai and Mr Albert HO asked for the justifications for focusing re-industrialization efforts in the direction of robotics, medical technologies and technologies related to ageing population.

33. Permanent Secretary for Commerce and Economic Development (Communications and Technology) said that in order to identify the appropriate focus for re-industrialization, HKSTPC had assessed R&D potentials of companies within the HKSTP as well as the global development trends, such as "Industry 4.0" and big data analysis. For instance, there was good potential for development in robotics and the local academia research was strong in this regard. The Administration would continue to collaborate with the innovation and technology sector to identify R&D directions with potential for industrialization.

34. Dr LAM Tai-fai noted that in focus areas for re-industrialization, the Administration had ceded that Hong Kong could not engage in all categories of high-end industries. He expressed worries that certain industries would be



discriminated against or neglected under the Administration's policy for re-industrialization with a selective focus.

35. Mr Albert HO questioned why the Administration had omitted other noteworthy industries in innovation and technology with potential such as IT.

36. SCED said that in addition to the three focus areas identified, the Administration was also committed in developing IT and other innovation and technology industries, such as FinTech (Financial Technology). Helping other traditional industries to upgrade and transform through application of related R&D results was also an integral part of re-industrialization.

37. Ms Emily LAU enquired about the industries that had indicated interests in moving back to Hong Kong.

38. SCED and CIT said that some industries reliant on design and intellectual properties, such as jewelry industries, had indicated interest in moving back to Hong Kong. The Administration would adopt a market-driven approach for facilitation.

39. Mr CHUNG Kwok-pan asked about the strategy of ITB in attracting various industries to relocate to Hong Kong.

40. SCED said that ITB would promote the application of more R&D results in various industries, which could be one of the incentives to attract industries to relocate to Hong Kong.

#### Procedural arrangements for ending the discussion

41. At 6:39 pm, the Chairman said that the Committee's deliberations on the items had taken a long time, and many of members' questions were repetitive. As such, he was of the view that the discussion on the items should finish by the end of this meeting and starting from the next meeting, the Committee should proceed to deal with motions proposed to be moved under paragraph 37A of the FC Procedure ("37A motions").

42. Mr TAM Yiu-chung, Mr YIU Si-wing, Mr IP Kwok-him and Mr WONG Ting-kwong expressed support for the Chairman's decision as members already had enough opportunities to address questions to the Administration. Also, the Chairman had the prerogative to maintain order and efficiency in the proceedings of Finance Committee ("FC") meetings, which included terminating a debate that had been prolonged for the purpose of filibustering.

43. Dr Fernando CHEUNG, Mr CHAN Chi-chuen, Ms Claudia MO, Mr Albert CHAN and Mr Alan LEONG expressed opposition against the Chairman's decision to end the discussion as the Administration had not cleared all of members' doubts and worries on the establishment of ITB.

44. Mr LEUNG Kwok-hung criticized that the Chairman's decision to end the discussion of the items was unjustified as he considered that there was no urgency to put the items to vote.

45. Mr Alan LEONG expressed dissatisfaction that the Supplementary Document was only provided to members one day before the meeting but the Chairman now decided to end the debate on the items.

46. In response to members' queries and comments, the Chairman explained that he had the responsibility to ensure the orderly, efficient and fair conduct of FC meetings. He had considered various factors before coming to his decision to end the discussion of the items. Since February 2015, 14 meetings had already been held for deliberating the items and enough time had been provided for members to address questions to the Administration on the items. Also, some members' questions had been repetitive. As such, he needed to take a decision to end the discussion on the items. Having considered members' comments on his decision, the Chairman directed that members would be allowed one more speaking round for 2 minutes before proceeding to deal with 37A motions.

47. The Chairman directed the distribution of the document (LC Paper No. FC5/15-16) prepared by the Legal Service Division to members. Legal Adviser stated that in the recent judgment of the Court of First Instance ("CFI") on the Application for Leave for Judicial Review made by Hon WONG Yuk-man (HCAL78/2014), the CFI held that the FC Chairman, who was vested with the power to chair FC meetings under paragraph 13 of FC Procedure, had the power to regulate the process of FC meetings, including the power to set limits to and terminate a debate. The CFI further held that once the court was satisfied that the FC Chairman had such power, the court would not inquire into the manner in which the power was exercised, applying the non-intervention principle under which the court should not adjudicate matters concerning procedural compliance of the Legislative Council unless there were provisions in the Basic Law requiring the court to do so.

48. At 6:52 pm, the Chairman directed that the meeting time be extended by 15 minutes.

Processing of motions proposed to be moved under paragraph 37A of the Finance Committee Procedure

49. The Chairman said that 300 37A motions had already been received by the Secretariat. He called on members who intended to submit 37A motions to do so by noon, 27 October 2015 (Tuesday), so that he could have sufficient time to determine the admissibility of the motions with the assistance of the Secretariat. He added that he would continue to liaise with members on how many 37A motions could be processed by the Committee.

50. Mr James TO said that paragraph 37A of the FC Procedure should be construed such that as long as the motions were in order, they should be processed regardless of the number of motions received. Dr Fernando CHEUNG shared Mr TO's view.

51. Mr LEUNG Kwok-hung criticized the Chairman's decision to set a deadline for submission of 37A motions.

52. Mr CHAN Chi-chuen sought clarification from the Chairman whether he was going to set a limit to the number of 37A motions submitted by members.

53. The Chairman said that he would make relevant decisions having regard to the number of 37A motions received and the contents of individual 37A motions. He would continue to liaise with members on how to deal with them.

54. At 7:22 pm, the Chairman directed that the meeting be adjourned.

55. The meeting was adjourned at 7:22 pm.