

**立法會**  
**Legislative Council**

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**Panel on Information Technology and Broadcasting**

**Minutes of policy briefing  
on Tuesday, 2 February 2016, at 8:30 am  
in Conference Room 1 of the Legislative Council Complex**

- Members present** : Dr Hon Elizabeth QUAT, JP (Chairman)  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Deputy Chairman)  
Hon CHAN Kam-lam, SBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon Cyd HO Sau-lan, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon LEUNG Kwok-hung  
Hon Claudia MO  
Hon NG Leung-sing, SBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon YIU Si-wing, BBS  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon SIN Chung-kai, SBS, JP  
Dr Hon CHIANG Lai-wan, JP  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Members absent** : Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon IP Kwok-him, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon WONG Yuk-man

**Members attending** : Hon WONG Kwok-hing, BBS, MH  
Hon TANG Ka-piu, JP

**Public officers attending** : Agenda item I

Commerce and Economic Development Bureau

Mr Gregory SO, GBS, JP  
Secretary for Commerce and Economic Development

Mr Godfrey LEUNG, JP  
Under Secretary for Commerce and Economic Development

Miss Susie HO, JP  
Permanent Secretary for Commerce and Economic Development (Communications and Creative Industries)

Mr Joe WONG, JP  
Deputy Secretary for Commerce and Economic Development (Communications and Creative Industries)

Office of the Communications Authority

Miss Eliza LEE, JP  
Director-General of Communications

Ms Elizabeth TAI, JP  
Deputy Director of Films, Newspaper & Article Administration

Radio Television Hong Kong

Mr LEUNG Ka-wing  
Director of Broadcasting

Miss Leonia TAI, JP  
Deputy Director of Broadcasting (Developments)

Create Hong Kong

Mr Jerry LIU  
Head

Innovation and Technology Bureau

Mr Nicholas W YANG, JP  
Secretary for Innovation and Technology

Mr CHEUK Wing-hing, JP  
Permanent Secretary for Innovation and Technology

Mrs Millie NG KIANG Mei-nei  
Deputy Secretary for Innovation and Technology

Ms Annie CHOI Suk-han, JP  
Commissioner for Innovation and Technology

Ir Allen YEUNG  
Government Chief Information Officer

Mr Davey CHUNG Pui-hong  
Deputy Government Chief Information Officer  
(Policy and Community)

Mr Victor LAM Wai-kiu  
Deputy Government Chief Information Officer  
(Consulting and Operations)

**Clerk in attendance** : Mr Daniel SIN  
Chief Council Secretary (4)3

**Staff in attendance** : Mr Ambrose LEUNG  
Senior Council Secretary (4)3

Miss Mandy LAM  
Legislative Assistant (4)3

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**I. Briefing by the Secretary for Commerce and Economic Development and the Secretary for Innovation and Technology on the Chief Executive's 2016 Policy Address**

(LC Paper No. CB(4)487/15-16(01) -- Administration's paper on policy initiatives of Communications and Creative Industries Branch, Commerce and Economic Development Bureau

LC Paper No. CB(4)487/15-16(02) -- Administration's paper on policy initiatives of Innovation and Technology Bureau

LC Paper No. CB(4)559/15-16(01) -- Speaking note of the Secretary for Commerce and Economic Development (Chinese version only)  
(tabled at the meeting and subsequently issued to members on 3 February 2016)

LC Paper No. CB(4)559/15-16(02) -- Speaking note of the Secretary for Innovation and Technology (Chinese version only)  
(tabled at the meeting and subsequently issued to members on 3 February 2016)

*Other relevant documents*

(a) Address by the Chief Executive at the Legislative Council meeting on 13 January 2016 - "Innovate for the Economy, Improve Livelihood, Foster Harmony, Share Prosperity" (*issued on 13 January 2016*); and

(b) The 2016 Policy Agenda booklet (*issued on 13 January 2016*).

**Briefing by the Secretary for Commerce and Economic Development**

At the invitation of the Chairman, Secretary for Commerce and Economic Development ("SCED") briefed members on the major initiatives relating to the Commerce and Economic Development Bureau under the 2016 Policy Address. Details of the policy initiatives were set out in the Administration's paper (LC Paper No. CB(4)487/15-16(01)) and SCED's speaking note (LC Paper No. CB(4)559/15-16(01)).

## Discussion on commerce and economic development issues

### *Development of the film industry and cinemas*

2. Mr WONG Kwok-hing expressed his support of the Administration's proposed measures to provide assistance for the film industry. Noting that the number of cinemas in Hong Kong had continued to decline in recent years, Mr WONG commented that cinemas in Hong Kong required more assistance from the Government in order to maintain a continued presence in community. He said the Administration should provide a clear timetable regarding the proposed measures to require property developers to include cinemas in their development projects as appropriate in the terms and conditions of the land lease ("land-lease option"). Mr WONG Ting-kwong commented that in recent years, surging ticket price had dampened people's desire to enjoy a night out in cinemas. He asked whether the Administration had any plans to address the closure of cinemas due to the lack of patronage.

3. In response, SCED said that discussions were being held among relevant departments to explore the land-lease option. Certain structural requirements, such as high ceilings and extended space, would have to be imposed for buildings if cinemas were to be included. As regards tickets prices, SCED said that the Administration had no control as they were commercial decisions made by cinema operators. Head of Create Hong Kong said that incentives to encourage movie audience building, such as discounts for students in the Hong Kong International Film Festival, had been introduced. Individual cinemas had provided special discounts for elderly and student patrons in certain show periods during the day.

### *Issues relating to the operational and handover arrangements of Asia Television Limited on expiry of its domestic free television programme service licence*

4. Mr MA Fung-kwok was concerned with the situation of the staff of Asia Television Limited ("ATV") after the expiry of its domestic free television programme service ("free TV") licence on 1 April 2016. Both Mr MA and Ms Claudia MO suggested that Radio Television Hong Kong ("RTHK"), which would take over the vacated analogue spectrum from ATV on its termination of service, should absorb the current ATV staff. Mr TANG Ka-piu said that, in addition to facing difficulties in collecting salaries in arrears, ATV staff would find it difficult to look for new jobs because of the lack of similar openings in the local labour market. Mr TANG suggested that RTHK should make an exceptional case and consider to provide training to ATV staff, especially when additional technical and programme staff would be required by RTHK when it has taken over the two analogue TV programme channels from ATV.

5. In response, SCED said that the Communications Authority ("CA") was monitoring ATV closely its provision of its licensed services, including the provision of news and public affairs programmes, in accordance with the license requirements before the expiry of its license. ATV would have to pay its staff in accordance with the Employment Ordinance and the Labour Department would provide assistance to ATV employees where appropriate. Director of Broadcasting ("D of B") added that RTHK was concerned with the situation and difficulties faced by ATV employees. Pointing out the nature of RTHK as a government department and the fact that ATV was a commercial operation, D of B said that on the question of recruiting ATV employees, RTHK would have to take into account its operational need and follow the established recruitment procedures.

6. Mr CHAN Chi-chuen was concerned that RTHK would not have the technical capacity to provide services if the operation of ATV was terminated unexpectedly before the expiry of its licence in April. SCED said RTHK had already begun tendering process for the provision of the analogue television transmission service.

7. Mr LO Wai-kwok was concerned with the varieties of the programmes to be provided by RTHK after it had taken over the analogue free TV programme channels following the expiry of ATV's licence in April. He questioned the attractiveness of the existing programmes provided by RTHK under its digital terrestrial television ("DTT") services. In response, D of B said that staff of RTHK had been making additional efforts in preparation for extending the current broadcasting hours of its DTT programmes channel in the afternoon to early morning, with programmes of two of its DTT channels to be broadcast on the two analogue free TV programme channels. Regarding the contents and varieties of RTHK's programmes, D of B said that as a public service broadcaster which did not produce commercial programmes, RTHK had been producing and procuring programmes in accordance with the RTHK Charter to serve a broad spectrum of audiences and cater to the need of minority interest groups.

### *Television licensing*

8. Mr MA Fung-kwok enquired about the progress of the application for a free television licence by Fantastic Television Limited ("FTV"), noting that the HK Television Entertainment Company Limited ("HKTVE"), which had applied for a licence at the same time with FTV, had already received a free television licence from the Chief Executive in Council ("CE in Council") and would start its operation on 1 April 2016. Citing the slow progress of FTV's licence application process, Mr CHAN Chi-chuen questioned whether the Administration had any clear directions in television policy. He held the view

that, as the television industry and the film industry in Hong Kong shared the same pool of talents including in production and programming fields, the decline in one industry would inevitably affect the prospects of the other industry.

9. SCED responded that, as CE in Council was still considering matters relating to the licence application of FTV, it was not appropriate for him to disclose the relevant information at this stage. He added that viewers would soon be able to have additional viewing choices, as HKTVE was scheduled to broadcast a Chinese channel and an English channel by 31 March 2016 and 31 March 2017 respectively.

#### *Radio licencing*

10. Ms Claudia MO enquired about the progress and timetable of the renewal of the sound broadcasting licence of Hong Kong Commercial Broadcasting Company Limited ("CRHK"), which was due to expire in August 2016. She was concerned with rumours that political consideration was among factors being considered in the licence renewal. In response, SCED said that CE in Council was considering matters relating to the renewal of licence for CRHK in accordance with legal and licensing procedures, and an announcement on the result would be made in an appropriate juncture. He added that political consideration was not a factor of consideration in the process.

#### *Digital audio broadcasting*

11. Mr MA Fung-kwok asked whether the Administration had any long-term plans regarding the development of digital audio broadcasting ("DAB"), pointing out the lack of consumer interest in purchasing digital radio sets. SCED said that the Administration would continue to promote DAB and monitor the implementation of the service. As one of the licensed commercial broadcasters had left the market owing to commercial consideration, the Administration was reviewing the development of DAB in Hong Kong, taking into account audience feedback and the relevant experiences overseas.

#### *Re-assignment of spectrum in the 900 MHz and 1800 MHz bands ("2G mobile services")*

12. Ms Claudia MO noted that the existing frequency spectrum assignments for 2G mobile services would expire in the period between November 2020 and September 2021, and that a decision by CA on re-assignment arrangements would have to be made by the end of 2017. She asked whether an auction of the spectrum would be held as part of the re-assignment exercise. Ms MO expressed concerned that state-owned mobile services operators could have

undue advantage in any auction because of their strong financial situations comparing to local Hong Kong operators.

13. SCED said that a public consultation on the arrangements of re-assignment and the setting of spectrum utilization fee would be carried out before a decision was to be made by CA. Director-General of Communications added that different options would be proposed during the public consultation, in line with the approach used in the previous consultation for the re-assignment of the frequency spectrum in the 1.9 to 2.2 GHz band for the provision of 3G mobile services.

#### *Development of the local animation and comics ("ani-com") sector*

14. Mr YIU Si-wing enquired about the details of the proposed initiative to set up a theme-based exhibition area adjacent to the Golden Bauhinia Square. Noting that having a large number of visitors was key to the success of any tourist attraction, he further enquired about the plans to increase the synergies effects between this exhibition area and the Comix Home Base located in Wanchai. Mr Christopher CHUNG requested the Administration to provide information regarding the number of students who had visited the Comix Home Base.

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15. SCED said that since its opening in July 2013, more than 430 000 visitors had visited the Comix Home Base. Due to the close proximity of the exhibition area in the Golden Bauhinia Square and the Comix Home Base, it was hoped that tourists could be attracted to appreciate local ani-com thus benefiting its development. SCED undertook to provide further information regarding the number of visitors to the Comix Home Base.

#### Briefing by the Secretary for Innovation and Technology

16. At the invitation of the Chairman, Secretary for Innovation and Technology ("S for IT") briefed members on the major initiatives relating to the Innovation and Technology Bureau ("ITB") under the 2016 Policy Address. Details of the policy initiatives were set out in the Administration's paper (LC Paper No. CB(4)487/15-16(02)) and S for IT's speaking note (LC Paper No. CB(4)559/15-16(02)).

#### Discussion on innovation and technology issues

#### *Resources on promoting innovation and technology*

17. Mr WONG Kwok-hing commented that more resources should be provided to support the development of innovation and technology in Hong Kong.



Dr CHIANG Lai-wan also suggested that the Administration should allocate more resources to support research and development ("R&D") in Hong Kong.

18. S for IT said the Administration had devoted considerable amount of resources in promoting the development of innovation and technology and building world class technology infrastructure. Whilst he agreed with Dr CHIANG that more resources should be provided to support R&D in Hong Kong, S for IT said that more resources should be provided from the private sector.

19. S for IT said that the Administration proposed to set up a \$2 billion Innovation and Technology Venture Fund for co-investing with private venture capital funds on technology start-ups on a matching basis. The Administration would also leverage on Hong Kong's research capability and focus on encouraging universities to conduct more midstream and translational R&D for better articulation with downstream R&D. S for IT added that the Administration would set aside \$500 million to set up an Innovation and Technology Fund for Better Living, to finance projects that make use of innovative ideas and technologies to improve people's daily lives.

20. Dr CHIANG Lai-wan commented that many projects supported by R&D funding had to be shelved or terminated because they failed to receive the second or further rounds of funding support. Dr CHIANG suggested that the Administration should review the funding mechanism to ensure that projects could continue to receive support. S for IT commented that the current funding mechanism was operating effectively. He said that there were circumstances that a project should be withdrawn, and this might be a reason for the termination of funding.

#### *Development of Smart City*

21. Mr Charles Peter MOK commented that the public held high expectation on the proposed development of Smart City. The policy and operational responsibilities of different aspects of Smart City fell on several policy bureaux and departments. Mr Charles MOK expected that ITB would now assume a clear leading role in the development of Smart City. He asked how the Administration would engage the public and major stakeholders in developing Smart City.

22. Mr Charles MOK noted that the Administration intended to engage a consultant to formulate a framework and standards suitable for Hong Kong and to lay the foundation for Smart City development. Mr MOK asked whether this proposed consultancy would overlap with another consultancy study being carried out by the Energizing Kowloon East Office to implement Smart City in Kowloon East. S for IT said that the Administration would study the development of Smart

City in collaboration with research institutions, public and private organizations. References and standards from smart cities in other parts of the world would be examined in formulating the framework for Hong Kong.

23. The Chairman commented that to build a Smart City, it was important that government departments would co-operate closely to ensure that information could be effectively shared, and that departments could make effective use of technology to improve services for the community. The Chairman asked how the newly established ITB would foster inter-departmental co-operation and promote the use of technologies within the Government.

24. S for IT said that it was important to set standards for the application of technologies. He said that as a start, the Government could collaborate with the private sector to build aggregated data based on available data to facilitate big data analytics to avoid infringing data privacy.

25. As regards Smart City development in Hong Kong, S for IT said that apart from the pioneer project in Kowloon East, other areas such as Hung Shui Kiu might also offer opportunities for such development. The Administration would also explore opportunities to introduce Smart City features in existing built up areas through improvement to existing infrastructures. Lessons could be learnt from other advanced cities.

26. As regards encouraging departments to harness the strength of new technologies to improve public services, S for IT said that the proposed \$500 million Innovation and Technology Fund for Better Living would be a starting point in making available resources to encourage cross-departmental joint efforts in making use of innovative ideas and technologies to improve people's daily lives.

#### *Commercialization of research and development results*

27. Mrs Regina IP expressed concerns about how R&D results made in Hong Kong's universities could be commercialized. Mrs IP said that a technology transfer office was set up in every university to facilitate commercialization of R&D efforts. However, Mrs IP commented that the initiatives had not been effective, and she queried what the problems might be.

28. S for IT said that while a technology transfer office was set up in each university, the actual practice and approach of commercialization were different among institutions. S for IT added that universities needed to focus more on midstream and downstream R&D on top of basic research. Incentives were necessary to encourage commercialization efforts and theme-based research in key technology areas. S for IT said that universities should develop long term vision

on R&D efforts. As regards the problems in promoting commercialization of R&D, S for IT said that many research institutions lacked experience and had not developed exit strategies when formulating commercialization plans. However, S for IT said that there were talents in universities and with suitable guidance, more achievements could be attained.

*Building a connected Wi-Fi city*

29. Mr LEUNG Kwok-hung queried about the Administration's progress in building Hong Kong as a connected Wi-Fi city. Government Chief Information Officer ("GCIO") said that the Administration had launched the Government Wi-Fi programme in 2007 and extended it in 2011. By now, service had been rolled out at round 600 government premises with more than 3 000 hotspots. GCIO added that the Administration had collaborated with private organizations since 2014 to provide an additional 14 000 "Wi-Fi.HK" hotspots. The total number of Wi-Fi.HK hotspots available at present was 17 000. The Administration planned to progressively expand the coverage of free Wi-Fi service by doubling the number of hotspots to 34 000, and would collaborate with the private sector to install free Wi-Fi hotspots at places with high patronage such as public hospitals.

30. The Chairman said that further discussion could be held on this subject at the regular meeting in April when the Administration would report the progress on building a connected Wi-Fi city.

31. Mr Christopher CHUNG said that he had experienced difficulties in accessing Wi-Fi hotspots in some places with high patronage. He commented that the free Wi-Fi service the Government provided at present did not commensurate with the amount of resources provided. Mr CHUNG also commented that the public sector information portal "data.gov.hk" was merely a repository of government open documents, and did not fit the purpose of big data analysis. Mr CHUNG queried if the Administration had formulated a strategy for digital development with clear and measurable performance targets and timetable.

32. S for IT said that the Administration would continue to work with the private sector and pool public and private resources together to promote free Wi-Fi services in the community.

33. Mr CHAN Chi-chuen supported the Administration's initiative to build a connected Wi-Fi city. He commented that, notwithstanding the number of Wi-Fi hotspots the Administration had installed or planned to install, many hotspots were too weak or the range was too short that users could not connect to the Internet using those hotspots. Mr CHAN asked the Administration to report to the Panel how it would ensure the quality of the free Wi-Fi service at the meeting when it would present the item on building a connected Wi-Fi city in April 2016.

34. Dr CHIANG Lai-wan suggested that free Wi-Fi coverage should be extended to areas inside elevators of shopping malls and major commercial premises. S for IT said that while the issue could be solved technically, co-operation with the owners or managers of the premises would be necessary.

*Promoting re-industrialization*

35. Ms Cyd HO expressed concerns on how the newly established ITB would increase local employment and promote re-industrialization. Ms HO noted that the Administration would commit a total of \$4 billion to encourage institutions funded by the University Grant Committee to conduct theme-based research in key technology areas and for co-investing with private venture capital funds on technology start-ups on a matching basis. She asked how the Administration would promote re-industrialization through encouraging the private sector to use the results and products of local R&D efforts and turn them into products or services. In particular, Ms Cyd HO asked if the Administration would introduce new initiatives, in terms of land supply, for encouraging private companies to take up local R&D results. She also asked how the Administration would evaluate the effectiveness of the proposed new initiatives.

36. S for IT said that the \$2 billion R&D fund was intended to encourage universities to conduct more midstream and translational R&D for better bridging with downstream R&D, so that the projects would enjoy more commercialization opportunities. S for IT said that the Administration was willing to channel resources to universities given their research strength and capability. At present, private sector's commitment in R&D was small compared with the resources provided by the Government. S for IT said that in other technologically advanced countries, private sector's input on R&D was higher than the government's contribution. He said that it was necessary to encourage more investment in R&D among private sector companies in Hong Kong.

37. As regards the provision of land for promoting re-industrialization, S for IT said that the Hong Kong Science and Technology Park Corporation had adopted a new policy to encourage development of high-value added industry that did not had a high demand for land.

38. Dr CHIANG Lai-wan expressed concern about the Administration's objective on re-industrialization and she asked what the focus was. S for IT said that the Administration would encourage high-valued industries that were not particularly land-intensive such as micro-robotics or regenerative medicine.

## **II. Any other business**

39. Members noted that the next meeting of the Panel would be held on 16 February 2016. There being no other business, the meeting ended at 10:00 am.

Council Business Division 4  
Legislative Council Secretariat  
29 March 2016