

**立法會**  
**Legislative Council**

LC Paper No. ESC80/17-18

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**Establishment Subcommittee of the Finance Committee**

**Minutes of the 9<sup>th</sup> meeting**  
**held in Conference Room 3 of Legislative Council Complex**  
**on Monday, 22 January 2018, at 4:30 pm**

**Members present:**

Hon Mrs Regina IP LAU Suk-ye, GBS, JP (Chairman)

Hon Alvin YEUNG (Deputy Chairman)

Hon James TO Kun-sun

Hon LEUNG Yiu-chung

Hon Abraham SHEK Lai-him, GBS, JP

Hon WONG Ting-kwong, GBS, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon WONG Kwok-kin, SBS, JP

Hon Steven HO Chun-yin, BBS

Hon WU Chi-wai, MH

Hon Charles Peter MOK, JP

Hon CHAN Chi-chuen

Hon KWOK Wai-keung, JP

Dr Hon Fernando CHEUNG Chiu-hung

Hon IP Kin-yuen

Dr Hon Elizabeth QUAT, BBS, JP

Hon POON Siu-ping, BBS, MH

Dr Hon CHIANG Lai-wan, JP

Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Hon CHUNG Kwok-pan

Hon CHU Hoi-dick

Hon Holden CHOW Ho-ding

Hon SHIU Ka-fai

Hon SHIU Ka-chun

Hon YUNG Hoi-yan

Dr Hon Pierre CHAN  
Hon CHAN Chun-ying  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho

**Members absent:**

Dr Hon KWOK Ka-ki  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon HO Kai-ming

**Public Officers attending:**

Ms Carol YUEN Siu-wai, 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 CHEUK Wing-hing, JP	Permanent Secretary for Innovation and Technology
Mrs Millie NG, JP	Deputy Secretary for Innovation and Technology
Mr Allen YEUNG, Ir, JP	Government Chief Information Officer
Mr Davey CHUNG, JP	Deputy Government Chief Information Officer (Policy and Industry Development)
Mr Victor LAM, JP	Deputy Government Chief Information Officer (Infrastructure and Operations)
Ms Olivia NIP, JP	Head, Efficiency Unit, Chief Secretary for Administration's Office
Mrs Patricia LAU	Deputy Head, Efficiency Unit, Chief Secretary for Administration's Office
Mr Ivan CHUNG	Principal Assistant Secretary (Planning and Lands) 5, Development Bureau
Mr Ambrose CHEONG, JP	Project Manager (W), Civil Engineering and Development Department
Mr LAU Wing-kam	Chief Engineer (W1), Civil Engineering and Development Department
Mr Laurie LO, JP	Head, Task Force on Central Policy Unit Re-organisation
Mr Wilson KWONG	Assistant Head, Preparatory Office for Policy Innovation and Co-ordination Office, Central Policy Unit

**Clerk in attendance:**

Ms Connie SZETO

Chief Council Secretary (1)4

**Staff in attendance:**

Mr Keith WONG

Council Secretary (1)4

Ms Alice CHEUNG

Senior Legislative Assistant (1)1

Miss Yannes HO

Legislative Assistant (1)6

Ms Haley CHEUNG

Legislative Assistant (1)9

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The Chairman drew members' attention to the information paper ECI(2017-18)14, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the five items on the agenda. She then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interest relating to an item under discussion at the meeting before they spoke on the item. She also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

**EC(2017-18)13      Proposed establishment changes arising from the re-organisation of the Innovation and Technology Bureau (ITB); and creation of four additional permanent directorate posts of two Administrative Officer Staff Grade C (D2) posts in ITB, one Chief Systems Manager (D1) post in Office of the Government Chief Information Officer and one Chief Engineer (D1) post in Civil Engineering and Development Department for implementing new initiatives of ITB with effect from 1 April 2018 or with immediate effect upon approval of the Finance Committee, whichever is later**

2. The Chairman remarked that the staffing proposals involved establishment changes arising from the re-organization of the Innovation and Technology Bureau ("ITB"); and creation of four additional permanent directorate posts of two Administrative Officer Staff Grade C ("AOSGC") (D2) posts in ITB, one Chief Systems Manager (D1) post in the Office of

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the Government Chief Information Officer ("OGCIO") and one Chief Engineer (D1) post in the Civil Engineering and Development Department ("CEDD") for implementing new initiatives of ITB with effect from 1 April 2018 or with immediate effect upon approval of the Finance Committee ("FC"), whichever was the later. The proposed re-organization of ITB also involved the transfer of the Business Facilitation Division currently under the Economic Analysis and Business Facilitation Unit of the Financial Secretary's Office to the Efficiency Unit ("EU"), which was currently under the Chief Secretary for Administration's Office ("CSO"), and the augmented EU was proposed to be put under ITB. She pointed out that discussion of the item was carried over from the meeting on 12 January 2018.

3. The Chairman said that members requested at the last meeting to separate the various proposals under the paper for members' voting. ITB had advised before the meeting that as the posts concerned shared common and related backgrounds, work objectives and justifications, it was recommended that the proposals be discussed under the same paper and put to vote en bloc.

4. In response to Mr CHU Hoi-dick's enquiry about the voting arrangement, Permanent Secretary for Innovation and Technology ("PS(IT)) advised that the staffing proposals under EC(2017-18)13 shared common objectives. For instance, the responsibilities of both the proposed Principal Assistant Secretary for Innovation and Technology (2) and the proposed Chief Engineer for CEDD included Lok Ma Chau Loop Area development. It was therefore an appropriate arrangement to discuss the proposals under the same paper and vote on them en bloc. However, the final voting arrangement would depend on the Chairman's decision. In this connection, the Chairman remarked that should members wish to vote on the various proposals under the paper separately, they should raise it before voting.

Public works at the Lok Ma Chau Loop

5. Mr CHU Hoi-dick noted from the Government's paper that before carrying out the site formation and other infrastructure works at the Loop, the Administration needed to conduct land decontamination works thereat. He enquired about the details of such works, including the timetable and estimated cost.

6. Project Manager (W), Civil Engineering and Development Department ("PM(W)) advised that a total of over 50 000 cubic metres of sludge currently in some areas within the Loop had to be dealt with before

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development. CEDD planned to proceed with the Advance Works for the development of the Loop, including land decontamination works, in mid-2018, and the estimated cost of the decontamination works was about \$60 million. The Government would submit the funding proposal to the Public Works Subcommittee of the Legislative Council in due course, and the application would give a detailed account of the works concerned.

7. Mr WU Chi-wai noted from the Government's paper that the proposed permanent Chief Engineer post in CEDD would be responsible for the overall project management and coordination of the infrastructure and associated works for the Loop, as well as the consultation, communication and coordination with the locals and green groups in taking forward the works. He pointed out that the directions of development and planning for the Loop had been finalized, and communication with the locals and green groups should have concluded. Coupled with the fact that CEDD would also engage contractors to carry out the Advance Works and Main Works Package 1 ("MWP1"), he saw no urgency at this stage for CEDD to create a Chief Engineer post and no need to set up a dedicated project division to be led by the said post. He requested the Administration to give a detailed account of the responsibilities and scope of work of the Chief Engineer post of CEDD. If the Administration failed to provide sufficient justifications, he would oppose to the creation of the said permanent post.

8. Principal Assistant Secretary (Planning and Lands) 5, Development Bureau and PM (W) advised that according to the "Planning and Engineering Study on the Development of Lok Ma Chau Loop" completed in 2014, CEDD would need to implement under the development project for the Loop a range of environmental mitigation initiatives, including land decontamination and establishment of an ecological area within the Loop under the Advance Works, and establishment of a wetland compensation area outside the Loop and treatment of river sediments in a segment of Shenzhen River near the Loop under MWP1, with a view to satisfying the requirements set out in the environmental impact assessment report approved by the Director of Environmental Protection. Given that the 87-hectare Loop currently had no infrastructural facilities, the development project for the Loop would be carried out on a long-term basis. It was therefore necessary for CEDD to create a permanent Chief Engineer post to lead such work and to maintain liaison with the green groups that had been expressing concerns on the ecological issues of the Loop and its neighbouring areas as well as the locals who were concerned about the works. Furthermore, the proposed Chief Engineer post was also required to supervise the construction of Advance Works and the detailed design and site investigations of MWP1 of the Loop, which were expected to

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begin in mid-2018, so as to ensure the works concerned could tie-in with the development of the "Hong Kong-Shenzhen Innovation and Technology Park" ("the Park").

9. By making reference to the mode of development of the Hong Kong Science Park, Mr WU Chi-wai pointed out that upon completion of the site formation and other infrastructure works at the Park, CEDD would play a lesser role in the project. He queried why the proposed Chief Engineer post would not be created on a supernumerary basis which could lapse upon completion of the relevant work.

10. PM (W) explained that development of the Park at the Loop was an important and long-term task, and the scale of the project was large and its nature was complex. It would take a long time to carry out the site formation and infrastructure works from initial design phase to completion of full development. Even upon completion of the site formation and infrastructure works, CEDD would still need to monitor, coordinate and carry out all the needed infrastructural improvements to complement the long-term development of the Park. Moreover, as it was envisaged that other new long-term development/works projects would be taken forward near the Loop, the proposed Chief Engineer post was also required to handle and coordinate the interfacing matters related to the development projects at the Loop, as well as the works-related district administration matters. It was therefore necessary for CEDD to create the Chief Engineer post on a permanent basis.

11. In response to Mr WU Chi-wai's further enquiry, PM (W) advised that the proposed Chief Engineer post would lead a newly-established dedicated project division comprising a total of nine posts of the Engineer and Landscape Architect grades. Apart from one time-limited Landscape Architect/Assistant Landscape Architect post, the remaining eight posts of Senior Engineer/Engineer/Assistant Engineer were all permanent posts (including two existing posts).

Re-organization of the Innovation and Technology Bureau

12. Mr CHU Hoi-dick pointed out that apart from the development of the Park at the Loop, the Government had also earmarked a large amount of land for the development of innovation and technology ("I&T"). He enquired about the number of new job positions to be created resulting from the Government's I&T development plan. Furthermore, he pointed out that the Government also planned to set up a Human Resources Planning and Poverty Coordination Unit under CSO to assist the Chief Secretary for Administration in reviewing and formulating policies related

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to human resources planning. He asked if ITB had studied with CSO the strategies for I&T development and the relevant demand for human resources.

13. PS(IT) advised that as I&T involved long-term development, it was difficult to accurately assess the overall number of job positions to be created and the demand for manpower at present. Moreover, upon the re-organization of ITB, the responsibilities of Principal Assistant Secretary for Innovation and Technology (1) would include the coordination of human resources policies related to I&T. Upon the establishment of the Human Resources Planning and Poverty Coordination Unit, ITB would complement its work accordingly.

Voting on the item

14. The Chairman put the item to vote. Mr CHAN Chi-chuen and Mr WU Chi-wai requested that the various staffing proposals under the paper be voted on separately. The Chairman said that she would separate the proposals in the paper into three parts for voting, and members agreed. The voting arrangements were as follows:

- (a) the first proposal to be voted on: proposed establishment changes arising from the re-organization of ITB; and creation of two permanent directorate posts of AOSGC posts in ITB for implementing new initiatives of ITB; and some revision and redistribution of duties and responsibilities among directorate posts in OGCI and ITB (i.e. the proposals set out in paragraphs 2(a) and 2(b)(i) of the Government's paper);
- (b) the second proposal to be voted on: creation of a permanent Chief Systems Manager post in OGCI for implementing new initiatives of ITB (i.e. the proposal set out in paragraph 2(b)(ii) of the Government's paper); and
- (c) the third proposal to be voted on: creation of a permanent Chief Engineer post in CEDD for implementing new initiatives of ITB (i.e. the proposal set out in paragraph 2(b)(iii) of the Government's paper).

15. The Chairman put the aforesaid first proposal to vote. She was of the view that the majority of the members voting were in favour of the proposal. She declared that the Subcommittee agreed to recommend the proposal to FC for approval.

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16. The Chairman then put the second proposal to vote. She was of the view that the majority of the members voting were in favour of the proposal. She declared that the Subcommittee agreed to recommend the proposal to FC for approval.

17. The Chairman put the third proposal to vote. At the request of Mr CHAN Chi-chuen, the Chairman ordered a division, and the division bell rang for five minutes. Nine members voted for the proposal, six against it and four abstained from voting. The Chairman declared that the Subcommittee agreed to recommend the proposal to FC for approval. The votes of individual members were as follows:

*For*

Mr Abraham SHEK	Dr Priscilla LEUNG
Mr WONG Kwok-kin	Dr Elizabeth QUAT
Mr POON Siu-ping	Mr CHUNG Kwok-pan
Mr SHIU Ka-fai	Ms YUNG Hoi-yan
Mr CHAN Chun-ying	
(9 members)	

*Against*

Mr James TO	Mr WU Chi-wai
Mr CHAN Chi-chuen	Dr Fernando CHEUNG
Mr CHU Hoi-dick	Mr KWONG Chun-yu
(6 members)	

*Abstain*

Mr Charles Peter MOK	Mr IP Kin-yuen
Mr Alvin YEUNG	Mr Jeremy TAM
(4 members)	

18. Mr James TO requested that the item EC(2017-18)13 be voted on separately at the relevant FC meeting.

**EC(2017-18)14**      **Proposed creation of six permanent posts of one non-civil service position (equivalent to the rank of D8)/Administrative Officer Staff Grade A1 (D8), one Administrative Officer Staff Grade B (D3) and four Administrative Officer Staff Grade C/Principal Economist/Government Town Planner/Deputy Principal Government Counsel/Government Engineer (D2/DL2); deletion**

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**of two permanent posts of one Administrative Officer Staff Grade C (D2) and one Government Town Planner (D2); and deletion of four non-civil service positions of one Head, Central Policy Unit (equivalent to the rank of D8) and three Full-time Members of Central Policy Unit (equivalent to the rank of D3) in the Central Policy Unit of the Offices of the Chief Secretary for Administration and the Financial Secretary with effect from 1 April 2018, or with immediate effect upon approval by the Finance Committee (whichever is later) for the re-organisation of the Central Policy Unit as a new Policy Innovation and Co-ordination Office**

19. The Chairman remarked that this staffing proposal involved creation of six permanent posts of one non-civil service position (equivalent to the rank of D8)/Administrative Officer Staff Grade A1 (D8), one Administrative Officer Staff Grade B (D3) and four Administrative Officer Staff Grade C/Principal Economist/Government Town Planner/Deputy Principal Government Counsel/Government Engineer (D2/DL2); deletion of two permanent posts of one Administrative Officer Staff Grade C (D2) and one Government Town Planner (D2); and deletion of four non-civil service positions of one Head, Central Policy Unit (equivalent to the rank of D8) and three Full-time Members of Central Policy Unit (equivalent to the rank of D3) in the Central Policy Unit ("CPU") of the Offices of the Chief Secretary for Administration and the Financial Secretary with effect from 1 April 2018, or with immediate effect upon approval by FC (whichever was later) for the re-organization of the Central Policy Unit as a new Policy Innovation and Co-ordination Office ("PICO").

20. The Chairman pointed out that the Panel on Public Service ("PS Panel") was consulted by the Administration on the proposal at the meeting on 20 November 2017. While reporting the Panel's discussion, Mr POON Siu-ping, Chairman of PS Panel, said that Panel members agreed in general that the proposal be submitted to the Establishment Subcommittee for consideration. During the meeting, members enquired about the reasons for revamping the CPU as PICO. The Administration replied that the revamp was to enable PICO to fully dovetail with and support the Government to pursue its new roles and implement its new style of governance. As one of the functions of PICO was to coordinate major cross-bureaux policies selected by the Chief Executive ("CE") and the Secretaries of Departments, members were concerned how the

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Administration would determine the priorities of different policies. The Government replied that the senior leadership of the Government would select, for PICO's co-ordination, important and sophisticated cross-bureaux policies which were in line with the Policy Agenda Booklet of the new-term Government, or policies that had been dragged on for a long time without being implemented.

Establishment of the Policy Innovation and Co-ordination Office through creation of new posts

21. Mr CHAN Chun-ying expressed support for revamping the CPU as PICO. He enquired whether establishing PICO would involve additional resources. Pointing out that the Government had embarked on an open recruitment exercise for around 30 posts of Policy and Project Co-ordination Officers ("PPCOs") of PICO, Mr CHAN and Ms YUNG Hoi-yan enquired about PICO's institutional arrangement in relation to these posts, including whether to delete research officer posts in CPU to vacate positions for the new posts.

22. Head, Task Force on Central Policy Unit Re-organization ("Head/Task Force") pointed out that PICO would make use of the existing financial provision for CPU, which was sufficient to fund the establishment changes arising from the proposed revamp. Regarding the recruitment of PPCOs of PICO, Head/Task Force advised that the Government would, on a Non-Civil Service Contract ("NCSC") basis, recruit around 30 people with no less than two or five years of experience (depending on post) in conducting policy research or co-ordinating public engagement exercises. The Government expected the appointees to exercise their professional knowledge and work experience to inject new ideas in the Government's policy research and coordination of public engagement exercises and cross-bureaux policies, etc. He added that the existing research officers of CPU were employed on a NCSC basis. The posts would not be extended when the research officers' contracts expire. The Government had invited all current research officers of CPU to apply for PPCOs or Senior Policy and Project Co-ordination Officers ("SPPCOs") of PICO.

23. Mr CHUNG Kwok-pan enquired whether the Administration would prefer young people when recruiting PPCOs or SPPCOs of PICO. He was concerned that the appointees, if too young, might not have sufficient experience or might be unable to adapt to working in the Government, which would subsequently hinder PICO's attainment of the expected results.

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24. Head/Task Force advised that the Government did not set any age requirement for the posts of PPCOs or SPPCOs. The recruitment process would focus on candidates' working experience in policy research or co-ordination of public engagement exercises. After taking office, these researchers would receive appropriate guidance from senior managements and professional grade officers of PICO, including the newly added posts of two Senior Economists and one Senior Town Planner.

25. The Chairman and Mr CHAN Chi-chuen pointed out that the monthly salaries of up to \$48,000 and \$95,000 respectively paid by the Government to the PPCOs and SPPCOs were on the high side. Mr CHAN enquired whether the Government would appoint non-residents of Hong Kong to the posts of PPCOs and whether they would be tasked to handle publicity for government policies.

26. Head/Task Force advised that the starting pay of PPCOs and SPPCOs were \$30,000 and \$60,000 each month respectively. The Government would determine the starting salaries of appointees based on their academic qualifications and working experience, while appointees must be permanent residents of Hong Kong. He added that the posts would mainly be responsible for conducting policy research and coordinating cross-bureaux policies, not including handling of political publicity issues.

27. The Chairman noted from the Government's paper that PICO would create four directorate (D2) posts designated as Assistant Heads/PICO, which could be filled by officers from Administrative Officer, Economist, Town Planner, Government Counsel or Engineer grades. She enquired about the reason for such an arrangement. The Chairman also noted that the Government would propose to create one permanent Principal Economist (D2) post in the Economic Analysis and Business Facilitation Unit ("EABFU") under the Financial Secretary's Office to handle tasks of boosting Hong Kong's long-term competitiveness. She requested the Government to undertake not to redeploy the said post to PICO lest it would affect EABFU's work.

28. Head/Task Force explained that the Government did not intend to specify the grades of officers filling the posts of Assistant Heads/PICO as it was expected that PICO would take on more cross-bureaux issues and issues covering a wider spectrum of policy areas. Upon commissioning, PICO would flexibly deploy officers from the five grades to fill the posts of Assistant Heads depending on operating needs and manpower deployment of officers from various grades. He undertook that the Government would not redeploy the new post of Principal Economist of EABFU to PICO.

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29. Pointing out that PICO would create three Deputy Head posts, Ms YUNG Hoi-yan enquired about the division of work among the three posts on policy research issues.

30. Head/Task Force advised that under each Deputy Head, there would be a Policy Research and Co-ordination Team to separately handle policies related to finance and economy, housing and transport, as well as social and livelihood issues, etc. He added that differentiating the scope of work of the three teams by policy areas would allow researchers of each unit to keep close contact with stakeholders, academics or think tanks in relation to their research areas, thereby more effectively accumulating knowledge in specialized fields.

31. Mr CHAN Chi-chuen noted from paragraph 22 of the Government's paper that in-depth knowledge of and practical experience in the operations of the Government would be essential for Head/PICO, yet the Government proposed at the same time that the post could be filled by a non-civil service ("NCS") appointee. He requested the Government to explain the rationale for proposing such a seemingly contradictory arrangement.

32. Head/Task Force explained that the Government's proposal of recruiting NCS appointee for the post of Head/PICO was made taken into account Head/CPU being also a NCS position at first. While some members of society had extensive experience in public services (e.g. having served as members of various organizations within the Government's advisory framework), they might qualify as Head/PICO if they had in-depth knowledge of the Government's operations even though they had not served as civil servants before.

Work of the Policy Innovation and Co-ordination Office

33. Mr CHUNG Kwok-pan and Mr Charles MOK pointed out that, in the past, CPU often refused to disclose the contents and results of its opinion polls or surveys on grounds of confidentiality, and the public could hardly know about CPU's work and research findings. They asked the Administration to explain how PICO would increase the transparency of its work and incorporate public views in the course of its research in future, as well as the efforts that PICO would make to coordinate cross-bureaux policies.

34. Dr Fernando CHEUNG pointed out that the CPU should focus on its original function of policy research to assist the Government in implementing policies conducive to Hong Kong's development. But in

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recent years, the CPU had instead concentrated heavily on publicizing and promoting policies which had already been confirmed by the senior leadership in the Government, which seemed to put the cart before the horse. He demanded an explanation from the Government on how PICO, after its establishment, would improve the previous work practice of CPU.

35. Mr Holden CHOW considered it necessary for PICO to communicate as early as possible with relevant bureaux and departments when conducting policy research, so as to ensure that its research directions and findings would align with departmental operations and facilitate implementation of new policies.

36. Head/Task Force said that PICO would conduct evidence-based research on complex social problems, cross-bureaux policy issues or policy subjects given priority in implementation, as well as maintaining close communication with relevant stakeholders and receiving public views on relevant subjects in the course of research. Also, PICO would maintain liaison with relevant bureaux or departments in respect of research tasks to ensure their support for the research direction, as well as gaining latest information and data about the topics concerned. Under the new work model, the functions of PICO would not be confined to policy packaging and promotion. Members of the public would learn about the research direction at the early stage of policy formulation through various phases of public engagement activities, thereby enhancing the transparency of PICO's research work. Regarding some important cross-bureaux policies, PICO as a coordinator would examine the issues from a holistic and strategic perspective, and formulate innovative policy responses. He added that the Government of the last term had set up a Policy and Project Co-ordination Unit under the Chief Secretary for Administration's Office to address issues such as poverty, retirement protection and population policy, etc. at the cross-bureaux level. The effectiveness of the Unit was well recognized, which demonstrated the benefits of having a dedicated department to co-ordinate cross-bureaux policies.

37. Mr Charles MOK noted from paragraph 6 of the supplementary paper (LC Paper No. ESC67/17-18(01)) that PICO, upon establishment, would have further detailed discussion with relevant bureaux about the work plan on sharing economy. Pointing out the sluggish development of sharing economy in Hong Kong in recent years, he urged PICO to carry out the relevant tasks as soon as possible upon its establishment and to expedite the research work.

38. Head/Task Force said that CPU had already commenced basic research work on the development of sharing economy. He believed that

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PICO would, upon establishment, better interface and coordinate cross-bureaux policies, which would be conducive to enhancing the efficiency of research on development of sharing economy.

39. Mr CHAN Chun-ying enquired if the Government would set indicators for assessing the effectiveness of PICO's work, such as inviting PICO's targeted service recipients to take part in surveys, so as to evaluate the effectiveness of PICO's achievements.

40. Head/Task Force agreed that an appropriate mechanism should be in place for evaluating the effectiveness of PICO's work. The Government would study how to formulate an evaluation mechanism in this respect.

41. Mr IP Kin-yuen noted from the Government's paper that PICO would take over the management of the Public Policy Research Funding Scheme and the Strategic Public Policy Research Funding Scheme ("two research funding schemes") formerly under CPU. He pointed out that when CPU took over the administration of these two research funding schemes from the Research Grants Council in the past, there was common concern that the independence and autonomy of the research schemes would be undermined. He asked how PICO would ensure that, after assuming the administration of these two schemes, the independence and autonomy of the research tasks would not be subject to the Government's intervention.

42. Head/Task Force explained that the two research funding schemes were administrated by the Research Grants Council years ago. However, considering that research projects under the schemes were largely conducted from an academic perspective and were relatively less practical and applicable to the Government's policy formulation, the schemes were thus taken over by CPU. CPU made arrangements similar to those of the Research Grants Council, including setting up an assessment panel comprising local academics to review the quality of research applications and receiving views from various policy bureaux on the applications. The assessment panel would recommend the CPU to accept applications that were deemed suitable. This process would guarantee the independence of research projects. PICO would continue to adopt this model to manage the two research funding schemes. Outcomes of research projects conducted under the funding schemes would be published after completion.

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Establishment of the Chief Executive's Council of Advisers on Innovation and Strategic Development

43. Mr CHU Hoi-dick and Dr Fernando CHEUNG noted from the Government's paper that the newly established CE's Council of Advisers on Innovation and Strategic Development ("the Council") would replace the Commission on Strategic Development ("CSD") and Economic Development Commission ("EDC"), while PICO would provide the Council with secretariat services and research support. They enquired about the difference between the Council's mode of operation and that of CSD and EDC.

44. Head/Task Force explained that when CSD and EDC were in operation before, all bureaux would submit their policy recommendations on Hong Kong's long-term development strategies to CSD and EDC for their discussion and recommendation to CE. Upon establishment, the Council would replace CSD and EDC. The Council would give guidance on research direction to PICO in respect of issues such as long-term strategic development and consolidation of Hong Kong's international competitiveness. When PICO completed a certain stage of research, the Council could further examine the relevant subject thoroughly based on the research outcome in order to make recommendations to CE.

*(At 6:26 pm, the Chairman enquired if members agreed to extend the meeting by 15 minutes. No members expressed objection.)*

45. The Chairman remarked that as some members were still waiting for their turn to ask questions, the Subcommittee would continue the discussion on this item at the meeting on 24 January 2018.

46. The meeting ended at 6:46 pm.