

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 15th meeting
held at the Legislative Council Chamber
on Friday, 20 June 2003, at 2:30 pm**

Members present:

Dr Hon Philip WONG Yu-hong (Chairman)
Hon NG Leung-sing, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon James TIEN Pei-chun, GBS, JP
Hon Cyd HO Sau-lan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Eric LI Ka-cheung, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching, JP
Hon CHAN Kwok-keung
Hon CHAN Yuen-han, JP
Hon CHAN Kam-lam, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, JP

Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung, BBS
Hon LAU Kong-wah
Hon Miriam LAU Kin-ye, JP
Hon Ambrose LAU Hon-chuen, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Andrew CHENG Kar-foo
Hon SZETO Wah
Hon Timothy FOK Tsun-ting, SBS, JP
Dr Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
Hon Frederick FUNG Kin-kee
Hon IP Kwok-him, JP
Hon LAU Ping-cheung
Hon Audrey EU Yuet-mee, SC, JP
Hon MA Fung-kwok, JP

Members absent:

Dr Hon David CHU Yu-lin, JP
Hon Albert HO Chun-yan
Dr Hon David LI Kwok-po, GBS, JP
Hon Bernard CHAN, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon LAU Chin-shek, JP
Hon LAU Wong-fat, GBS, JP
Hon CHOY So-yuk
Dr Hon LO Wing-lok
Hon WONG Sing-chi

Public officers attending:

Mr Stanley YING, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Christopher WONG	Deputy Secretary for the Civil Service
Mrs Agnes ALLCOCK, JP	Commissioner for Official Languages

Mrs Marion LAI, JP	Deputy Secretary for Commerce, Industry and Technology (Information Technology and Broadcasting)
Mrs Sarah KWOK	Commissioner for Innovation and Technology
Mr Victor H W NG	Principal Assistant Secretary for Financial Services and the Treasury (Treasury)
Mr K K NG	Acting Deputy Director of Architectural Services
Mrs Eliza LEE	Chief Systems Manager of Information Technology Services Department
Mr H Y CHAN	Senior Property Services Manager of Architectural Services Department
Miss Anita CHAN	Principal Assistant Secretary for Commerce, Industry and Technology (Commerce and Industry)
Mr Clement LEUNG	Deputy Director-General of Trade and Industry
Mr Eugene FUNG	Assistant Director-General of Trade and Industry (Industrial Support)

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Polly YEUNG	Chief Assistant Secretary (1)3
Mr Matthew LOO	Senior Assistant Secretary (1)3
Ms Caris CHAN	Senior Legislative Assistant 1
Mr Frankie WOO	Legislative Assistant 2

Action

Item No. 1 - FCR(2003-04)25

**HEAD 143 – GOVERNMENT SECRETARIAT :
CIVIL SERVICE BUREAU
HEAD 115 – OFFICIAL LANGUAGES AGENCY**

Members noted that the present proposal sought members' approval for consequential changes to the 2003-04 Estimates with effect from 1 July 2003 to reflect the incorporation of the Official Languages Agency into the

Civil Service Bureau. The relevant staffing proposal had been endorsed by the Establishment Subcommittee (ESC) on 21 May 2003 and subsequently approved by the Finance Committee (FC) on 30 May 2003.

2. The Committee approved the proposal.

Item No. 2 - FCR(2003-04)26

**HEAD 55 – GOVERNMENT SECRETARIAT :
COMMERCE, INDUSTRY AND TECHNOLOGY BUREAU
(INFORMATION TECHNOLOGY AND BROADCASTING
BRANCH)**

3. Members noted that the present proposal sought members' approval for consequential changes to the 2003-04 Estimates with effect from 1 July 2003 following the reorganization of the Commerce, Industry and Technology Bureau. The relevant staffing proposal had been endorsed by ESC on 21 May 2003 and subsequently approved by FC on 30 May 2003.

4. The Committee approved the proposal.

Item No. 3 - FCR(2003-04)27

**CAPITAL WORKS RESERVE FUND
HEAD 710 – COMPUTERISATION
Architectural Services Department
New Subhead “Enhancement of Automated Communication, Technical
Information and Operations Network System”**

5. Members noted that the Financial Services and the Treasury Bureau had circulated an information paper on the proposed enhancement of the Automated Communication, Technical Information and Operations Network (ACTION) System to the Panel on Financial Affairs on 12 June 2003.

6. Mr CHAN Kwok-keung enquired about the arrangement for the 17 redundant posts arising from the enhancement of ACTION System of the Architectural Services Department (ArchSD). In response, the Deputy Director of Architectural Services (DD of ArchS) advised that the expected staff savings would be achieved through natural wastage, retraining, redeployment and the second Voluntary Retirement Scheme. Hence, no compulsory redundancy would arise.

7. In this connection, Mr LEUNG Fu-wah pointed out that the enhancement of the ACTION System might expedite the plan to outsource up

to 90% of ArchSD's work in the next seven years. Responding to Mr LEUNG's concern about the impact of the proposed enhancement on the staffing situation of the department, DD of ArchS assured members that the departmental management held regular meetings with various staff associations to update them on the progress of the outsourcing and work re-engineering programmes. DD of ArchS said that so far, he was not aware of any major unease expressed by staff associations over the redundant posts arising from the enhancement of ACTION System.

8. The Committee approved the proposal.

Item No. 4 - FCR(2003-04)28

HEAD 181 – TRADE AND INDUSTRY DEPARTMENT

♦ Subhead 700 General other non-recurrent

Item 521 SME Training Fund

Item 522 SME Export Marketing Fund

Item 523 SME Development Fund

New Item “SME Training, Export Marketing and Development Funds”

9. Members noted that the Panel on Commerce and Industry (CI Panel) had been consulted on the proposal at the meeting on 9 June 2003.

10. Mr HUI Cheung-ching declared interest as a member of the Small and Medium Enterprises Committee which was supportive of the present proposal. He added that at the meeting of the CI Panel on 9 June 2003, the majority of members were also in support of the present proposal.

11. Noting that the existing ceiling of the grant payable to each small and medium enterprise (SME) under the SME Training Fund (STF) in respect of the employers' and employees' training would be maintained, Mr Henry WU enquired whether the Administration would remove the sub-ceilings altogether so that each SME could flexibly utilize the aggregate grant of \$30,000.

12. In response, the Deputy Director-General of Trade and Industry (DDG of TI) said that the vast majority of the existing STF beneficiaries had used less than \$5,000 of the aggregate ceiling of \$30,000. This might be attributable to the fact that in the aftermath of the outbreak of the Severe Acute Respiratory Syndrome (SARS), most SMEs had accorded priority to their business operations instead of training needs. DDG of TI further reported that on being consulted on the proposed arrangement, SMEs had not raised any strong request for greater flexibility in utilizing the STF grant. Nevertheless, the Administration would monitor the situation and keep in view the training needs of SMEs.

13. Ms Miriam LAU appreciated the Administration's positive response to the request of SMEs of the logistics industry to increase the subsidy level per successful application under STF. She nevertheless enquired whether the Administration would consider raising the subsidy level further from 70% to 75% of the training expenses as proposed by the logistics industry. In response, DDG of TI advised that it was difficult to derive an appropriate subsidy level in a highly scientific manner. The Administration had taken SMEs' views into account in revising the subsidy level and would continue to keep the arrangement under review in the light of feedbacks from SMEs.

14. Ms Miriam LAU was concerned about the low utilization rate of STF (10% of the approved commitment) and enquired whether this was due to the lack of suitable training courses for SMEs. She also considered that more publicity for STF was required. In reply, DDG of TI said that the take-up rate for STF was not too low. There were about 16 000 applications for STF which would benefit about 8 000 SMEs. He pointed out that the proposed increase in the subsidy level of STF was to provide greater incentive for SME employers to provide training for their employees. The Administration had been working with various training providers to introduce courses to enhance the competitiveness of SMEs, these included a number of information technology-related training courses.

15. DDG of TI concurred with the importance of publicity. As the impact of SARS had gradually subsided, the Administration would step up publicity on the funding schemes through the SME Centre of the Hong Kong Trade Development Council and the Support and Consultation Center for SMEs of the Trade and Industry Department. Seminars would also be arranged for SMEs to introduce training courses that might meet their business needs.

16. Regarding the application procedures, DDG of TI confirmed that there was no deadline for SMEs to apply for the STF grant as long as funds were available. He noted the concern that some SMEs which had exhausted its grant of \$30,000 might wish to re-apply for subsidies for the training of their new employees. However, in order that more SMEs could benefit from the STF, no further subsidy would be provided if the SME concerned had used up the maximum sum of \$30,000.

17. In view of the low utilization rates of STF, the SME Export Marketing Fund (EMF) and SME Development Fund (SDF), Ms Emily LAU questioned how the Administration could strike a balance between deploying resources in accordance with actual demand and the prudent use of public funds. In response, DDG of TI considered that it might be pre-mature to conclude that the utilization rates of the three funding schemes were low, having regard that the schemes had only been in operation for about a year. The proposed merger of STF, EMF and SDF would enable the Administration to deploy

resources under the funding schemes more flexibly to meet the actual demand of SMEs.

18. Mr James TIEN said that Members of the Liberal Party supported the proposal. He noticed that to alleviate the impact of SARS, the Administration had put in place various training funds such as STF and other training-related measures. He asked the Administration to provide a paper showing the details of the total commitments approved for these funds and measures. If possible, a breakdown should be provided for ad-hoc and standing schemes. Information about the new employment initiatives recently announced by the Chief Executive (CE) should be included. Mr Howard YOUNG also suggested that the paper should include details on the Skills Enhancement Project recently introduced for sectors hard hit by SARS.

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19. In reply, the Deputy Secretary for Financial Services and the Treasury (Treasury)¹ advised that different funding schemes and training-related measures had been launched for their specific purposes. He undertook to discuss with the bureaux/departments concerned and make the best endeavour to provide the requested information.

20. The Committee approved the proposal.

21. The Committee was adjourned at 3:00 pm.

Council Business Division 1
Legislative Council Secretariat
8 August 2003