# 立法會 Legislative Council

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# Subcommittee on Proposed Resolution Relating to the Establishment of the Innovation and Technology Bureau

#### **Background brief**

#### Purpose

This paper provides background information on the proposed Resolution relating to the Innovation and Technology Bureau ("ITB"). It also gives a brief account of the views and concerns expressed by Members on related issues.

#### Background

2. In preparation for the establishment of the ITB, the Legislative Council ("LegCo") passed the resolution to effect the transfer of statutory functions under the Electronic Transactions Ordinance (Cap. 553) from the Secretary for Commerce and Economic Development ("SCED") and Permanent Secretary for Commerce and Economic Development (Communications and Technology) to the Secretary for Innovation and Technology ("S for IT") and Permanent Secretary for Innovation and Technology on 29 October 2014 ("the original Resolution").

3. The original Resolution commences on the 14th day after the day on which the Finance Committee ("FC") approves the proposal to make changes to the Estimates of Expenditure for 2014-2015 to provide for matters arising from the establishment of the ITB ("the 2014-2015 funding proposal"), or the 14th day after the day on which the original Resolution is made and passed, whichever is the later.

4. Since the 2014-2015 funding proposal could not be approved by FC in time for the relevant changes to be included into the Draft Estimates of Expenditure for 2015-2016 which was introduced into LegCo on 25 February 2015, the 2014-2015 funding proposal has been withdrawn. As such, another proposal to make changes to the Estimates of Expenditure for 2015-2016 to provide for matters arising from the establishment of the ITB ("the 2015-2016 funding proposal") will need to be submitted later. It follows that the original Resolution could not commence. The Administration considers it necessary to introduce amendments to the original Resolution to provide for new commencement arrangements.

## The proposed Resolution

5. SCED has given notice to move a motion ("the proposed Resolution") under section 54A of the Interpretation and General Clauses Ordinance (Cap. 1) ("IGCO") at the Council meeting of 18 March 2015 to amend the original Resolution made and passed by LegCo under the same section on 29 October 2014.

6. The proposed Resolution revises the definition of "commencement date" in, and adds a new definition of "amending Resolution" to, the original Resolution to provide that the original Resolution will commence on the 14th day after the day on which FC approves, under section 8 of the Public Finance Ordinance (Cap. 2), the proposal to make changes to the Estimates of Expenditure 2015-16 to provide for the specified matters arising from the establishment of ITB; or the 14th day after the day on which the proposed Resolution is made and passed by LegCo under section 54A of IGCO, whichever is the later.

#### Views and concerns expressed by Members

Panels

7. The Panel on Information Technology and Broadcasting and the Panel on Commerce and Industry were briefed on the proposal to establish the ITB respectively on 14 and 15 April 2014 and a special meeting of the Panel on Information Technology and Broadcasting was held on 3 May 2014 with deputations giving their views on the proposed establishment of the new Bureau. Most of the deputations supported the proposal and both Panels passed motions to support the establishment of the new Bureau as soon as possible.

<u>Subcommittee to Study the Proposed Legislative Amendments Relating to</u> the Establishment of a New Innovation and Technology Bureau

8. During the deliberation of the Subcommittee to Study the Proposed Legislative Amendments Relating to the Establishment of a New Innovation and Technology Bureau in the 2014-2015 legislative session, the majority of members of the Subcommittee supported in principle the proposed establishment of the new Bureau to sustain the development of innovation and technology of Hong Kong in the long run. However, some members queried the rationale for not transferring the telecommunications and broadcasting portfolios under the Commerce and Economic Development Bureau to the ITB. Some other members objected to the Administration's proposal, and opined that the Administration should consider other alternatives to the establishment of the ITB.

9. According to the Administration, the ITB would focus on the development of innovation and technology in Hong Kong, including the commercialization of research and development deliverables. The Administration considered it undesirable to transfer the telecommunications and broadcasting portfolios to the ITB as they were more related to regulatory and licensing matters. Nevertheless, the Administration did not rule out the possibility of re-organizing the functions of the future ITB in light of new developments.

10. Some members opined that it would be unfair for S for IT who would be responsible for the development of innovation and technology to be entitled to the same remuneration as other Policy Secretaries, such as SCED and the Secretary for Housing and Transport who had to shoulder much heavier policy responsibilities.

11. The Administration advised that the objective of the establishment of the ITB was to recognize the importance of innovation and technology to Hong Kong's development, and to provide dedicated high level leadership in the development of innovation and technology. The workload of S for IT should not be seen only from the number of policy aspects for which the ITB was responsible. As the number of stakeholders involved in the innovation and technology industry was substantial, it would not be an easy task for S for IT to achieve the balance of interests among stakeholders. S for IT would also play a leading role in undertaking the mammoth task to promote the commercialization of R&D deliverables.

12. Some members enquired whether the Administration would consider extending the 14th day deadline to allow sufficient time for the preparation work, including the transfer of functions, for the establishment of the ITB

and the appointment of a suitable and qualified candidate for the post of S for IT. The Administration advised that it would complete in good time all preparation relating to the establishment of the ITB, including the deployment of supporting staff and appointment of the Principal Official.

#### Finance Committee

13. FC held a total of eight meetings spanning 16 hours on 3, 5, 6 and 14 February 2015 to discuss the 2014-2015 funding proposal relating to the establishment of ITB. Members held divergent views on the establishment of the ITB. While some Members opined that the Administration should consider other alternatives to the establishment of the ITB, and queried the rationale for not transferring the portfolios relating to the creative industries, telecommunications and broadcasting to the ITB, other Members supported the establishment of the ITB without further delay. As the discussion had not been concluded at the FC meeting on 14 February 2015, the 2014-2015 funding proposal had not been voted upon before the end of the meeting.

#### Latest development

14. At the meeting of the House Committee held on 27 February 2015, Members agreed that a subcommittee should be formed to examine the proposed Resolution relating to the establishment of the ITB. At the request of the House Committee, SCED has withdrawn his notice of motion pending the deliberation of the Subcommittee.

## References

15. A list of relevant papers is given below –

http://www.legco.gov.hk/yr13-14/english/panels/itb/agenda/itb20140414.htm http://www.legco.gov.hk/yr13-14/english/panels/ci/agenda/ci20140415.htm http://www.legco.gov.hk/yr13-14/english/panels/itb/agenda/itb20140503.htm http://www.legco.gov.hk/yr13-14/english/hc/sub\_leg/sc106/general/sc106.htm http://www.legco.gov.hk/yr14-15/english/hc/sub\_leg/sc107/general/sc107.htm http://www.legco.gov.hk/yr14-15/english/counmtg/hansard/cm20141029-transl ate-e.pdf http://www.legco.gov.hk/yr14-15/english/fc/fc/agenda/fc20150203.htm http://www.legco.gov.hk/yr14-15/english/fc/fc/agenda/fc20150205.htm http://www.legco.gov.hk/yr14-15/english/fc/fc/agenda/fc20150206.htm

http://www.legco.gov.hk/yr14-15/english/fc/fc/agenda/fc20150214.htm

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