

立法會
Legislative Council

LC Paper No. ESC84/17-18

(These minutes have been
seen by the Administration)

Ref : CB1/F/3/2

Establishment Subcommittee of the Finance Committee

**Minutes of the 8th meeting
held in Conference Room 3 of Legislative Council Complex
on Friday, 12 January 2018, at 10:45 am**

Members present:

Hon Mrs Regina IP LAU Suk-yee, 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

Dr Hon KWOK Ka-ki

Hon KWOK Wai-keung, JP

Hon IP Kin-yuen

Dr Hon Elizabeth QUAT, BBS, JP

Hon Martin LIAO Cheung-kong, SBS, 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 HO Kai-ming

Hon Holden CHOW Ho-ding

Hon SHIU Ka-fai

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 Fernando CHEUNG Chiu-hung
Hon SHIU Ka-chun

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
Ms Doris HO, JP	Deputy Secretary for Development (Planning and Lands) ¹
Mr SOH Chun-kwok	Assistant Director of Planning (Special Duties)
Mr Nicholas Yang, GBS, JP	Secretary for Innovation and Technology
Mr CHEUK Wing-hing, JP	Permanent Secretary for Innovation and Technology
Mrs Millie NG, JP	Deputy Secretary for Innovation and Technology
Ir Allen YEUNG, 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

Clerk in attendance:

Ms Connie SZETO	Chief Council Secretary (1)4
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Staff in attendance:

Mr Jason KONG	Council Secretary (1)1
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 six 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 the 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)12	Proposed creation of one supernumerary post of Administrative Officer Staff Grade C (D2) to lead a new team under the Planning Unit of Planning Division in the Planning and Lands Branch of the Development Bureau up to 31 March 2022; creation of one permanent post of Chief Town Planner (D1) to lead the Housing and Office Land Supply Section of the Planning Department ("PlanD"); and redeployment of one permanent post of Chief Town Planner within PlanD to
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oversee the district planning work with immediate effect upon approval of the Finance Committee

2. The Chairman remarked that the staffing proposals involved in this item included creation of one supernumerary post of Administrative Officer Staff Grade C ("AOSGC") (D2) to lead a new team under the Planning Unit of Planning Division in the Planning and Lands Branch of the Development Bureau ("DEVB") up to 31 March 2022; creation of one permanent post of Chief Town Planner ("CTP") (D1) to lead the Housing and Office Land Supply Section of the Planning Department ("PlanD"); and redeployment of one permanent post of CTP within PlanD to oversee district planning work. The proposals would take immediate effect upon approval of the Finance Committee ("FC"). She pointed out that discussion of the item was carried over from the meeting on 10 January 2018.

3. Mr CHU Hoi-dick said that prior to the meeting, he had made a written request for the Administration to provide supplementary information on this item (LC Paper No. ESC57/17-18(01)). He urged the Government to provide the written response before submitting the item to FC for consideration.

Developing a policy on brownfield sites

4. Dr CHIANG Lai-wan noted that one of the main responsibilities of the supernumerary AOSGC post (designated as Principal Assistant Secretary (Planning and Lands)⁷ ("PAS(PL)⁷") proposed to be created in DEVB was to oversee the formulation of a policy framework for brownfield sites and related studies. She opined that DEVB should first formulate a policy on brownfield sites, and the holder of the proposed supernumerary post should then be tasked to implement the relevant initiatives. In this connection, she enquired if the Administration had set a clear policy direction for tackling brownfield sites.

5. Deputy Secretary for Development (Planning and Lands)¹ ("DS(PL)¹") advised that the formulation of a policy on brownfield sites was complicated because there were currently various forms of operations on a large number of brownfield sites. If the Administration were to resume those sites for housing development, it had to formulate comprehensive proposals first to provide land for the operations that were still in demand. The Government was carrying out several studies on brownfield sites which were expected to be completed within 2018. One of the directions of the studies was to explore accommodating some brownfield operations in multi-storey buildings so as to optimize land

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utilization. One of the tasks of PAS(PL)7 was to communicate closely with brownfield operators during the formulation of the brownfield policy framework to understand their needs and concerns.

6. Mr WU Chi-wai was worried that the Government had yet to identify suitable sites for re-accommodating brownfield operations, and the holder of the aforesaid proposed post might not be able to implement the initiatives relating to brownfield site development right after taking office.

7. DS(PL)1 advised that there were currently a number of sites with potential for constructing multi-storey buildings and for use as open sites, such as the 24-hectare site in the Hung Shui Kiu New Development Area ("NDA") reserved for use by industries such as logistics, godown, construction and vehicle repair in the future. In response to Mr WU Chi-wai's follow-up question, she pointed out that the development of the Hung Shui Kiu NDA was still in the planning stage, and the Government would deal with the relevant land ownership issues in due course.

Community and ancillary transport facilities for new developments

8. Mr LEUNG Yiu-chung opined that the Administration should update the Hong Kong Planning Standards and Guidelines ("HKPSG") as soon as possible while formulating a policy on brownfield sites so as to better align the planning of such sites with the needs of the local communities. He enquired whether the duties of PAS(PL)7 would include reviewing HKPSG.

9. Mr HO Kai-ming urged the Administration to take the planning of ancillary transport facilities into account when planning housing development projects, with a view to ensuring that both residential units and ancillary transport facilities could complete concurrently and the facilities could meet the needs of residents moving into the new developments.

10. DS(PL)1 responded that as far as brownfield site development was concerned, the Government would accord priority to the NDA approach which involved large-scale development of areas with a larger cluster of brownfield sites and higher development potential together with adjoining land. This approach could optimize the development potential of brownfield sites and their adjoining land and better meet the housing, community, employment and other needs of people moving into the NDAs, as well as improving the cost-effectiveness of the proposals of enhancing infrastructure. The Government would consider incorporating the planning ratio of population size to certain utilities into HKPSG, such as

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the ratio related to elderly facilities in the light of the ageing population. In the meantime, when planning NDAs, PlanD would study in collaboration with the Social Welfare Department the numbers of various types of community facilities that should be provided within the areas. Assistant Director of Planning (Special Duties) ("ADP(SD)") supplemented that during the planning of each housing development project, the Government would consider whether the complementary community facilities and utilities could meet the needs of the population.

11. The Chairman reminded members that wide policy issues, such as brownfield site policy and planning guidelines, should be deliberated at the relevant panels.

Measures to protect rural land

12. Mr CHU Hoi-dick was concerned that if the Administration resumed brownfield sites for development, the affected brownfield operators might relocate their operations to other rural land, leading to a scattering of brownfield sites. In addition, the job description of the proposed PAS(PL)7 post only mentioned the study on Agricultural Priority Areas and Agricultural Park ("Agri-park"), and the sites concerned only constituted a small part of Hong Kong's agricultural land. He was worried that the Administration would carry out large-scale development of rural land and brownfield sites without any regard to the implementation of measures for agricultural land conservation, which would damage agricultural land outside the Agricultural Priority Areas and Agri-park.

13. DS(PL)1 pointed out that in gist, the scope of responsibilities of the proposed PAS(PL)7 post included monitoring and formulating economic and rural land use policies. To strengthen the protection of agricultural land and prevent the disorderly scattering of brownfield sites, the Government would continue to take stringent enforcement actions against illegal land uses on the rural land in the New Territories. In addition, in the first half of 2018, DEVB and the Food and Health Bureau would jointly launch a study on "Agricultural Priority Areas" which was expected to complete within two to three years. The study would explore the feasibility of establishing "Agricultural Priority Areas" to facilitate the long-term use of suitable quality agricultural land for agricultural development. The actual scale of "Agricultural Priority Areas" had not been fixed and might encompass the land already zoned "Agriculture" as well as adjoining "Green Belt" land. During the course of the study, the Administration would consult the public in two stages. The focus of the first-stage consultation was to define "quality agricultural land" to enable the identification of sites which might be incorporated into the Agricultural

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Priority Areas. In the second stage, the Government would conduct more in-depth public consultation on the proposed quality agricultural land suitable for farming. As for the development of other privately-owned agricultural land, she pointed out that all planning applications for private developments were subject to approval by the Town Planning Board ("TPB"), which involved a public engagement procedure.

14. Mr WU Chi-wai enquired about the progress of establishing an Agri-park in Kwu Tung South, including whether resumption of private land would be required for taking forward the project. DS(PL)1 advised that the Agri-park to be established in Kwu Tung South would be developed in two phases, and the Government had completed the planning for the first-phase development. The location selected for the Agri-park involved a number of private sites, and the Government would resume such sites in accordance with the statutory procedures.

15. Mr CHAN Chi-chuen enquired whether the proposed PAS(PL)7 post would be responsible for strengthening enforcement actions to rectify cases of unauthorized rural land uses. Mr CHU Hoi-dick enquired whether the scope of responsibilities of the post could include a review of the Waste Disposal Ordinance (Cap. 354) with a view to strengthening the control of and enforcement against illegal land filling and fly-tipping of construction and demolition waste (such as imposing penalties on people engaged in fly-tipping activities), so as to enhance environmental protection on rural land.

16. ADP(SD) replied that in recent years, PlanD had allocated substantial manpower to strengthening law enforcement actions against unauthorized developments on rural land, and the number of cases in which Enforcement Notices were issued against unauthorized developments had also been on the rise. Given the extensive coverage of the rural New Territories, PlanD would accord priority to tackling cases of unauthorized developments on sites which were of conservation value, such as those zoned "Agriculture" and "Green Belt", to prevent further deterioration of the rural environment. DS(PL)1 advised that enforcement and review of the Waste Disposal Ordinance was within the purview of the Environment Bureau ("ENB"). She would convey the views of Mr CHU Hoi-dick to ENB.

Reactivating the revitalization scheme for industrial buildings

17. Mr CHAN Chi-chuen noted that the current responsibilities of PAS(PL)2 included overseeing implementation of measures to encourage revitalization of old industrial buildings ("IBs"), while those of the

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proposed PAS(PL)7 post included formulating measures to reactivate the revitalization scheme for IBs and overseeing the implementation of agreed measures. He enquired about the division of work between the above two posts in respect of the revitalization scheme for IBs.

18. Mr James TO enquired why the Administration needed to create the proposed supernumerary PAS(PL)7 post to share the current duties of PAS(PL)2 in relation to the revitalization of IBs, and whether the Administration would shelve the revitalization scheme for IBs if the supernumerary post was not approved.

19. DS(PL)1 responded that the revitalization scheme for IBs was launched in 2010 after preparation. At that time, DEVB formed a dedicated team comprising holders of time-limited posts to take forward various tasks such as formulating the relevant policy and implementation details. The scheme ended in March 2016, and PAS(PL)2 was responsible for follow-up tasks (including monitoring the implementation of the scheme). Unlike those follow-up tasks, the policy for reactivating the revitalization of IBs involved a large amount of additional work, including policy research and formulation. As PAS(PL)2 had already been overstretched, the Government suggested that the work of formulating the policy for reactivating the revitalization of IBs be taken up by the proposed supernumerary post. This staffing arrangement was similar to that for the preparatory work related to the launch of the policy on revitalizing IBs in 2010. If the proposed supernumerary post could not be created, the timeframe of implementing various measures would be affected, including brownfield policy and reactivating the revitalization scheme for IBs.

20. Mr WU Chi-wai, Mr CHAN Chi-chuen, Dr KWOK Ka-ki and Mr LEUNG Yiu-chung expressed concern that if the Administration reactivated the revitalization scheme for IBs and even lowered the threshold of "compulsory sale" to facilitate the assembly of titles, the market values and rentals of IB units would further increase, and existing tenants (especially cultural, arts or creative practitioners) who could not afford the rentals would be forced to move away. They enquired whether the Administration would examine the impact of the scheme on the rentals of IB units, and what measures would be introduced to assist the affected persons. Dr KWOK also called for the provision of fixed operating venues for arts groups at affordable rentals.

21. DS(PL)1 advised that after the implementation of the policy for revitalizing IBs, some cultural, arts and creative practitioners were concerned that redevelopment of IBs led to the rising rentals of some IB

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units, forcing them to move away as they could not afford the rentals. Taking into account past experience, the Government would, when examining reactivation of the revitalization policy for IBs, explore how operating space could be provided legally and safely under the scheme for certain industries with development potential. One of the ideas being considered was to require owners to provide certain floor areas within redeveloped or converted IBs for cultural, arts or creative groups to rent as studios or offices. The Government had earlier met with representatives from the Hong Kong Arts Development Council and arts groups to understand the current status of use of IB units by arts groups and the future demand.

22. As for the threshold of "compulsory sale" applicable to old IBs, DS(PL)1 advised that the Government was still reviewing whether any adjustment should be made and would carefully consider the possible impact of lowering the threshold. In fact, lowering the threshold might not be the best way to facilitate the assembly of titles. Since the threshold of "compulsory sale" applicable to old IBs was lowered from 90% of the shares in aggregate to 80% in 2010, the compulsory sale mechanism had been triggered successfully for only one old IB so far.

23. Dr KWOK Ka-ki proposed that the Government should include a rent control provision in land leases to ensure that the rentals of redeveloped or converted IB units would be affordable to arts groups. Mr LEUNG Yiu-chung enquired about the way to ensure the uses of the redeveloped or converted IBs could meet the policy objectives. DS(PL)1 advised that the Government would explore feasible ways to provide suitable operating venues for cultural, arts or creative practitioners at affordable rentals. However, she pointed out that it would be difficult to enforce land lease provisions which were too complicated. In addition, she advised that the Government would strive to ensure that the uses of redeveloped or converted IBs could meet Hong Kong's economic development needs.

24. Mr WU Chi-wai was unconvinced that the arrangements proposed by the Administration in paragraph 21 above would enable the provision of sufficient and suitable operating venues for cultural, arts or creative groups in redeveloped or converted IBs. He requested the Administration to provide supplementary information on the process of formulating the policy for the new round of IB revitalization scheme and the timetable for implementing relevant measures, including how and when the Administration would consult stakeholders.

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[*Post-meeting note*: The supplementary information provided by the Administration was circulated to members on 13 February 2018 vide LC Paper No. ESC83/17-18(01).]

25. Mr James TO enquired whether the proposed permanent CTP post in PlanD would participate in the work relating to the revitalization scheme for IBs. ADP(SD) explained that the proposed post would be responsible for monitoring the overall supply of housing, commercial and industrial sites across the territory, including monitoring the survey conducted every few years on industrial sites to collect information on, among other things, the use of IBs for reference by DEVB in policy formulation. The proposed post would not directly participate in the formulation of measures on reactivating the revitalization scheme for IBs.

Changing land use for housing developments

26. Mr CHU Hoi-dick noted that the Administration planned to change the uses of some 210 sites, including "Green Belt" sites, for housing developments. He opined that the views of local communities on this matter had not been fully considered, and was worried that the rezoned sites would ultimately be used for constructing expensive private residential properties which were not for the benefit of the general public. Since one of the main responsibilities of the proposed permanent CTP post in PlanD was to formulate plans to rezone the aforesaid 210 sites, he objected to the creation of the post at this stage. In addition, to ensure full public engagement in respect of site-rezoning issues so as to better align land developments with public needs, he proposed that the Administration should change the public consultation procedures and devolve powers to District Councils ("DCs") by specifying that a planning proposal had to be submitted for the vetting and approval of a relevant DC before being submitted to TPB for consideration.

27. ADP(SD) responded that among the some 210 sites mentioned above, around 80 sites were currently zoned "Green Belt". These "Green Belt" sites (amounting to around 200 hectares in total) were located in different areas, and most of them were near the fringe of built-up areas with potential for providing residential units within a shorter time. The Government would examine each of the sites in detail to see whether they should be used for public or private housing developments. Taking the proposed amendments to the Tseung Kwan O Outline Zoning Plan put forward by the Government recently as an example, five "Green Belt" sites which were proposed to be rezoned would be used for public housing developments. He also clarified that regarding the planning for housing sites, the Government's current public consultation procedure was that DCs

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would first be consulted before the planning proposals (together with the views of DCs) were submitted to TPB for consideration.

28. Mr WU Chi-wai requested the Administration to provide supplementary information on the work of identifying suitable land resources for increasing land supply and the detailed division of work among relevant government bureaux/departments (B/Ds") before submitting this item to FC.

29. Noting that there were media reports that the Administration was studying the resumption of a portion of the land on the Fanling Golf Course ("FGC") for housing development, Mr CHAN Chi-chuen enquired whether the study was coordinated by the Home Affairs Bureau ("HAB") or DEVB/PlanD.

30. DS(PL)1 explained that FGC was operated under a private recreational lease, and relevant policy issues fell within the purview of HAB. As for land supply, generally speaking, DEVB was responsible for exploring the development potential of individual sites. If there was a need to change the land use of FGC, HAB and DEVB would jointly participate in the relevant work. She undertook to provide the supplementary information as requested by Mr WU Chi-wai.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 13 February 2018 vide LC Paper No. ESC83/17-18(01).]

Voting on the item

31. Mr CHU Hoi-dick and Mr CHAN Chi-chuen enquired whether members could separately vote on the proposal relating to DEVB and the ones relating to PlanD under this item.

32. The Chairman remarked that there was no precedent for the above practice in the Establishment Subcommittee ("ESC"). Due to the tight timeframe, she would put the whole item to vote in accordance with the established practice. If the item was approved, she would discuss the separate voting arrangements for the staffing proposals of DEVB and PlanD at FC with the Administration and the FC Chairman after the meeting.

33. The Chairman put the item EC(2017-18)12 to vote. At the request of Mr CHU Hoi-dick, the Chairman ordered a division, and the division bell rang for five minutes. Eighteen members voted for the item and four

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abstained from voting. The Chairman declared that the Subcommittee agreed to recommend the item to FC for approval. The votes of individual members were as follows:

For

Mr Abraham SHEK
Mr WONG Kwok-kin
Dr KWOK Ka-ki
Dr Elizabeth QUAT
Mr POON Siu-ping
Mr Alvin YEUNG
Mr Holden CHOW
Ms YUNG Hoi-yan
Mr CHAN Chun-ying
(18 members)

Mr WONG Ting-kwong
Mr WU Chi-wai
Mr KWOK Wai-keung
Mr Martin LIAO
Dr CHIANG Lai-wan
Mr HO Kai-ming
Mr SHIU Ka-fai
Dr Pierre CHAN
Mr Jeremy TAM

Abstain

Mr LEUNG Yiu-chung
Mr CHAN Chi-chuen
(4 members)

Mr Charles Peter MOK
Mr CHU Hoi-dick

34. Mr CHAN Chi-chuen requested that the item be voted on separately at the relevant FC meeting.

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

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

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Chief Information Officer ("OGCIO") and one Chief Engineer (D1) post in the Civil Engineering and Development Department ("CEDD") for implementing new initiatives of ITB. The proposals would take effect from 1 April 2018 or immediately upon approval of FC, whichever was the later. The proposed re-organization of ITB also involved the transfer of the Business Facilitation Division ("BFD") currently under the Economic Analysis and Business Facilitation Unit of the Financial Secretary's Office ("FSO") 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.

36. Mr Charles Peter MOK, Chairman of the Panel on Information Technology and Broadcasting, reported that the Panel discussed the proposals on 13 November 2017. The Panel supported the proposals in principle and agreed that the proposals be submitted to ESC for consideration. The Administration's original proposal was to create two supernumerary AOSGC posts in ITB. However, many members were of the view that the proposed initiatives and programmes of ITB would last for several years (such as developing a smart city and taking forward the development of the Hong Kong-Shenzhen Innovation and Technology Park ("the Park")), and hence the proposed posts should be made permanent. Having taken members' views into account, the Administration had amended its proposals. Furthermore, some members held that as the proposed permanent Chief Engineer post in CEDD (designated as Chief Engineer/West 5) was solely created for the Park project and was unrelated to enhancing the effectiveness of ITB's work, the Administration should submit the proposal for creating the post and those for creating the other three directorate posts to ESC separately.

Voting on individual proposals under the item separately

37. Mr CHAN Chi-chuen opined that as the proposed Chief Engineer/West 5 post was not completely relevant to the re-organization and work of ITB, the current arrangement of incorporating the post concerned and three other proposed posts under a single item was unsatisfactory, as it was not conducive to members' in-depth discussion on the proposals and members could not vote on the proposed Chief Engineer/West 5 post separately. He suggested that the Subcommittee should put to vote the different types of proposals under the item separately after discussion. The Chairman said that she would consider Mr CHAN's suggestion.

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Re-organization of the Innovation and Technology Bureau

38. In view of the heavy workload and longstanding manpower shortage of ITB, Mr Charles Peter MOK and Dr Elizabeth QUAT supported the proposals of re-organizing ITB and creating the new posts. Dr QUAT also advised that the Democratic Alliance for the Betterment and Progress of Hong Kong was in support of this item.

39. Mr CHAN Chun-ying enquired why the re-organization of ITB was cost-neutral. Permanent Secretary for Innovation and Technology ("PS(IT)") explained that the re-organization of ITB involved the deployment of 109 posts from CSO, FSO and OGCIO to ITB. As the additional expenditure would be offset by a corresponding reduction in the costs under the Heads of Expenditure of the aforesaid three offices, the deployment of manpower was cost-neutral.

40. Mr CHAN Chun-ying and Mr HO Kai-ming enquired about the justifications for transferring BFD from the Economic Analysis and Business Facilitation Unit to EU and putting the augmented EU under ITB, and whether such arrangements would entail reduction of resources currently available to BFD (such as those on monitoring the World Bank's publications on international competitiveness of Hong Kong). Moreover, Mr HO and Mr CHAN Chi-chuen expressed concern on whether transferring EU, which was originally under CSO, to ITB would undermine its capability in promoting the enhancement of operational efficiency of B/Ds.

41. PS(IT) pointed out that EU currently supported the Government in improving its internal workflow in order to enhance the efficiency of its services, while BFD's work included supporting B/Ds in enhancing regulatory efficiency and optimizing the licensing services. As job nature of the two departments was similar and both departments were mainly staffed by officers of the Management Services Officer grade, the transfer arrangements could help rationalize the work of the two departments and increase the overall operational efficiency. The existing work of BFD would not be affected by the transfer arrangements. Upon joining ITB, the augmented EU (to be renamed as "Efficiency Office") could achieve synergy and help expedite the implementation of various new initiatives. For instance, ITB was now responsible for managing a \$500 million block allocation which supported the use of innovation and technology ("I&T") by B/Ds to improve public services, and such funds would be able to facilitate the work of the Efficiency Office. He also pointed out that the recently established Steering Committee on Innovation and Technology chaired by the Chief Executive was responsible for overseeing the

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initiatives related to I&T, and the Efficiency Office could contribute to the formulation and implementation of the relevant initiatives.

The proposed Chief Engineer/West 5 post

42. Mr CHAN Chi-chuen was of the view that as the development of the Lok Ma Chau Loop was time-limited, the proposed Chief Engineer/West 5 post should be created on a supernumerary basis. He enquired about the estimated completion date of the infrastructure works within the Loop and the interim work objectives set for the post.

43. PS(IT) pointed out that the Park project at the Lok Ma Chau Loop was large in scale and would be implemented in phases over a long period of time. It was difficult to estimate the completion time for all related works projects for the time being. Hence, the Government considered it appropriate to create the proposed Chief Engineer/West 5 post on a permanent basis. Taking the Hong Kong Science Park, which was of a smaller scale, as an example, its development also spanned over 20 years. The Government now aimed at providing the first batch of land parcels in the Park for the construction of buildings by 2021.

Development of the Lok Ma Chau Loop

44. Dr KWOK Ka-ki enquired about the cost estimate of the Park and expressed concern as to whether the Park would be used for developing luxury properties. PS(IT) advised that the total cost estimate for the site formation and infrastructure works required for the Park at the present stage would be over \$15 billion. He pointed out that the Hong Kong Special Administrative Region ("HKSAR") Government had signed a Memorandum of Understanding on the development of the Park with the Shenzhen Municipal People's Government. The two parties agreed that the Park would be mainly used as a base for scientific research, a high-end academic platform and a place for developing technology-related creative industries. There would definitely be no room for private residential developments within the Park.

45. Mr HO Kai-ming asked what policy initiatives would be rolled out to complement the development of the Park, and whether the proposed post of Principal Assistant Secretary for Innovation and Technology (2) ("PAS(IT)2") would be responsible for implementing those initiatives. Mr Charles Peter MOK enquired how the Administration would encourage multinational enterprises to establish their offices in the Park.

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46. PS(IT) advised that the Government would introduce initiatives to attract enterprises and academic institutions outside Hong Kong to conduct scientific research in Hong Kong (including the Park). Internationalization would be the Government's goal in developing the Park, and an international scientific research platform would be established there accordingly. It was envisaged that with Hong Kong's advantages such as its sound legal system and proximity to the Mainland, Hong Kong would be able to attract overseas enterprises and universities to set up their offices in the Park to seek cooperation opportunities with Mainland enterprises and scientific research institutions. He added that the detailed job description of PAS(IT)2 was set out in Enclosure 20 of EC(2017-18)13.

47. Mr CHU Hoi-dick remarked that apart from the Lok Ma Chau Loop, the Administration had earmarked many sites (such as an area to the south of the Liantang/Heung Yuen Wai Boundary Control Point, a number of NDAs under planning as well as the development projects at Wang Chau) for developing new industrial estates and supporting the development of the I&T industry. He was concerned whether the positioning of the Park would overlap with that of the aforesaid sites, and how the Administration could ensure that the employment opportunities to be provided by the newly developed industrial estates/the Park could satisfy the needs of residents living in the adjacent NDAs.

48. PS(IT) pointed out that the positioning of the Park was to conduct high-end scientific research, and its functions would not overlap with those of the proposed industrial estate at Wang Chau. The employment opportunities to be provided by the Park would be mainly in higher-skilled jobs. The Government considered that there was a need to plan the development of the I&T industry in areas such as the Lok Ma Chau Loop and the area to the south of Liantang/Heung Yuen Wai Boundary Control Point. As regards the earmarked sites at individual NDAs, the Administration might consider converting the uses of some of the sites.

49. Dr KWOK Ka-ki expressed concern about how the Administration would attract talents from the Mainland to work in the Park, including whether the right of abode in HKSAR would be used as an attraction. PS(IT) advised that there were already existing channels for Mainland talents to submit applications for working in Hong Kong. As for whether persons employed in Hong Kong were eligible for the right of abode in HKSAR, the Government would deal with the cases in accordance with the requirements of relevant legal provisions and in the light of individual merits.

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

[Post-meeting note: After the meeting, the Chairman decided to hold an additional meeting on 22 January 2018. The circular on the additional meeting was issued on 15 January 2018 vide LC Paper No. ESC59/17-18.]

51. The meeting ended at 12:41 pm.

Council Business Division 1
Legislative Council Secretariat
14 February 2018