

E X T R A C T

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Legislative Council

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Panel on Information Technology and Broadcasting

**Minutes of meeting
held on Monday, 14 April 2014, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon WONG Yuk-man (Chairman)
Dr Hon Elizabeth QUAT, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon Emily LAU Wai-hing, JP
Hon WONG Ting-kwong, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan
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
Hon YIU Si-wing
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK
Hon CHAN Chi-chuen
Hon Christopher CHEUNG Wah-fung, JP
Hon SIN Chung-kai, SBS, JP
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Member absent : Hon Paul TSE Wai-chun, JP

Public officers attending : Agenda item V

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

Mr Daniel LAI, BBS, JP
Government Chief Information Officer

Mr Victor LAM, JP
Deputy Government Chief Information Officer
(Consulting and Operations)

Ms Donna CHAN
Assistant Government Chief Information Officer
(Governance & Resources)

Agenda item VI

Commerce and Economic Development Bureau

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

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

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

Innovation and Technology Commission

Miss Janet WONG, JP
Commissioner for Innovation and Technology

Mr Johann WONG, JP
Deputy Commissioner for Innovation and
Technology

Office of the Government Chief Information Officer

Mr Daniel LAI, BBS, JP
Government Chief Information Officer

Mr Victor LAM, JP
Deputy Government Chief Information Officer
(Consulting and Operations)

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (4)3

Staff in attendance : Mr Joey LO
Senior Council Secretary (4)3

Mr Bonny LOO
Assistant Legal Adviser 3

Miss Mandy NG
Council Secretary (4)3

Miss Mandy LAM
Legislative Assistant (4)3

VI. Proposal to establish the Innovation and Technology Bureau

(LC Paper No. CB(4)532/13-14(04) -- Administration's paper on proposal to establish the Innovation and Technology Bureau)

LC Paper No. CB(4)554/13-14(02) -- Administration's paper on proposal to establish the Innovation and Technology Bureau (power-point presentation material)
(Chinese version only)
(tabled at the meeting and subsequently issued via email on 15 April 2014)

LC Paper No. CB(4)570/13-14(01) -- Submission on the proposed Innovation and Technology Bureau from Hon Charles Peter

April 2014)

MOK to the Administration
dated 12 February 2014)

With the aid of powerpoint presentation, Secretary for Commerce and Economic Development ("SCED") briefed members on the proposal to establish the Innovation and Technology Bureau ("ITB"). Details of the briefing were set out in the Administration's papers (LC Paper No. CB(4)532/13-14(04) and CB(4)554/13-14(02)).

2. SCED advised that the proposed ITB would be led by the future Secretary for Innovation and Technology ("S for IT"). The new bureau would be responsible for formulating policies and promoting the development of innovation and technology as well as information technology in Hong Kong, and coordinating relevant efforts within the Government. The new bureau would take up the policy responsibilities in innovation and technology from the existing Commerce and Economic Development Bureau ("CEDB"). The two Government departments which were responsible for innovation and technology matters, namely the Innovation and Technology Commission ("ITC") and the Office of the Government Chief Information Officer ("OGCIO"), would report to the ITB upon its establishment.

Discussion

Proposed structure of the new ITB

3. Ms Claudia MO opined that as the policy areas to be covered under the proposed portfolio of S for IT had already been covered by SCED, the proposed ITB would create a cumbersome structure and pose obstacles to the coordination work in policy implementation. Noting that innovation and technology were inseparable from each other, Ms MO expressed disagreement about the title of the proposed ITB, Innovation and Technology Bureau, which seemed to separate "innovation" from "technology". She also expressed doubts whether the purpose of the proposal to establish the ITB was to strengthen the Government's control of freedom of expression on the Internet.

4. Mr Charles Peter MOK expressed support for the creation of the proposed ITB to sustain the development of innovation and technology of Hong Kong in the long run. He said that the information and communications technology ("ICT") industry had been ardently hoping that a dedicated bureau would be established to oversee Hong Kong's policy on innovation and technology. Neighbouring countries such as Singapore and South Korea had placed technology at the forefront of their economic development strategy and had established dedicated authorities to oversee the relevant policy. Mr MOK opined that the Office of the Government Chief Information Officer ("OGCIO"),

being a Government department and a technical agency, was not in a position to take policy carriage in respect of innovation and technology. In this regard, he disagreed that the proposed ITB was a cumbersome structure. Citing the establishment of the former Information Technology and Broadcasting Bureau which had existed for a good reason from 1998 to 2002, he was of the view that there was a genuine need to establish the ITB to take charge of the policy in this respect. He also opined that innovation and creativity were two sides of the same coin and should not be separated. In this regard, he suggested that Create Hong Kong ("CreateHK"), which was responsible for the development of creative industries, should also be transferred from CEDB to the proposed ITB along with OGCIO and the ITC.

5. Mr SIN Chung Kai expressed support in principle for the establishment of the ITB. While pointing out that the organization of the proposed ITB was inefficient, he opined that the portfolios relating to creative industry, communications and broadcasting should be transferred to the proposed ITB. Dr Elizabeth QUAT shared a similar view.

6. Mr Christopher CHUNG expressed support for the establishment of the ITB. In view that creative industries, particularly the film industry, involved heavy use of ICT in the production and distribution processes, he opined that CreateHK should not remain under CEDB and should be transferred to the proposed ITB. He also opined that the candidates to be considered for the post of S for IT should be familiar with the industry and possessed vision and foresight on the development of innovation and technology. Dr CHIANG Lai-wan shared a similar view.

7. SCED advised that the proposed structure of the new ITB was expected to fully capture the opportunities provided by advancements in technology and the commercial potential they offered through a dedicated high level leadership, and stronger policy coordination across the innovation and technology industries. It signified the Government's commitment and determination to stay ahead in the global race. The ITB would develop policies to strengthen the support for the innovation and technology sector, including strategies for facilitating the realization of research and development results.

8. SCED added that creativity and innovation and technology both played a part in various business activities. For example, creativity permeated in the film and publishing industries. Creativity was also closely intertwined with the ICT and broadcasting industries. Apart from the innovation and technology industries, creativity was also crucial for sustaining the development of industries, including the design industry which had a part to play in all trades and professions. Meanwhile, Hong Kong witnessed the mushrooming of start-ups in the creative industries such as the comics industry

which might not necessarily involve the heavy use of innovation and technology. On the other hand, innovation and technology was also employed in different areas, including the medical and environmental industries. Under the current proposal, the ICT and broadcasting portfolios would remain under CEDB. Such a design was in line with the objective of the Administration to allow more room for the future ITB to foster the development of innovation and technology in Hong Kong.

9. Ir Dr LO Wai-kwok declared that he was a member of the Board of Directors of the Hong Kong Science and Technology Parks Corporation and a member of the Hong Kong Council for Testing and Certification. He said that Business and Professionals Alliance for Hong Kong was in support of the establishment of ITB for which he had all along been lobbying the Administration. He opined that apart from ITC and OGCIO, the Intellectual Property Department ("IPD") should also be transferred to the new ITB as intellectual property ("IP") was an integral part of innovation and technology.

10. Mrs Regina IP said that the New People's Party had all along advocated the establishment of a dedicated Government bureau to steer the development of innovation and technology of Hong Kong. Ever since the replacement of the former Commerce, Industry and Technology Bureau ("CITB") by the CEDB in the Government reorganization in 2007, Hong Kong had been deprived of a dedicated bureau in charge of the policy on innovation and technology. She agreed that it was only reasonable that the proposed ITB should include CreateHK and IPD.

11. Mr MA Fung-kwok expressed support in principle for the establishment of the ITB. He opined that creativity and technology were closely intertwined and should not be separated from each other. For example, technology was heavily used in the film production process. He also shared the view that IPD and CreateHK should be included in the portfolio of the proposed ITB. He hoped that the Administration could set out the vision for the future development of innovation and technology of Hong Kong with the establishment of the ITB. Sharing a similar view, Mr YIU Si-wing also expressed support for the establishment of the ITB. Nevertheless, he opined that the objective of the establishment of ITB should be to facilitate the development of innovation and technology of Hong Kong rather than to relieve the workload pressure on CEDB.

12. SCED said that while IP was a vital part of innovation and technology, it involved a host of issues including copyright, trademark, commercial secrets and IP trading, etc, which were closely related to business and commerce. As such, the Administration considered it appropriate to retain IPD under the purview of CEDB at this stage. Nevertheless, it did not rule out the possibility

of transferring IPD to ITB depending on future development needs.

13. SCED added that the Administration attached great importance to fostering the innovation and technology industry, and would continue to create an environment conducive to its development, encourage investment in this area and enhance co-operation among the Government, industry, academia and research sectors. Taking the view that a more progressive approach should be adopted to further develop the innovation and technology industry, the proposed ITB aimed to strengthen, both in depth and breadth, policy support for the development of innovation and technology. The proposed S for IT would provide the devoted strategic leadership of the new bureau and lead the ITB in the formulating of holistic policies, overseeing execution, and monitoring the outcome. He was of the view that the vision of the proposed ITB should be left for the future S for IT to determine.

Candidate for the post of Secretary for Information and Technology

14. Ms Claudia MO queried whether the appointment of the proposed post of S for IT would be made under favoritism or nepotism. Sharing a similar view, Mr Charles Peter MOK was of the view that the nominee for the post of S for IT should be invited to answer questions from Members in order to assess his suitability for the post.

15. SCED advised that under the Principal Officials Accountability System, Principal Officials of the Hong Kong Special Administrative Region Government were appointed by the Central People's Government on the nomination of the Chief Executive.

Manpower needs of the proposed Information and Technology Bureau

16. Dr Elizabeth QUAT said that the ICT industry had been striving for the establishment of the ITB to spearhead the development of innovation and technology in Hong Kong. The Democratic Alliance for the Betterment and Progress of Hong Kong was in support of the establishment of the ITB. Noting that the current workload of ITC and OGCIO had already reached their full capacity, Dr QUAT enquired whether the ITC and the OGCIO would have sufficient manpower to deal with the increased workload under the proposed new structure.

17. SCED advised that under the current proposal, three politically appointed officials, four directorate civil service posts and 19 new non-directorate civil service posts would be created under the new structure. It would be up to the future S for IT to determine/enhance the structure, establishment and manpower needs of the ITB based on long-term development

needs.

Alternatives to the setting up of Information and Technology Bureau

18. Mr CHAN Chi-chuen opined that the Administration should consider other alternatives such as internal redeployment, or creating a new Permanent Secretary post under SCED to oversee the technology portfolio, before coming to the conclusion that the new ITB should be established. Sharing a similar view, Mr LEUNG Kwok-hung expressed objection to the establishment of the ITB. He also expressed doubts about the Administration's commitment to promote innovation and technology.

19. SCED advised that there was broad consensus among the society and the industry that the establishment of the ITB to spearhead the development of innovation and technology should be the way forward. Besides, the current workload of ITC and OGCI had already reached their full capacity, and all the existing permanent directorate officers were already fully engaged in their respective portfolios in promoting the development of innovation and technology with no room for redeployment. SCED added that under the present proposal, a new Permanent Secretary post at the rank of Administrative Officer Staff Grade A1 (D8) would report to S for IT and would be the Controlling Officer in the ITB.

Way forward

20. The Chairman informed members that the Panel on Commerce and Industry ("CI Panel") would hold its regular meeting on 15 April 2014 to receive a briefing by the Administration on the proposal to establish ITB. Members might attend the CI Panel meeting if they so wished. Members proposed and the Chairman agreed that a special meeting should be held to receive views from the ICT industry and members of the public on the proposal to establish the new ITB.

(Post-meeting note: The special meeting was scheduled for 3 May 2014 at 9:00 am and all other Members, in particular members of the CI Panel, were invited to attend the meeting.)

VII. Any other business

21. There being no other business, the meeting ended at 4:30 pm.

Council Business Division 4
Legislative Council Secretariat
27 May 2014