

立法會
Legislative Council

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**Establishment Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 5th meeting
held at the Chamber of the Legislative Council Building
on Wednesday, 17 January 2001, at 10:45 am**

Members present:

Hon CHAN Kwok-keung (Chairman)
Hon NG Leung-sing (Deputy Chairman)
Hon James TIEN Pei-chun, JP
Hon Eric LI Ka-cheung, JP
Hon Margaret NG
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching
Hon Bernard CHAN
Hon Andrew WONG Wang-fat, JP
Hon Jasper TSANG Yok-sing, JP
Hon Howard YOUNG, JP
Hon YEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon SZETO Wah
Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS
Hon Michael MAK Kwok-fung
Hon LEUNG Fu-wah, MH, JP
Dr Hon LO Wing-lok

Non-Subcommittee Member attending:

Hon Martin LEE Chu-ming, SC, JP

Member absent:

Dr Hon David LI Kwok-po, JP

Public Officers attending:

Mr Stanley YING, JP	Deputy Secretary for the Treasury
Mr D W PESCOD, JP	Deputy Secretary for the Civil Service
Mr P C LEUNG, JP	Deputy Director of Administration
Mrs Lilian WONG	Director of Protocol
Mr Thomas TSO, JP	Deputy Head, Central Policy Unit
Miss Susie HO, JP	Deputy Secretary for Financial Services
Mr Gordon JONES, JP	Registrar of Companies
Miss Peggy LAU	Deputy Registry Manager, Companies Registry
Mr Philip CHAN	Principal Assistant Secretary for Commerce and Industry
Mr Mike ROWSE, JP	Director-General of Investment Promotion
Mr John WAN	Associate Director-General of Investment Promotion
Mr Victor NG	Principal Assistant Secretary for the Treasury
Mr Frederick C F YU, JP	Assistant Director of Accounting Services
Mr Wilson FUNG Wing-yip	Director/Corporate Services, Housing Department
Mr Vincent TONG Wing-shing, JP	Business Director/Development, Housing Department
Ms Ada FUNG Yin-suen	Assistant Director of Housing

Clerk in attendance:

Miss Polly YEUNG	Chief Assistant Secretary (1)3
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Staff in attendance:

Ms Pauline NG	Assistant Secretary General 1
Ms Alice AU	Senior Assistant Secretary (1)5

EC(2000-01)24

Proposed creation of one permanent post of Principal Executive Officer (D1) in the Protocol Division of the Offices of the Chief Secretary for Administration and the Financial Secretary of the Government Secretariat with effect from 1 March 2001 to serve as the Deputy Director of Protocol and consequential deletion of the rank of Deputy Director of Protocol (D1) when the incumbent is transferred

Members noted that the item had been discussed by the Panel on Public Service at its meeting on 15 January 2001.

2. Miss Emily LAU asked whether the proposed re-ranking of the Deputy Director of Protocol post from a departmental to a general grade post was necessary because the work of the proposed post could not be suitably undertaken by a departmental grade officer. In reply, the Deputy Director of Administration advised that filling the post by an executive grade officer would be functionally effective and would also provide more candidates for the job, which would facilitate career development and succession planning.

3. As for the increasing number of nominations for honours and awards for recommendation to the Chief Executive (CE) from 322 in 1998 to 474 in 2000, the Director of Protocol (D of P) explained that the reasons for such an increase were two-fold. While the new honours and awards system introduced after the reunification had gained more recognition, Government bureaux and departments were also encouraged to seek nominations from community groups and non-government organizations under their purview. She undertook to provide members with supplementary information on the number of community nominations received as well as the number of awards made by CE as compared with that of nominations received before the relevant Finance Committee (FC) meeting scheduled to consider the item.

Admin

4. In reply to Miss Emily LAU, D of P reported that since July 1997, the Protocol Division had co-ordinated 16 visits of national leaders from the Mainland and 27 official visits of foreign heads of states/governments to Hong Kong. A list setting out the details of such visits was tabled at the meeting for members' information.

(Post-meeting note: The list tabled at the meeting was circulated to members vide ESC29/00-01.)

5. The item was voted on and endorsed.

EC(2000-01)25

Proposed creation of three permanent posts of one Administrative Officer Staff Grade B (D3), one Administrative Officer Staff Grade C (D2) and one Government Town Planner (D2) in the Central Policy Unit under the Offices of the Chief Secretary for Administration and the Financial Secretary of the Government Secretariat with effect from 1 March 2001 to maintain the Unit's on-going research and liaison activities and to provide secretariat services to the Commission on Strategic Development

6. Members noted that the item had been discussed by the Panel on Public Service at its meeting on 15 January 2001.

7. On behalf of Members of the Democratic Party, Mr CHEUNG Man-kwong expressed support for the proposed creation of one permanent Administrative Officer Staff Grade C post to be designated as the Research Director (RD) of the Central Policy Unit (CPU) to maintain the Unit's on-going research and liaison activities, so that CPU could continue to provide important advice to its three clients, i.e. the CE, the Chief Secretary for Administration and the Financial Secretary.

8. Mr CHEUNG however stated that Members of the Democratic Party had strong reservation over the proposal to provide secretariat services to the Commission on Strategic Development (CSD) by creating two permanent directorate posts, namely one Administrative Officer Staff Grade B post to serve as the Secretary to CSD and one Government Town Planner (GTP) post to render professional and technical support to the Secretary to CSD. Given that CSD was tasked to conduct various reviews and studies on Hong Kong's economy, human resources, education, housing, land supply, environmental protection and relations with the Mainland, he expressed concern about the overlapping of its work vis-à-vis the planning work undertaken by other Government bureaux and departments. In his opinion, CSD's work lacked substance and the public had very little knowledge about the work actually done by CSD since its establishment. Hence, he was gravely concerned that the CSD Secretariat would be provided with excessive directorate support, particularly in view of the Enhancement Productivity Programme currently underway in the civil service.

9. Whilst expressing support for the present proposal, Mr HUI Cheung-ching commented that CSD's work lacked transparency and sought information on the achievements made by CSD over the past two years.

10. In response, the Deputy Head, Central Policy Unit (DH/CPU) said that CSD had always aimed at maintaining a high degree of transparency as public consultation and collection of input from across the community were an essential part of its work. The CSD published a report entitled "Bringing the

Vision to Life – Hong Kong’s Long-Term Development Needs and Goals” in February 2000. The report covered the work of the CSD in detail and identified areas for further study. Copies of the report were sent to the Members of the Legislative Council (LegCo) and were freely obtainable by members of the public. Before formulating its recommendations, CSD conducted extensive interviews with a wide spectrum of the community including Members of the LegCo, members of the former District Boards, the academia and the business sector. Some of CSD’s recommendations and views had been incorporated in CE’s 1998 and 1999 Policy Addresses which presented the long-term vision and future positioning of Hong Kong as Asia’s World City and a major city in China. In the light of the concerns expressed by members on the profile of CSD’s work, DH/CPU undertook to relay them to the CSD for consideration.

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11. On the justification for providing the CSD Secretariat with the proposed directorate staff, DH/CPU pointed out that given its mandate to deliberate on the future development of Hong Kong, CSD would exist on a long-term basis. He stressed that the present proposal did not seek to create additional posts but to retain on a permanent basis the post of the Secretary to CSD and the post of GTP under the existing organizational structure which had been approved by LegCo in 1998. DH/CPU further explained that the alternative of re-deploying other staff in CPU to take up the duties of the proposed posts had been critically examined but was considered not viable as the other directorate staff of the Unit were already fully engaged and had no spare capacity to absorb any additional workload. While the Secretary to the CSD would be heavily engaged in managing research projects, liaising and co-ordinating with different parties inside and outside the Government, the post holder would need the professional support of the GTP in planning-related issues and for providing input for the research work. Hence, the work of the Secretary had to be underpinned by the expertise and judgement of an experienced planner with strategic policy perspective.

12. Responding to some members’ concern about possible overlap between the work of the CSD and the various Government bureaux and departments, DH/CPU highlighted that the CSD’s work would involve considerable input on strategic planning. The GTP would maintain close liaison with other Government bureaux and departments, in particular the Planning Department. In fact, the incumbent post holder was seconded from the Planning Department three years ago when the post was first created.

13. Referring to the research projects to be carried out by CSD in the coming years as outlined in paragraphs 11 and 12 of the discussion paper, Mr CHEUNG Man-kwong remarked that the role of the Secretary to CSD was merely one of co-ordination and liaison while the scope of the GTP’s work in assisting the Secretary to study “the global, regional and Mainland development trends which have significant impact on Hong Kong” was too general. He therefore maintained his view that the extent and level of directorate support as proposed for the CSD Secretariat was hardly justified.

14. Declaring that she was a former Part-time Member of CPU, Miss Margaret NG pointed out that CPU was originally established with the objective of providing an alternative source of advice to its clients. Working without any pre-set agenda or pre-defined scope, CPU's greatest strengths were the independence, flexibility and speed with which it could respond to requests for analysis and recommendations. As the Government's think tank, CPU should provide independent advice and stimulate new thoughts not forthcoming from other bureaux and departments which were subject to various institutional constraints. The organization of CPU, with its extensive network of Part-time Members, was designed to facilitate its work. However, Miss NG considered that the staffing proposals in the present paper seemed to represent a departure from CPU's original goal. As she saw it, CPU had turned into a central policy co-ordination unit. If this was the case, Miss NG opined that the Administration should account for this significant change in the role and functions of CPU to the public.

15. In reply, DH/CPU confirmed that the nature of CPU's work had not changed. Apart from analyzing major and important policy issues, CPU was tasked to provide secretariat support to CSD which was a standing committee chaired by the CE. The work of the CSD, in mapping out the strategic direction for Hong Kong's long term development, was therefore quite separate from the traditional role of the CPU. Two directorate posts (i.e. Secretary to CSD and the GTP) proposed in the present paper were specifically for supporting the work of the Commission. Miss NG nevertheless remarked that the long-term strategic planning and co-ordinating functions of CSD should more appropriately be undertaken by the relevant Government bureaux and departments. She said that she would not support the proposed establishment.

16. In this connection, Mr Andrew WONG asked whether CPU's research would be directed by the CSD. In reply, DH/CPU assured members that the work of the CSD and CPU was completely independent of each other. While the CPU was at liberty to take up research on selected topics, CSD would conduct its own studies. As for the division of responsibility between DH/CPU and RD in research-related activities and the role of two Senior Administrative Officers (SAOs) under DH/CPU, DH/CPU said that he would oversee the work of RD. In day-to-day operation, DH/CPU was directly assisted by two SAOs who would also take part in research projects conducted by full-time Members. RD was also responsible for overseeing the work of CPU's Statistical Section in providing necessary statistical information for the conduct of research in the Unit.

17. Given the continued need to provide secretariat service to CSD, Mr Howard YOUNG considered that the proposal to convert the two supernumerary posts to permanent establishment might be justified. However, he sought explanation on the expansion in the organizational structure of CPU since the reunification in 1997. In response, DH/CPU explained that after reunification, CPU had been re-organized to take on a heavier workload necessitated by several new developments. Firstly, the issues that required CPU's analysis and

input had become more complex involving various social and livelihood problems. Secondly, CPU's work approach had become more proactive and interactive. Public seminars and conferences were organized about every two months to facilitate the exchange of ideas and the collection of diverse views. Moreover, the Unit's Part-time Members Programme had also been enhanced. Thirdly, CPU was tasked to provide secretariat support for CSD since the latter's establishment in 1998.

18. The item was voted on and endorsed.

EC(2000-01)26

Proposed creation of a new rank and one supernumerary post of Principal Companies Registration Officer (D1) under the Companies Registry Trading Fund for a period of four years to be offset by deletion of one permanent post of Chief Companies Registration Officer (MPS 45 - 49) to implement a Strategic Change Plan in the Companies Registry

19. Members noted that the item had been discussed by the Panel on Financial Affairs at its meeting on 11 January 2001.

20. Mr Henry WU informed the meeting that when the item was discussed at the Panel, some Panel members considered that the implementation schedule of the Strategic Change Plan (SCP) might be shortened and hence, the tenure of the proposed supernumerary post of Principal Companies Registration Officer (PCRO) (D1) should be reduced accordingly. Noting the Administration's response, he welcomed the Administration's undertaking in paragraph 23 of the discussion paper to delete the post earlier if the project could be completed ahead of schedule. At Mr WU's request, the Deputy Secretary for Financial Services agreed to provide progress report on the implementation of SCP to the Panel on Financial Affairs regularly on an annual basis.

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21. In reply to Mr Andrew WONG, the Registrar of Companies confirmed that the newly-created PCRO rank would be a promotion rank. As SCP involved an immense overhaul of the operation of the Companies Registry (CR), it would not be appropriate to open up the post to outside recruitment because the prospective post holder would need to be very familiar with CR's operation. In this connection, a selection board would be set up in accordance with the normal practice to decide on the relative merits of possible candidates from within the department.

22. The item was voted on and endorsed.

EC(2000-01)27

Proposed creation of one supernumerary post of Administrative Officer Staff Grade C (D2) in Invest Hong Kong from 1 March 2001 to 31 March 2003 to maintain the intensive public relations and marketing programme necessary for the department to make an impact on the world commercial scene

23. Members noted that the item had been discussed by the Panel on Commerce and Industry at its meeting on 8 January 2001.

24. Responding to Mr Andrew WONG's enquiry about the nomenclature for the post titles of the heads for trade and industry departments, the Director-General of Investment Promotion said that the existing practice actually originated from the former Trade Department because "Director-General" was a customary term used for international trade representatives. Its use had subsequently been extended to related departments but in effect, there was no difference between the functions of a "Director" and a "Director-General".

25. The item was voted on and endorsed.

EC(2000-01)28

Proposed deletion of one permanent post of Chief Treasury Accountant (D1) in the Provident Funds Branch of the Treasury as a result of the changes in work requirements and streamlining of procedures

26. Members generally welcomed the Administration's proposal to delete the permanent post of Chief Treasury Accountant which was no longer required due to the changes in work requirements and streamlining of procedures in the Provident Funds Branch of the Treasury.

27. The item was voted on and endorsed.

EC(2000-01)29

Proposed creation of one supernumerary post of Assistant Director of Housing (D2) for a period of 18 months to oversee and co-ordinate the implementation of quality housing initiatives and to launch the various management reforms; and retention of two supernumerary multi-disciplinary posts of Chief Architect (D1) for a period of two years to cope with the existing heavy workload and enhanced project management work in the Housing Department

28. Members noted that an information paper on the proposal had been circulated to the Panel on Housing on 27 December 2000.

29. Mr Andrew WONG sought clarification on the “multi-disciplinary” nature of the two proposed Chief Architect (CA) (D1) posts. The Business Director/Development of the Housing Department (BD(Dev)/HD) replied that the job title of the CAs was Project Manager (PM) who would be responsible for overseeing the development and construction of housing projects. The said duties would be suitably undertaken by candidates from all building disciplines. Of the three incumbent PMs heading the Project Management Sections in the Development and Construction Branch of the Housing Department (HD), two were by training architects and one was a structural engineer. The posts were referred to as CA because when they were first created, they were pitched at the level of CA (D1).

30. Mr CHEUNG Man-kwong expressed reservation over the staffing proposal. Referring to historical record, he pointed out that in November 1997, three supernumerary CA posts were created in HD under delegated authority for six months to meet rising public housing production targets. Subsequently, approval had been given for one CA post to be converted to permanent establishment while the other two posts be retained on a supernumerary basis for a period of three years. However, as the housing production would gradually subside in the coming years, from 137 projects in 2001-02 to 117 projects in 2002-03, Mr CHEUNG questioned the justification for HD to further extend the tenure of the two posts for strengthening its directorate support in the production for public housing as this, together with the creation of one supernumerary Assistant Director of Housing (AD/HD) (D2) post as currently proposed, would add up to a total of four supernumerary directorate posts within the short span of 3½ years since November 1997.

31. In reply, BD(Dev)/HD advised that notwithstanding the decrease in the number of projects to be undertaken, there were still some 200 000 flats in various stages of production under HD’s management and the workload of the PMs would remain very heavy in the short-term. With the stabilization of housing production as anticipated, the continued need for the posts would be reviewed by the end of the two-year period in the light of the prevailing and

anticipated workload at that time.

32. Mr CHEUNG however remained unconvinced of the justification for the enhanced directorate support currently proposed. He was particularly concerned that the Administration's undertaking to review the workload of the posts would in fact be a pretext for their tenure to be further extended because as presently proposed, the two supernumerary CA posts were considered necessary despite the decrease in public housing production. He opined that one of the supernumerary CA posts should instead be deployed to take up the duties in relation to quality housing reform.

33. In response, BD(Dev)/HD pointed that the proposed creation of the supernumerary AD/HD post to implement the quality management reform and organizational reform should be considered separately from the two supernumerary CA posts for housing production. In order to address immediate public concerns and to rebuild confidence on public housing, there was an urgent need to implement the 50 quality housing initiatives endorsed by the Housing Authority (HA) as soon as possible and thus, the supernumerary AD/HD post, designated as AD/Quality Management Review (AD/QMR), was created under delegated authority in July 2000 to oversee and co-ordinate such reforms. Under the steer of AD/QMR, the new initiatives on quality housing were introduced by phases and were in various stages of planning or implementation. Given the need to provide continuity and to roll out the housing quality reform measures, it was proposed that the AD/QMR post be created for 18 months to complete all the necessary work by mid-2002.

34. Mr CHEUNG Man-kwong nevertheless pointed out that as the AD/QMR post was first created under HD's delegated authority, LegCo Members might not necessarily accept the need for the post at the outset and its retention on the basis of "continuity" as stated by the Administration. In reply, the Director/Corporate Services of HD (D(CS)/HD) reiterated that the creation of the AD/QMR post under delegated authority was required because of the urgent need to expedite the planning and implementation process of the quality housing reform, which had wide community support.

35. Referring to the proposed establishment of a LegCo select committee under to inquire into the building problems in the production of public housing units, Mr SZETO Wah commented that the present staffing proposal seemed to have pre-empted the recommendations the select committee might make for the streamlining of the overall structure and system for the provision of public housing.

36. Mr Andrew WONG however did not consider that approval of the present proposal would affect the inquiry. Expressing support for a dedicated senior officer to monitor and oversee the reform initiatives to improve public housing quality, he was more concerned about whether the post was pitched at a sufficiently senior level.

37. In response, BD(Dev)/HD said that both HA and HD were committed to implementing the quality public housing reform in response to the aspiration of all the stakeholders in the production of public housing as well as the general public. D(CS)/HD supplemented that if a LegCo select committee was formed, its recommendations on the institutional framework for housing policies would be considered positively by the Committee on the Review of the Institutional Framework for Public Housing chaired by the Chief Secretary for Administration.

38. Addressing Mr CHEUNG Man-kwong's concern about any further extension of the proposed posts, D(CS)/HD stressed that the continued need for any supernumerary posts would be reviewed critically from time to time on the basis of individual merits and needs. In this regard, although three supernumerary directorate posts were proposed to be created, two other supernumerary directorate posts in HD (at D4 and D2 level respectively) would lapse in March 2001 and HD would not seek to extend them. BD(Dev)/HD added that the tenure of the three proposed supernumerary posts had been proposed in accordance with the duration of the functions required.

39. Noting that a paper on the present proposal had been circulated to members of the Housing Panel and paragraph 13 of the discussion paper stated that "Members (of the Housing Panel) have not raised any objection to the proposal", Mr CHEUNG Man-kwong expressed dissatisfaction that the Administration had made presumption on members' position in the absence of any discussion of the present proposal at the Panel. Given the policy implications involved, he opined that the present proposal should be deferred to allow for prior consultation at the Housing Panel.

40. Expressing concern over the creation/retention of supernumerary directorate posts in general, Mr Henry WU also shared the view that the present staffing proposal should first be considered by the Housing Panel.

41. In response, D(CS)/HD clarified that the Administration had intended to consult the Housing Panel on the present proposal at its meeting on 8 January 2001. However, as the agenda for the said Panel meeting was already full, the proposed item could not be included. In view of the tight timeframe in seeking approval, the Administration had consulted the Panel Chairman on alternative course of action. He reported that with the concurrence of the Panel Chairman, the Administration had circulated an information paper to all Panel members for consideration and comments. The Administration had subsequently approached individual Panel members and in the absence of any request to discuss the item at a Panel meeting, the Administration came to the view that Panel members had no objection to the proposal. The Administration then proceeded to seek the endorsement of this Subcommittee accordingly.

42. Noting the Administration's concern about the tight timeframe and that the supernumerary AD/QMR post had already lapsed on 10 January 2001, the Chairman commented that the Administration should have put up the proposal earlier to allow sufficient time for members' consideration and Panel consultation. Mr Howard YOUNG sought clarification on the existing arrangement for the lapsed post. In response, D(CS)/HD advised that serious problems would arise if AD/QMR's on-going work had to be suspended. Hence, the Department had made interim administrative arrangement for the incumbent post holder to continue to perform the duties concerned, with another officer one rank below to take over her original duties at D2 level without acting pay.

43. Given the importance and urgency of the matter as highlighted, D(CS)/HD urged members to support the proposal on the supernumerary AD/QMR post at the present meeting so that it could be submitted to FC for consideration on 9 February 2001. As the two supernumerary CA posts would lapse in late March, the Administration would be prepared to revert to the Housing Panel for consultation before re-submitting the proposal to this Subcommittee.

44. In this connection, Mr Andrew WONG suggested that voting on the item be split into two parts. Members could first vote on the proposed creation of the AD/QMR post and if approved, it would be considered by FC on 9 February 2001 as scheduled. In the meantime, the proposal relating to the two supernumerary CA posts would be referred to the Housing Panel for discussion at its next meeting on 5 February 2001. Subject to the Panel's views, the proposal could be re-submitted to this Subcommittee for consideration at its next meeting on 21 February 2001. Mr WONG further remarked that notwithstanding the Subcommittee's decision on the AD/QMR post, the Panel would still be at liberty to discuss the policy aspects of the post. Miss LI Fung-ying expressed concurrence with Mr WONG's views. Other members did not raise any objection. Mr CHEUNG Man-kwong said that if there was an utter urgency, the Administration might consider submitting the proposal on the CA posts to FC on 9 February 2001 directly after consulting the Housing Panel on 5 February 2001.

45. Having considered members' concerns, the Deputy Secretary for the Treasury (DS(Tsy)) said that the Administration would withdraw part (b) of the present proposal for consultation with the Housing Panel at its meeting on 5 February 2001. The Administration would aim to re-submit the relevant staffing proposal to this Subcommittee for consideration at its next meeting on 21 February 2001. He requested members to decide on part (a) of the present proposal at this meeting.

46. The Chairman put part (a) of the present proposal (i.e. the creation of one supernumerary post of Assistant Director of Housing (D2) for a period of 18 months) to vote. The item, as revised by DS(Tsy), was voted on and endorsed.

47. The Subcommittee was adjourned at 12:15 am.

Legislative Council Secretariat
8 February 2001