

立法會
Legislative Council

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

**Minutes of the 6th meeting
held at the Chamber of the Legislative Council Building
on Wednesday, 21 February 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 LEUNG Fu-wah, MH, JP
Dr Hon LO Wing-lok

Members absent:

Dr Hon David LI Kwok-po, JP
Hon Michael MAK Kwok-fung

Public Officers attending:

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| Mr Stanley YING, JP | Deputy Secretary for the Treasury |
| Mr D W PESCOD, JP | Deputy Secretary for the Civil Service |
| Mr Vincent TONG Wing-shing, JP | Business Director/Development, Housing Department |
| Mr Wilson FUNG Wing-yip | Director Corporate Services, Housing Department |
| Mr HO Sau-him | Project Manager, Housing Department |
| Ms Maria KWAN, JP | Deputy Secretary for Economic Services |
| Mr Alex WONG | Principal Assistant Secretary for Economic Services |
| Mr Roger S H LAI, JP | Director of Electrical and Mechanical Services |
| Mr Andrew H Y WONG, JP | Director of Administration |
| Ms K Y CHANG, JP | Deputy Director of Administration |
| Mr Kim SALKELD, JP | Deputy Secretary for the Environment and Food |
| Mr Augustine NG | Assistant Director of Planning |
| Mrs Jennie CHOK | Deputy Secretary for Security |
| Mr Aaron LIU | Assistant Secretary for Security |
| Mr Philip CHOK, JP | Deputy Secretary for Education and Manpower |
| Mr Ivan LEE | Principal Assistant Secretary for Education and Manpower |
| Mrs Sarah KWOK | Deputy Commissioner for Innovation and Technology |
| Mrs Shirley Y S LAU | Assistant Commissioner for Innovation and Technology |
| Mr Francis LO | Principal Assistant Secretary for Home Affairs |
| Mr LUI Hau-tuen, JP | Deputy Director of Home Affairs |
| Mr C D B WILLIAMS, JP | Assistant Director of Home Affairs |

Clerk in attendance:

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

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

In order to allow sufficient time for members to peruse the staffing proposals, the Chairman reminded the Administration to strictly adhere to the relevant requirement stipulated in the Establishment Subcommittee Procedure, i.e. all discussion papers for consideration by this Subcommittee, in both Chinese and English, should be made available for despatch to members at least five clear days before the meeting at the which the papers were to be considered. Otherwise, he would consider not allowing such items to be included on the agenda of the relevant meeting except on grounds of urgency.

2. In response, the Deputy Secretary for the Treasury (DS(Tsy)) advised that the Administration would make every effort to comply with the said requirement, but might need to seek the Chairman's special permission in certain exceptional cases.

EC(2000-01)30

Proposed retention of two supernumerary multi-disciplinary posts of Chief Architect (D1) for a period of two years to cope with the increasing workload arising from the implementation of the quality housing initiatives and the enhanced project management work in the Housing Department

3. Members noted that the item had been discussed by the Panel on Housing at its meeting on 5 February 2001.

4. The item was voted on and endorsed.

EC(2000-01)31

Proposed non-civil service appointment of an Electricity Advisor at the equivalent rank of D2/D3 in the Economic Services Bureau of Government Secretariat for a period of three years and creation of one permanent post of Chief Electrical and Mechanical Engineer (D1) in the Electrical and Mechanical Services Department, both with effect from 1 April 2001, to work out the post-2008 regulatory regime for the electricity supply sector

5. Members noted that the item had been discussed by the Panel on Economic Services at its meeting on 16 January 2001.

6. Expressing support in principle for the present proposal, Mr NG Leung-sing sought elaboration on the Administration's plan for the Electricity Advisor (EA) post upon expiry of the three-year appointment period. In reply, the Deputy Secretary for Economic Services explained that under the present proposal, the EA would be required to provide advice and assist in mapping out broad directions for an appropriate post-2008 regulatory regime for the electricity supply market in Hong Kong before 2003. When the market restructuring framework and roadmap were set out, the Administration would review the continued need for the EA post/appointment

nearer the time in the light of whether there was suitable in-house expertise to carry out follow-up implementation.

7. The item was voted on and endorsed.

EC(2000-01)32

Proposed creation of three permanent posts of one Administrative Officer Staff Grade B1 (D4) and two Administrative Officer Staff Grade C (D2) offset by deletion of one permanent post of Administrative Officer Staff Grade B (D3) in the Administration Wing of the Offices of the Chief Secretary for Administration and the Financial Secretary of the Government Secretariat with effect from 1 April 2001 for the establishment of a dedicated unit to facilitate the integration of sustainable development by both the Government and the community

8. Members noted that the item had been discussed by the Panel on Planning, Lands and Works and the Panel on Environmental Affairs at their joint meeting on 9 February 2001.

9. The item was voted on and endorsed.

EC(2000-01)33

Proposed retention of two supernumerary posts of one Senior Assistant Commissioner of Police (PPS 57) and one Senior Principal Executive Officer (D2) in the Security Bureau of Government Secretariat for a period of three years with effect from 1 April 2001 to enable the continued secondment of suitable officers to the Aviation Security Company Limited

10. Members noted that the item had been discussed by the Panel on Security at its meeting on 18 January 2001.

11. Referring to the present proposal and the next two items (EC(2000-01)34 and 35) which were related to the creation of supernumerary directorate posts for secondment to non-Government organizations, Mr Andrew WONG stated his view that submissions to this Subcommittee should be made on the basis of whether they would incur net increases on Government expenditure. As the Government would get full reimbursement for the secondments from the organizations concerned, he considered that it was not necessary for such items to be submitted to this Subcommittee and the Finance Committee (FC) for approval. It would suffice to have a mechanism in place for members to be informed of the proposed creation/further retention of supernumerary posts of this nature. Under the same principle, he considered that as supernumerary directorate posts created for not more than six months under delegated authority would incur additional expenditure on the

Government's part, these staffing proposals should be submitted to this Subcommittee for consideration.

12. In response, the Deputy Secretary for the Civil Service advised that in accordance with existing procedures and as explained in the information paper provided to the Panel on Public Service for its meeting on 15 January 2001, any posts created within the civil service at the directorate level for more than six months would have to be submitted to the Establishment Subcommittee (ESC) for recommendation to and approval by FC. Even for secondment outside the civil service, it would still be necessary to first create the relevant posts in the bureaux/departments concerned. Such proposals would have the effect of increasing the overall establishment of the civil service and have financial implications for the Government even if the full costs of the secondments were recoverable.

13. DS(Tsy) also considered it appropriate for ESC to scrutinize staffing proposals for the creation of supernumerary directorate posts for more than six months. On Mr Andrew WONG's view that supernumerary directorate posts for not more than six months should also require approval by FC/ESC, DS(Tsy) pointed out that the delegation of power for the creation of such posts had been a long-standing arrangement. However, the Administration would be prepared to consider members' views and proposed changes to the existing practice in a positive light.

14. Miss Emily LAU opined that a more detailed examination would be required on the pros and cons of Mr WONG's suggestion and the matter should be further pursued on another occasion. On behalf of Members of the Liberal Party, Mr James TIEN did not agree with Mr Andrew WONG that proposals for the creation of supernumerary directorate posts for secondment to non-Government organizations would not need to be submitted to ESC for consideration. He agreed that the matter should be further considered carefully.

15. Mr Andrew WONG said that the Administration should put up a paper stating its position on the matter for consideration by this Subcommittee. Miss Margaret NG pointed out that Mr WONG's suggestion involved two issues and each of these issues should be addressed.

16. On whether Mr Andrew WONG's suggestion should be considered by this Subcommittee or by the relevant Panel, the Assistant Secretary General 1 said that any proposal in the form of a discussion paper relating to the terms of reference of ESC could be put before this Subcommittee for consideration as an agenda item. Any such proposal endorsed by this Subcommittee could then be recommended to FC for approval. One case in point was the expansion of the terms of reference of ESC to include proposals for the creation of individual consultancy positions at directorate level lasting more than one year. She also drew members' attention to the existing procedure that the Administration was obliged to report any changes to the arrangements for the creation, redeployment and deletion of supernumerary and permanent directorate posts lasting for more than six months to this Subcommittee regardless of whether there was any additional financial implications for the Government.

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17. Noting the various views expressed at the meeting, the Chairman advised that the issues raised by Mr Andrew WONG would be discussed at a future meeting of this Subcommittee and the Administration should prepare a paper for this purpose.

18. On the justifications given by the Administration for further extension of the secondment arrangement, Miss Emily LAU expressed concern about the problem of succession to the two top management posts of General Manager (GM) and Deputy General Manager (DGM) in the Aviation Security Company Limited (AVSECO) on the expiry of the three-year secondment period. She also asked whether it was for security reasons that these posts were considered not suitable to be filled by open recruitment.

19. In response, the Deputy Secretary for Security (DS(S)) explained that AVSECO had an important public duty to ensure that civil aviation at the Hong Kong International Airport was free from acts of unlawful interference and in compliance with the Hong Kong Aviation Security Programme (HKASP). Given AVSECO's unique operational requirements and development plan in the next few years, the Airport Authority (AA) as the parent company of AVSECO had decided that it was not practicable to fill the GM and DGM posts by other means at this stage. Having considered the case, the Administration acceded to AA's request to extend the secondment arrangement for three years so that AVSECO would continue to have the necessary expertise at the senior management level for furthering its objectives and developing its operations to maturity.

20. Mr James TIEN was not convinced that there was currently no suitable talents available in the market. He pointed out that as AVSECO was a private company, its request for further extending the secondment arrangement might arise out of commercial considerations, such as the convenience or operational efficiency brought about by filling the posts with Government officers who had a closer working relationship with various government agencies involved in airport security. If that was the case, he was concerned that AVSECO would continue to rely on the existing secondment arrangement instead of seeking to fill the posts by alternative means.

21. In reply, DS(S) emphasized that the decision was not made by AVSECO alone out of expediency. AVSECO was a private, not-for-profit company and a subsidiary of the AA. 49% of its shares were held by the Government. In view of the short time span since the commissioning of the new airport, the Government and the AA had both agreed that the continuation of the present secondment arrangement was most conducive to safeguarding aviation security in Hong Kong and furthering the development of the public duties of the company. DS(S) also informed members that the situation would be reviewed after two years and it would be up to AA and AVSECO to make long-term plans for filling these posts by suitable candidates through open recruitment or internal promotion. In any case, she assured members that the full staff cost of the secondments would be recovered from AVSECO.

22. Notwithstanding the Administration's explanation, Mr TIEN remained concerned that the proposed secondments would become a standing arrangement. He highlighted the need for outside recruitment or for suitable succession plans for

AVSECO staff to take up senior positions.

23. While agreeing that in the long term, the posts of GM and DGM should be filled by non-civil service candidates, Mr NG Leung-sing said that he would support the present proposal to allow for the transfer of the required expertise from the Government to AVSECO to meet its operational needs and complete various key tasks ahead, including the establishment of an aviation security academy. In reply to his enquiry about the training to be provided by the academy, DS(S) advised that AVSECO planned to set up the aviation security academy in the near future and one of its tasks was to provide the necessary training and refresher courses for its security officers in order to fulfil the relevant international technical requirements stipulated in the HKASP.

24. The item was voted on and endorsed.

EC(2000-01)34

Proposed retention of one supernumerary post of Senior Principal Executive Officer (D2) in the Education and Manpower Bureau of Government Secretariat up to 31 October 2003 to enable the continued secondment of a suitable officer to the Vocational Training Council

25. Members noted that the item had been discussed by the Panel on Manpower at its meeting on 18 January 2001.

26. Mr CHEUNG Man-kwong referred to past criticisms against the senior leadership of the Vocational Training Council (VTC) and questioned why instead of strengthening the accountability of the incumbent Executive Director (D6) and his two supporting Deputy Executive Directors (both at D3 level), the Administration would propose to transfer some of their original duties to the new Deputy Executive Director (Corporate) (D3) post. Mr CHEUNG considered such re-distribution of duties unjustified, particularly in the face of the proposed reduction in university funding and the Enhancement Productivity Programme currently underway in the civil service.

27. In reply, the Deputy Secretary for Education and Manpower (DS(EM)) explained that the proposed creation of a third Deputy Executive Director post and the subsequent re-distribution of duties among VTC's senior management were in fact part of the reform programme to strengthen VTC's management capacity as recommended by the consultancy study on the Strategic and Organization Review of VTC in 1996. With the support of the Administration and the VTC Council in the broad direction of enabling VTC to become more responsive to changing service demands and more flexible in its service delivery, VTC had embarked on the first phase of reform and priority was given to strengthening its strategic planning and quality audit. For this purpose, a consultant of the same rank as the two Deputy Executive Directors was appointed in 1998. At that time, certain duties in overseeing various VTC-wide functions such as finance, public relations, human

resources management and staff relations, which were intended for the third Deputy Executive Director as recommended in the 1996 review, had been taken up by the Executive Director and the two existing Deputy Executive Directors. Upon expiry of the consultant's contract in January 2001, VTC had reviewed the situation and considered that the next phase of reform should focus on enhancing its capacity for managing changes in service needs, as well as on internal administration and staff management. For this purpose, a new Deputy Executive Director post was to be created to oversee VTC's corporate development and take up relevant duties as proposed under his job description. In this way, the Executive Director would be relieved from overseeing the day-to-day administration of the Council and concentrate on his major task of strategic planning.

28. Mr CHEUNG Man-kwong maintained his view that the distribution of responsibilities among VTC's senior management staff was not properly balanced. As he saw it, the problems with VTC in terms of its management capability could not be resolved by the mere creation of a third Deputy Executive Director post to take up some of the duties of the Executive Director and his deputies. Mr CHEUNG urged that VTC should revamp its senior management structure and critically review whether the posts of the Executive Director and the two existing Deputy Executive Directors should be pitched at a lower ranking. Members further noted that since 1996, the post holder for the Executive Director of VTC had changed and a number of improvement measures had been introduced.

29. In this connection, DS(Tsy) invited members to note that as an independent organization, VTC was at liberty to decide on its own staffing matters. The present proposal was for the retention of a supernumerary Senior Principal Executive Officer post in the Education and Manpower Bureau for 2½ years to enable the continued secondment of a suitable officer to VTC as its Deputy Executive Director (Corporate).

30. The item was voted on and endorsed.

EC(2000-01)35

Proposed creation of one supernumerary post of Senior Principal Executive Officer (D2) in the Innovation and Technology Commission of Government Secretariat for a period of two years with effect from 9 March 2001 to enable the secondment of a civil servant to the Hong Kong Applied Science and Technology Research Institute Company Limited

31. Members noted that the item had been discussed by the Panel on Commerce and Industry at its meeting on 12 February 2001.

32. The item was voted on and endorsed.

EC(2000-01)36

Proposed creation of one permanent post of Administrative Officer Staff Grade C (D2) in the Home Affairs Department to head a new Division IV to cope with the increasing workload in building management issue

33. Members noted that the item had been discussed by the Panel on Home Affairs (HA Panel) at its meeting on 20 February 2001.

34. Miss Emily LAU pointed out that as HA Panel was only consulted on the present proposal on 20 February 2001 (i.e. the day before this Subcommittee meeting), some members' concerns raised at the said Panel meeting were yet to be addressed. She referred to the lack of information on Panel consultation and considered that the Administration should have consulted HA Panel well in advance of this Subcommittee meeting to allow reasonable time for the Panel Clerk to prepare the relevant notes of discussion and for the Administration to provide the requested supplementary information in writing for circulation to members prior to the Subcommittee meeting.

35. In this connection, Miss Emily LAU commented that scrutiny of recent financial proposals had revealed that consultation at relevant Panel(s) sometimes took place only very shortly before the relevant FC/ESC/Public Works Subcommittee (PWSC) meeting scheduled to consider the proposals. She stressed that the Administration should work closely with relevant Panel(s) to ensure that major financial proposals were discussed by the relevant Panel(s) well in advance of the relevant FC/ESC/PWSC meeting. For the benefit of members who did not take part in the Panel discussion, she said that information on members' concerns, the Administration's response and the supplementary information, if any, provided by the Administration should be made available to members early to facilitate their consideration of the proposals at the FC/ESC/PWSC meeting. She therefore requested the Secretariat to take up the matter with the Administration with a view to improving the general effectiveness of Panel consultation.

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36. Noting Miss LAU's concerns, DS(Tsy) said that the Administration was mindful of the need to put up major financial proposals for timely discussion by the relevant Panel(s) prior to their submission to FC/ESC/PWSC. The Finance Bureau would remind all relevant Government bureaux/departments to work closely with the respective Panels to this effect. Nevertheless, he pointed out that there might be special circumstances, such as urgency of the case or re-scheduling of meetings, which had sometimes created difficulties.

37. Mr Andrew WONG expressed dissatisfaction with the operation of the Building Management Ordinance (Cap. 344) (the Ordinance), particularly its lack of a mechanism for amending the unfair terms contained in the deed of mutual covenants (DMCs). He therefore urged the Administration to conduct a comprehensive review without delay and remarked that this area of work should fall under the purview of the proposed Assistant Director (AD) post created specifically to give focussed attention to building management matters. In the absence of a firm commitment on the

Administration's part to undertake such a review, Mr WONG said that he would withdraw his support for this item as given at the HA Panel meeting the day before.

38. In response, the Principal Assistant Secretary for Home Affairs (PAS(HA)) explained that with the enactment of the Building Management (Amendment) Ordinance 2000, major amendments had been made to the Ordinance to facilitate the formation of owners' corporations (OCs) and one of the responsibilities of the new AD was to monitor and co-ordinate the implementation of the Ordinance. To take this initiative forward, a dedicated inter-departmental steering group had been set up by the Home Affairs Department (HAD). He pointed out that as the Amendment Ordinance was enacted quite recently, its implementation should be monitored for a reasonable period of time before a comprehensive review should be conducted.

39. As regards the issue on revising the terms of DMCs, PAS(HA) further advised that according to the ruling made by the President of the Legislative Council (LegCo) in June 2000 on the Committee Stage amendments (CSAs) proposed by Members to the Building Management (Amendment) Bill 2000, "providing a mechanism by which an owners' corporation may resolve to vary the terms of its deed of mutual covenant is not the subject matter of the Ordinance or of the Bill". PAS(HA) also advised that the Administration fully agreed with the ruling and was aware that this issue would have implications on property rights and thus it should be dealt with in an extremely cautious manner.

40. Mr Andrew WONG however did not agree with the Administration's stance on the said ruling. He considered that without a proper forum for discussion, such issues of concern would not be resolved and hence, a comprehensive review of the Ordinance was required. Sharing Mr WONG's views on the need for an overall review of the Ordinance, Miss Emily LAU requested the Administration to propose a definite timetable for the review and to report to HA Panel accordingly.

41. In response, the Deputy Director of Home Affairs (DD(HA)) said that given the extensive scope and complexity of the Ordinance, the Administration envisaged that the Ordinance would be reviewed constantly, and amendments/improvements would be made in future as necessary. The Administration would welcome views from Members of the LegCo and other interested parties on how the Ordinance could be further improved. In response to members' request, DD(HA) undertook to conduct a review of the Ordinance within one year and to revert to HA Panel.

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42. Referring to the proposed re-distribution of business among the three existing ADs and the new AD(4), Mr Henry WU sought clarification on whether certain specific duties, such as those in relation to the National Day celebration activities, customary marriages and adoption, rehousing of bedspace apartment lodgers and religious land grants, had been suitably re-aligned. In response, PAS(HA) and DD(HA) confirmed that all the duties mentioned by Mr Henry WU had been accounted for. The relevant duties had been reviewed and re-grouped under the respective portfolios of the four ADs as appropriate.

43. Given the limited scope of work of the proposed AD post, Miss Emily LAU queried whether excessive non-directorate support was provided under the present proposal. In response, PAS(HA) stated that the 11 proposed posts were needed to render support to AD(4) for implementing the new initiatives in enhanced building management. Firstly, two specialist advisory teams, one on building/structural matters and the other on legal issues, would be established under AD(4) to give expert technical advice to HAD staff and as appropriate, to building owners and residents so that the latter would manage their buildings properly. Secondly, liaison work in the districts would be strengthened with the deployment of additional liaison officers.

44. In reply to Mr NG Leung-sing, DD(HA) pointed out that one of the focal points in the Government's work was that effective building management in private buildings could only be achieved through active participation by owners/residents themselves. Hence, HAD had set up the Building Management Resource Centres (BMRCs) to provide a forum for building owners and residents in the district to share their experience in forming OCs and other related matters. In addition, comprehensive information and advice on building management would be given by relevant Government departments. Due to overwhelming response, there were plans to open the third BMRC in Tsuen Wan in early 2001 and the fourth one in Sha Tin later in the same year. In view of these plans, Mr Andrew WONG remarked that more non-directorate posts might have to be created in future to underpin the proposed AD's work in the planning and setting up of the BMRCs and their operations.

45. Responding to Mr Bernard CHAN, PAS(HA) reported that the Administration was consulting the professional bodies on the relevant regulation to be made under the Ordinance in relation to the mandatory third party liability insurance. After the regulation came into operation, Liaison Officers of HAD would be responsible for carrying out inspections and monitoring its compliance by OCs in various districts.

46. The item was voted on and endorsed. Miss Emily LAU requested that her reservation on this item be recorded.

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