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

**Minutes of the 8th meeting
held at the Chamber of the Legislative Council Building
on Wednesday, 23 May 2001, at 10:45 am**

Members present:

Hon CHAN Kwok-keung (Chairman)
Hon NG Leung-sing (Deputy Chairman)
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 IP Kwok-him, JP

Members absent:

Hon James TIEN Pei-chun, JP
Hon Eric LI Ka-cheung, JP
Dr Hon David LI Kwok-po, JP
Hon Margaret NG

Public Officers attending:

Mr Stanley YING, JP	Deputy Secretary for the Treasury
Mr D W PESCOD, JP	Deputy Secretary for the Civil Service
Mr K K LAM	Principal Executive Officer (General), Finance Bureau
Mr Alan CHU	Principal Assistant Secretary for Security
Mr T K LAI	Deputy Director of Immigration
Ms Helen CHAN	Assistant Principal Immigration Officer, Immigration Department
Mr Alfred C W NG	Assistant Director of Information Technology Services
Mr Patrick LI	Principal Assistant Secretary for Education and Manpower
Mrs Lesley WONG, JP	Assistant Director of Education
Mr Wilson FUNG	Director Corporate Services, Housing Department
Mr Chris GABRIEL	Assistant Director of Housing
Ms Sandra LEE, JP	Secretary for Economic Services
Mrs Rebecca LAI, JP	Commissioner for Tourism
Miss Denise YUE, JP	Secretary for the Treasury

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
Mrs Mary TANG	Senior Assistant Secretary (1)2

EC(2001-02)5 **Proposed creation of two supernumerary posts of one Deputy Director of Immigration (GDS(C)3) and one Chief Systems Manager (D1) in the Immigration Department for the period up to 31 October 2003 and an increase in the establishment ceiling in 2001-02 from \$1,666,747,000 by \$21,110,370 to \$1,687,857,370 to facilitate the creation of 42 non-directorate posts for implementing the Hong Kong Special Administrative Region Identity Card Project**

Members noted that relevant papers on the creation of the proposed Identity Card (ID Card) Project team had been circulated to the Panel on

Security at its meetings in January and April 2001. Miss Emily LAU informed the meeting that when the relevant papers were circulated, she had requested that the proposal be discussed by the Panel on Security. However, her request had not been acceded to and she was advised that the subject would be submitted to the Establishment Subcommittee (ESC) and discussion could take place there and then.

2. Miss Emily LAU referred to paragraph 10 of the paper which stated that since the new ID Card system would involve sensitive personal data of all Hong Kong residents, it would not be desirable from a security point of view to engage a non-civil service contract officer for the Chief Systems Manager (CSM) post to lead and control the planning and implementation of the technical system of the ID Card Project. As such, Miss LAU queried whether it was a standing practice that only civil servants could fill posts which involved the handling of sensitive information.

3. In response, the Principal Assistant Secretary for Security (PAS(S)) said that in proposing to create the CSM post, the Administration had made reference to similar posts in other departments. Since the new ID card would also provide the infrastructure to support other government applications, it would not be appropriate to fill the post by a non-civil service contract officer who might not possess the necessary knowledge and experience in Government's computer systems and architecture. He however indicated that there were other posts in the ID Card project team which were held by non-civil service contract officers. The Assistant Director of Information Technology Services added that the CSM was expected to take the lead in planning and co-ordinating information technology programmes which had linkage or interface with other computer systems of the Immigration Department (ImmD).

4. Sharing Miss LAU's concern, Mr MAK Kwok-fung enquired whether the Civil Service Bureau (CSB) had any guidelines on posts which should not be opened to non-civil service contract officers. In this connection, he also queried the appointment of the Financial Secretary who was not a civil servant. In response, the Deputy Secretary for the Civil Service (DS(CS)) advised that there were distinctions between civil service and non-civil service posts. Those who were recruited for civil service posts were bound by Civil Service Regulations. Those who were recruited for non-civil service posts would be subject to another set of regulations. There were established procedures for appointing candidates from the private sector to fill civil service posts. If the post in question was a directorate post, approval from the Public Services Commission was required. The general preference was to fill the post by internal promotion but if this was not possible, consideration would be given to outside recruitment.

5. Referring to the tendering arrangements, Miss Emily LAU said that according to her knowledge, the Administration had been urged to split the

project into smaller parts for which separate tenders would be invited so as to facilitate participation by local enterprises. She stressed that the interest of the community should be first and foremost in the selection process and the best tender that met the needs of the community should be chosen. The Administration must strike the right balance and avoid any move that might tarnish the international reputation of Hong Kong as an open economy. In response, PAS(S) advised that a total of eight tenders for the project would be put up. The Administration would ensure fair competition having regard to its obligations under the World Trade Organization Agreement on Government Procurement and the existing Stores and Procurement Regulations. He pointed out that the award of eight separate contracts was considered necessary and practicable and was not intended to facilitate the participation of any particular tenderers. The tendering process would be overseen by an Assessment Panel represented by different bureaux and departments and would be carried out in accordance with established tender procedures.

6. Referring to paragraph 3(c) of the paper, Miss Emily LAU enquired about the measures which would be adopted to facilitate the public in the replacement of their ID cards. She also reminded the Administration about the need for proper supervision of the project and the importance of user acceptance tests, since the failure in the delivery of the project would lead to serious consequences.

7. PAS(S) confirmed that one of the responsibilities of the project team was to design a user-friendly method so that the public would not find the replacement exercise inconvenient. Appointments for replacement could be made either on-line or by phone. Where practicable, procedures would be streamlined to facilitate the public. As regards the user acceptance tests, PAS(S) advised that this would be an important aspect of the work of the project team. Such acceptance tests would include testing of the physical durability of the card materials and testing on performance of card (e.g. speed of storing and retrieving data and speed of matching finger-print etc.)

8. Mr Howard YOUNG supported on-line application for replacement of ID cards. He also requested the Administration to consider the feasibility of linking system for the application for HKSAR passport with that for the replacement of ID card to facilitate applicants requiring both services. In response, PAS(S) assured members that the Administration would try its best to cater for the needs of the public in the replacement exercise.

9. Miss Emily LAU questioned the need to employ the number of Personal Secretaries and clerical staff as indicated in enclosure 6 to the paper. The Assistant Principal Immigration Officer (APIO) explained the organization of the project team by referring to enclosure 2 to the paper, highlighting the major areas of work of the team. She pointed out that since the team would be responsible for a wide spectrum of duties, it would require dedicated secretarial and clerical support to ensure that the tasks would be duly carried out.

Miss Emily LAU nevertheless indicated that secretarial and clerical posts would need to be justified functionally in the light of the Enhanced Productivity Programme and should not be created simply to accompany the creation of senior posts.

10. Mr HUI Cheung-ching said that although Members of the Hong Kong Progressive Alliance were in support of the funding for the ID Card Project, they were concerned about the proposed creation of 42 non-directorate posts for the project team, and he enquired if these posts could be filled by internal redeployment. In response, PAS(S) advised that in assessing the need for new posts, the Administration had made reference to the manpower requirement in other similar projects such as the HKSAR passport project and the last ID Card replacement exercise. The former required the creation of 76 non-directorate posts while the latter required 83. Hence, the currently proposed 42 posts were not excessive and moreover, the team would be disbanded upon the completion of the project.

11. Ms LI Fung-ying noted that apart from the proposed creation of 42 non-directorate staff for the project team, an additional 30 non-directorate staff would be required when the project was in full swing. She enquired whether this would be the ceiling for staff count in respect of non-directorate staff in the project team. She also sought clarification as to whether the 30 additional staff would be employed on civil service contracts. PAS(S) affirmed in response that as far as the project team was concerned, there would be a maximum total of 72 non-directorate staff at the peak of the project but additional staff would be required to man the nine ID card replacement centers. APIO added that the 42 non-directorate staff and the 30 additional staff would be employed on civil service contract terms while temporary non-civil service contracts would be offered to five temporary clerical staff.

12. Mr CHEUNG Man-kwong referred to the organization chart of directorate posts in ImmD at enclosure 3 to the paper which showed that the incumbent Deputy Director of ImmD (Administration and Operations) (DD(A&O)) at D3 level had to oversee six Assistant Directors (ADs) at D2 level responsible for all aspects of immigration work. He thus queried the justification for creating a Deputy Director (ID Card Project) (DD(ID)) post, also at D3 level, for the sole purpose of heading the ID Card Project. He considered the proposed arrangement disproportionate as the scope and complexity of responsibility for the DD(ID) post was much less than that for DD(A&O).

13. PAS(S) advised that past ID Card replacement projects had been headed by a DD(ID). In view of the tight schedule of the ID Card project under which the existing ID card system had to be replaced by the end of 2002, and the need to complete the four major areas of work including procurement and development of the new smart ID card and its supporting computer system, working out the procedures and code of practice, planning a region wide ID

card replacement exercise for 6.8 million residents, and completing the necessary legislative amendments, there was a need for a supernumerary project-based DD(ID) post. He further pointed out that the existing DD(A&O) had no spare capacity to accept the additional responsibilities of overseeing the implementation of ID Card Project. The DD(ID) post to head the project had to be pitched at an appropriate level as the postholder would be required to chair the HKSAR ID Card Project Steering Group and the Inter-departmental Working Group, and to sort out cross-cutting issues requiring co-ordination among bureaux and departments at a sufficiently senior level.

14. In this connection, DS(CS) said that when an application for creation of directorate post(s) was received, CSB would assess the department's organizational structure at the directorate level to see if the distribution of responsibilities should be re-adjusted to give the right balance. For the present case, the areas of responsibilities of the existing DD(A&O) and ADs under his charge were considered appropriate. The implementation of the ID Card Project on the other hand was an additional project and independent from other aspects of immigration work. Therefore, CSB saw no reason to re-distribute the duties among the two DDs as a result of the proposed creation of DD(ID) post. He confirmed that in the view of CSB, the ranking of the proposed DD(ID) post at D3 level was appropriate.

15. Mr CHEUNG Man-kwong remained unconvinced and sought further comments from the Finance Bureau (FB). The Deputy Secretary for the Treasury advised that when an application for the creation of posts was received, the FB and CSB, being the two resource bureaux, would jointly examine the justification for, as well as the ranking, of the post. He explained that prior to submission of staffing proposals to ESC, the two bureaux had already examined the recommendations at length. Where necessary, some of the proposals had been revised or withdrawn. It was only when both bureaux could agree on the staffing proposals that they would be forwarded for members' scrutiny. Mr CHEUNG remarked that if this was the case, it might be useful to set out the different viewpoints of the Administration in the discussion paper to facilitate members' consideration.

16. Mr CHEUNG Man-kwong maintained his view that a post on par with DD(A&O) was not justified since a rank lower than D3 would already suffice for the ID Card Project. The Deputy Director of Immigration (DD of Imm) responded that at present, the planning and preparatory work of the ID Card Project was led by the incumbent DD (Special Assignment) (DD(SA)) who had been deployed to take up the project since its inception. Upon funding approval by the Finance Committee (FC), the project had now proceeded to a more advanced stage. As such, the department would continue to require the service of a dedicated officer at DD level to steer and implement the project. The existing DD(SA) post would lapse upon creation of the DD(ID) post.

17. Mr CHEUNG Man-kwong disagreed with the ranking of the proposed DD(ID) post and commented that the proposed organization and ranking structure was grossly unbalanced. He urged members to be cautious in deciding on the ranking of directorate posts to be created. Miss Emily LAU shared his concerns.

18. Mr Howard YOUNG said that Members of the Liberal Party supported the implementation of the ID Card Project and was aware of the need for additional posts for the project, in particular for the formulation of measures to safeguard personal data privacy. Although he would agree in principle to the creation of the proposed DD(ID) post to continue with the work of the existing DD(SA), he shared the concerns of some members about the ranking of the DD(ID) post at D3 level as the post, though under the direct charge of the Director of Immigration as the other DD(A&O), might not necessarily be pitched at D3 level.

19. Mr Henry WU questioned whether the ranking of DD(ID) should more appropriately be pitched at D2 since the immediate subordinate CSM post was only pitched at D1.

20. Mr LEUNG Fu-wah nevertheless pointed out that while the existing DD(A&O) had to oversee a wide range of issues, these were ongoing and were not as complex as the planning and co-ordinating work required of the proposed DD(ID), who was spearheading a new project. Therefore, he would support the creation of posts as currently proposed.

21. Noting that the DD(ID) post was to be created on a supernumerary basis up to 31 October 2003, Mr CHEUNG Man-kwong sought assurance from the Administration that it would not seek to further extend the post to oversee the post-implementation review of the project. PAS(S) assured members that the supernumerary DD(ID) post would only last up to 31 October 2003. The post-implementation review in question was to cater for the last privacy impact assessment to be conducted when the new supporting computer system was up and running so as to address members' concern about the protection of personal data and privacy. The conduct of the review, to be conducted from August to October 2003, would not be put up as the grounds for the retention of the DD(ID) post. Miss Emily LAU said that while she would not agree to the proposed creation of posts, she would support the conduct of the post-implementation review to assess the compliance of the project with personal data and privacy requirements.

22. On the background leading to the present proposal, the Assistant Secretary General 1 (ASG1) recapitulated that the existing supernumerary DD(SA) post was first created on 19 October 1999 for a period of six months by the Director of Immigration under delegated authority. The proposal for extension of the post for one year up to 18 April 2001 was submitted to ESC for consideration at its meeting on 23 February 2000. In view of members'

reservation about the prolonged extension of the post and pending the decision on the project, the Administration modified the proposal by shortening the retention period of the post to 31 December 2000, to which members agreed. A further proposal to extend the DD(SA) post was put to ESC for consideration at its meeting on 15 November 2000 and it was agreed that the post could be further extended to 30 June 2001.

23. Mr CHEUNG Man-kwong expressed dissatisfaction with the present arrangement whereby members had to decide on the extension of a post for which they had not been consulted prior to its creation. If members had doubt and voted down the proposed extension of the post, it would mean that the work which had started might have to be aborted. As such, members would have no alternative but to approve further extensions time and again. Mr CHEUNG considered that the creation of directorate posts under delegated authority had somehow undermined LegCo's monitoring role.

24. Having regard to members' views and reservation, Miss Emily LAU asked if the Administration would withdraw the present proposal for further consideration. The Administration did not indicate that they would withdraw the proposal.

25. Miss CHOY So-yuk stated that Members of the Democratic Alliance for the Betterment of Hong Kong (DAB) were in support of the implementation of the ID Card Project. While agreeing with the need for caution in the creation of posts, she reminded members of the tight schedule for the implementation of the project. In view of the scope and complexity of the project, she said that Members of DAB would support the creation of the proposed posts.

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26. To facilitate members' consideration, Mr CHEUNG Man-kwong requested that in future, the Administration should include in its submissions the past creation, retention and extension of the proposed post(s) in question. The ranking of the existing and the proposed directorate posts should also be clearly indicated on the organizational chart attached to the paper. Miss Emily LAU also requested that in future, the Clerk should make arrangement to provide members with the background information on staffing proposals.

(Post meeting note: After examining the extent of work involved in providing background information for the discussion items to be considered by the FC, ESC and PWSC meetings and the short notice of agenda items for these committees, ASG1 issued a circular LC Paper FC 104/00-01 notifying members of the special arrangement to take effect from 25 May 2001.)

27. The item was put to vote. Nine members voted for the item, four voted against the item and one abstained.

For:

Mr NG Leung-sing

Mr Andrew WONG Wang-fat, JP

Mr YEUNG Yiu-chung

Ms LI Fung-ying, JP

Dr LO Wing-lok

(9 members)

Mr HUI Cheung-ching

Mr Howard YOUNG, JP

Miss CHOY So-yuk

Mr LEUNG Fu-wah, MH, JP

Against:

Mr CHEUNG Man-kwong

Miss Emily LAU Wai-hing, JP

Mr SZETO Wah

Mr Michael MAK Kwok-fung

(4 members)

Abstention:

Mr Henry WU King-cheong, BBS

(1 member)

28. The item was endorsed by the Subcommittee.

29. Miss Emily LAU requested that this item be voted on separately from other items at the relevant FC meeting.

EC(2001-02)6

Proposed creation of one permanent post of Chief Treasury Accountant (D1) in the Education Department with effect from 14 September 2001 to cope with the increased demand and complexity in the work of the Finance Division, to re-engineer departmental financial and accounting systems and arrangements, and to provide support services in financial management to the school sector

30. Members noted that the item had been discussed by the Panel on Education at its meeting on 23 April 2001.

31. Noting the new initiatives under the education reform and the increased devolution of resource management responsibilities to public sector schools, Miss Emily LAU was concerned whether the school sector was equipped with the necessary financial and accounting skills and expertise to cope with the changes. The Assistant Director of Education (AD of E) advised that in pursuit of school-based management under the education reform, the Education

Department (ED) had mapped out strategies to enhance the financial management capability of schools. She added that while most schools were able to cope with the changes, it would be useful to promote good financial practices amongst schools to cultivate an effective resource management culture.

32. Noting that the restructuring of the Finance Division of ED would result in the deletion of 14 non-directorate posts and a net saving of \$1,496,940, Miss Emily LAU questioned if the Division had previously been over-staffed. While stating that the Finance Division had not been over-staffed, AD of E explained that over the years, a lot of accounting procedures had been streamlined in the light of reforms in resource management and such measures had resulted in savings in manpower resources.

33. While indicating support for the proposed creation of posts, Miss LAU further enquired whether the establishment structure of ED would be further downsized as a result of the continued devolution of resource management responsibilities to the school sector. AD of E responded that apart from funding reforms, ED would focus on enhancing the financial management capability of schools. It would continue its effort to rationalize its establishment structure based on the latest development. The Principal Assistant Secretary for Education and Manpower added that the establishment structure of ED would be subject to ongoing reviews, as in the present case where the additional costs arising from the creation of posts were offset by savings achieved through the deletion of posts.

34. Mr CHEUNG Man-kwong expressed support for the present proposal which he considered commendable as the additional costs for the proposed creation of posts were fully offset by the savings achieved through the deletion of posts, resulting in net savings within ED. He said that ED had set a good example for other departments to follow.

35. Mr SZETO Wah also supported the present proposal and pointed out that there was a need for ED to provide the necessary support services to assist schools in putting their resources to the best use.

36. The item was voted on and endorsed.

EC(2001-02)7

Proposed creation of one supernumerary post of Assistant Director of Housing (D2) in the Housing Department for three years to head the Independent Checking Unit in building regulatory functions

37. Members noted that the item had been discussed by the Panel on Housing at its meeting on 7 May 2001.

38. Miss Emily LAU said that she was in support of the policy intent for the development of a third-party building control system for the Housing Authority (HA)'s projects that was compatible with the Building Ordinance (BO). However, she had reservation on the impartiality and independence of the system if its Independent Checking Unit (ICU) was set up within the Housing Department (HD). The Director Corporate Services, Housing Department (DCS,HD) advised that the setting up of the ICU within HD was part and parcel of the initiatives taken by the HA to strengthen the quality of public housing. The ICU should be viewed in the context of many other changes currently being considered by the Government, including the proposal of bringing HA's projects under the purview of BO. He stressed that the ICU was not a replacement for the latter proposal. Rather, ICU would provide an additional third-party checking on HA's projects in the interim while the Government was resolving the many complicated issues involved in the latter proposal. The ICU would strengthen HA's existing building control system so as to provide greater assurance of the quality of public housing and enhance public confidence. The ICU would work in conjunction with the Buildings Department (BD) in implementing a comprehensive independent checking system at all key stages of HA projects in accordance with requirements under BO.

39. Miss Emily LAU queried the efficacy of the third-party checking system as the ICU lacked the necessary statutory powers to impose sanctions. DCS,HD explained that HA's building control system was different from the requirements of BO notably in the absence of BD's statutory checking of building proposals and the exemption from statutory sanctions against those responsible for the design, supervision and construction of building works. As to how the third-party checking by ICU was performed in the absence of statutory sanctions, DCS,HD said that the building professionals employed by HD were competent and experienced staff and were required to follow well-established project procedures and reporting practices. If they failed in the discharge of their duties, they would be subject to disciplinary actions under Civil Service Regulations. As for the contractors, they were governed by the terms of the contracts and would be sued for any failure in the delivery of the project. Miss LAU maintained her view that the system of third-party checking by ICU would not be able to achieve the desired effect in the absence of statutory sanctions. DCS,HD reiterated that ICU only provided for additional-third party checking which was a common practice in the industry, and would not substitute any legislative and administrative changes which the Government might eventually decide to take to bring HA projects under the BO.

40. Mr Howard YOUNG said that the development of a third-party building control system for HA's projects that was compatible with BO would be the right way forward in addressing public concerns about the quality of public housing. However, since there would no longer be a peak production period for public housing and public housing units were primarily of a standard design,

Mr YOUNG questioned if it was fully justified to create the supernumerary post for a period of three years or if consideration should be given to shortening the period to one year subject to further extension, thereby providing more flexibility.

41. DCS,HD explained that although standard designs were commonly adopted in public housing, there were variations amongst individual blocks. Non-standard designs were adopted in areas where there were special site conditions and constraints. As such, there was a certain degree of complexity for building control over public housing. As regards the need for creating the directorate post for a period of three years, he referred members to the expansion plan for ICU at enclosure 2 of the paper, which set out its yearly plans for the next few years. It was proposed that the two vetting teams on new projects would be expanded to cover the range of activities on all projects following a typical project cycle. The type of third-party checking on new projects would be comprehensive and fully compatible with BO, ranging from checking to processing of building plans, site checking to building inspections. Moreover, ICU also aimed at establishing a mechanism of building control over some one million existing public housing units in over 300 housing estates. To take forward a project of such magnitude, the Administration considered it necessary to create the proposed directorate post for three years to head ICU.

42. Mr CHEUNG Man-kwong queried the independence of ICU if it was to be headed by a directorate officer who would report to the Director of Housing. In his view, ICU should be set up under BD rather than HD. He shared Mr Howard YOUNG's view that it might not be necessary to create the post for three years. Referring to the number of directorate posts in departments such as the Judiciary, Hong Kong Police Force and the Department of Justice where professional services were required or where there was a large establishment, Mr CHEUNG considered the number of directorate staff in HD disproportionately high. Instead of creating a three-year supernumerary post, he considered that the HD should re-deploy one of its many directorate officers to head the ICU. To enable the department to make the necessary re-deployment, he was prepared to support the creation of the proposed post for one year subject to review.

43. In response, DCS,HD reiterated that a period of three years was required to develop a mechanism of bringing control that followed the entire building project cycle. He assured members that should the Government eventually decide to bring HA projects under the BO and upon the implementation of all the necessary legal and administrative changes, the ICU would then not be needed. Upon the transfer of the control functions to BD, the ICU could be disbanded and the AD/ICU post would then lapse accordingly. He added that given the "supernumerary" nature of the post, there should not be any misunderstanding that the post was permanent.

44. On the number of directorate posts in HD, DCS, HD pointed out that HD had a staff count of about 14 000 and a huge portfolio covering the construction and management of a massive number of public housing estates; and therefore sufficient management and supervision at the directorate level were crucial. He further informed members that the percentage of directorate posts in the establishment of works departments was 2.1%, as compared to an average of 2.4% for departments under the Planning and Works Bureau. The relevant percentage of HD however was only 0.48%. He therefore disagreed that the number of directorate staff in HD was disproportionately high. He said that when the proposed creation of posts was discussed by the Panel on Housing, members noted that ICU would be staffed by two senior professionals on loan from BD to assist in the development of a building control mechanism. The directorate post created for ICU would lapse when the building control mechanism was transferred from HD to BD.

45. Mr CHEUNG Man-kwong said that he could only support the creation of the supernumerary post for a period of 18 months, subject to review. He would object to the present proposal if the Administration would not shorten the duration of the supernumerary post to 18 months. The Administration did not modify the proposal as suggested by Mr CHEUNG.

46. The item was voted on and endorsed.

EC(2001-02)8

Proposed creation of three permanent posts of one Administrative Officer Staff Grade A (D6); one Administrative Officer Staff Grade B (D3); and one Senior Principal Executive Officer (D2) in the Economic Services Bureau of Government Secretariat to be offset by deletion of rank and permanent post of Commissioner for Tourism (D5) and one permanent post of Principal Executive Officer (D1) arising from the re-organisation of the Tourism Commission

47. Members noted that the item had been discussed by the Panel on Economic Services at its meeting on 23 April 2001.

48. Referring to the failure of the two open recruitment exercises conducted in 1999 and 2000 to identify a suitable candidate for the Commissioner for Tourism (CT) post from both the private sector and civil service, Miss Emily LAU questioned if it had become a standing practice that a post would be upgraded should open recruitment fail. In response, the Secretary for Economic Services (SES) advised that the need for upgrading the CT post from D5 to D6 had arisen from the increase in workload, responsibility and complexity of work over the past 23 months since the setting up of the Tourism Commission. Apart from formulating strategies and policies for promoting

tourism development in Hong Kong, CT was also responsible for steering efforts, co-ordinating public resources and acting as a facilitator in planning and implementing major projects. The postholder would also be required to represent Hong Kong at international fora and discussions with counterparts of other governments. As such, the Administration was convinced of the functional need to upgrade the CT post on account of its important steering and co-ordinating role and level of responsibilities.

49. Miss Emily LAU expressed the view that in implementing works projects, public works departments should consult the Tourism Commission on the preservation of heritage and culture if such were identified. She also pointed out that a lot of tourists would like to visit places which were reminiscent of Hong Kong's colonial past and asked if the Tourism Commission would be prepared to promote such attractions. In response, SES confirmed that it was the Administration's intention that the Tourism Commission be consulted on the planning and development of major projects which might impact on heritage and culture to see whether suitable measures could be taken to promote tourism. She also confirmed that as the colonial past was part of Hong Kong's history, this feature would be included in heritage tourism promotions.

50. On Miss LAU's further enquiry on the relationship between the Tourist Commission and the Hong Kong Tourist Board (HKTB), SES informed members that a detailed review had been conducted on the respective roles of the two entities. HKTB would be responsible for local and overseas promotion of tourism in Hong Kong while the Commission would be responsible for formulating plans for implementing strategies and policies for tourism development, co-ordinating the efforts of Government, HKTB and the tourism industry as well as fostering co-operation with counterparts in overseas countries. The Commission monitored HKTB's use of resources and regulated the service quality of travel agents.

51. Referring to the transfer of responsibilities relating to the planning and implementation of tourism related projects from the former Hong Kong Tourist Association to the Commission, Mr YEUNG Yiu-chung asked if the said transfer had diminished the responsibility of HKTB and if so, whether there was a need to correspondingly downgrade the ranking for the head of HKTB. In response, SES pointed out that the workload and responsibilities of HKTB had increased despite the transfer of responsibilities. It was actively engaged in the promotion of tourism development and was presently working with the 18 District Councils in promoting local tourist attractions. HKTB would continue to promote and market tourism attractions and new initiatives.

52. While expressing support for the proposed creation of posts, Mr NG Leung-sing asked if the open recruitment exercise was a standard recruitment procedure. Referring to paragraph 11 of the paper, he also enquired if the post would require special expertise apart from versatility, sound judgement, well-

rounded experience and proven ability. SES advised that it was the original intention that the post be filled by open recruitment. However, following the failure of the two open recruitment exercises, the post had on both occasions been filled by an Administrative Officer. It was considered that the expertise and the experience of an Administrative Officer would commensurate with the requirements of the post of CT.

53. In this connection, Mr Howard YOUNG said that while there were candidates in the private sector who could fulfil the requirements for the CT post, they had not applied for the post as the package was not attractive enough and they had some reservation on their ability to work effectively with the top echelon of Government. He indicated support for the upgrading of the post to D6 level on account of the demanding nature of the CT post.

54. Mr CHEUNG Man-kwong said that he would support the present proposal as development of tourism was of vital importance to the economy of Hong Kong.

55. Miss Emily LAU enquired whether the incumbent of the CT post would be automatically promoted to the rank of D6, or whether the post would be re-opened for recruitment now that it was upgraded. SES confirmed that the incumbent postholder, Mrs Rebecca LAI was already an Administrative Officer Staff Grade A (D6). She would remain as CT until further posting.

56. Miss Emily LAU commented that the entire arrangement appeared to her as a foregone decision since the incumbent was already at D6 level and the post awaited to be upgraded. In response, DS(CS) pointed out that action would be taken to upgrade a post only when its job content and responsibilities were functionally justified. The question of the candidate to fill the post would be dealt with separately from the creation of the post. The selection process might be by way of outside recruitment or in-service posting/promotion.

57. SES clarified that when Mrs LAI was first posted to the Commission as CT, she was at the substantive rank of D4 acting in the rank of D5. She was subsequently promoted to D6. By then, plans were already in the pipeline for upgrading the CT post in view of its increasing responsibilities. Miss LAU reiterated her concern that that Administration should refrain from assigning an officer who occupied a higher rank to fill a post at a lower rank and subsequently seeking to upgrade the post in question.

58. The item was voted on and endorsed.

EC(2001-02)9

Proposed creation of one supernumerary post of Administrative Officer Staff Grade B1 (D4) in the Finance Bureau of Government Secretariat for a period of three years to be held against a permanent post of Administrative Officer Staff Grade B (D3) to reflect adequately the expanded responsibilities of the post having regard to the importance and complexity of work to be undertaken in the coming three years

59. Members noted that the item had been discussed by the Panel on Financial Services at its meeting on 7 May 2001.

60. Miss Emily LAU expressed support for the present proposal. Referring to the financial support to be extended to the newly established Urban Renewal Authority (URA) in achieving its mission in a financially optimal manner, Miss LAU enquired on the concrete measures to be adopted. In response, the Secretary for the Treasury (S for Tsy) explained that in accordance with the provisions of the Urban Renewal Authority Ordinance, URA had to submit its first Five-year Business Plan as well as its financial budget within the first quarter of 2002. The Deputy Secretary for the Treasury(2) (DS(Tsy)2) would assist S for Tsy in examining these plans jointly with the management of URA with a view to working out the quantum of financial support to be extended. This would be a formidable task having regard to the need for completing 120 urban renewal projects within the next 20 years. The income and expenditure for each project would have to be assessed based on agreed assumptions, taking into account inflation and property costs, as well as statutory compensation arrangements. This would be followed by preparation for funding proposals for the urban renewal programmes for submission to the FC, hopefully by end 2001 or early 2002.

61. On whether there would be prior consultation on the funding proposals with the relevant Panels before submission to the FC, S for Tsy affirmed that the Secretary for Planning and Works would be submitting the funding proposals to the Planning, Lands and Works Panel for consideration before seeking approval from the FC.

62. Mr MAK Kwok-fung enquired whether consideration had been given to reshuffling the duties of the three Deputy Secretary posts as a measure to enhance productivity. S for Tsy said that as a pioneer for the Enhanced Productivity Programme, the FB had taken great care in its management of resources. Over the years, it had absorbed extra responsibilities in the management of government assets without increasing its staffing. As the additional responsibilities for the DS(Tsy)2 post were expected to last for the next three years, it was necessary to pitch the post at a ranking commensurate with its level of responsibilities.

63. Mr CHEUNG Man-kwong expressed support for the proposal, adding that the proposed upgrading of the post for a period of three years was reasonable and justified having regard to the immense complexity in managing government assets and the level of responsibility.

64. The item was voted on and endorsed.

65. The Subcommittee was adjourned at 12:45 pm.

Legislative Council Secretariat

6 June 2001