

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 31 - CUSTOMS AND EXCISE DEPARTMENT Subhead 001 Salaries

Members are invited to recommend to Finance Committee the creation of the following supernumerary post from 14 January 2001 to 13 July 2002 in the Customs and Excise Department -

1 Assistant Commissioner of Customs and Excise
(GDS(C)2) (\$116,650 - \$123,850)

PROBLEM

The Commissioner of Customs and Excise (C of C&E) needs an officer at the directorate level to assist him in carrying out the duties of the Vice-Chairman of the World Customs Organisation (WCO) for the Asia Pacific Region.

PROPOSAL

2. We propose to create a supernumerary post of Assistant Commissioner of Customs and Excise (AC) post (GDS(C)2) in the Customs and Excise Department (C&ED) from 14 January 2001 to 13 July 2002.

JUSTIFICATION

Vice-chairmanship of WCO for the Asia Pacific Region

3. The C&ED, in the name of Hong Kong, China, was elected the Vice-Chairman of the WCO for the Asia Pacific Region in July 2000. Although the

/tenure

tenure of office of the WCO Chairman and Vice-Chairmen is one year, it is an established practice among the WCO members of the Asia Pacific Region to re-elect its regional Vice-Chairman to serve for one more year. In the past ten years, the WCO Vice-Chairmen for the Asia Pacific Region, namely, Korea, Japan, Malaysia, India and Australia, were all re-elected to serve for two consecutive years. Hong Kong, China is thus expected to serve as the WCO Vice-Chairman for two years up to July 2002.

Additional workload arising from the vice-chairmanship

4. As the WCO Vice-Chairman, the C of C& E will have to carry out the following duties -

- (a) to represent members of the Asia Pacific Region in meetings of the WCO and other fora, which are attended by heads of customs administrations as well as senior officials of international organisations, for example, the bi-annual meeting of WCO Policy Commission;
- (b) to represent the WCO to attend regional customs fora, for example, the bi-annual meeting of Asia Pacific Economic Cooperation (APEC) Sub-Committee on Customs Procedures;
- (c) to collect and reflect regional members' views to the WCO;
- (d) to identify regional requirements in respect of the WCO's activities;
- (e) to propose initiatives in promoting cooperation in the Asia Pacific Region;
- (f) to host and coordinate regional meetings and training programmes, for example, the annual Regional Contact Points Meeting;
- (g) to formulate a Regional Strategic Plan to steer customs activities in the Asia Pacific Region with a view to enhancing effectiveness and efficiency through mutual cooperation and sharing of best practices;
- (h) to publish the Asia Pacific Customs News (three issues a year); and
- (i) to administer and further develop the regional web site of the customs administrations in Asia Pacific Region.

/Need

Need for a supernumerary AC to lead the WCO Group

5. In view of the heavy workload involved, C of C&E needs an AC and a dedicated team of non-directorate staff to assist him in carrying out the above duties. As Hong Kong, China was only elected the Vice-Chairman in July 2000, it was not possible to seek the approval of the Legislative Council (which had been dissolved then) to create the AC post. C of C&E therefore exercised his delegated authority to create a supernumerary AC post for six months with effect from 14 July 2000 to meet the immediate operational need. The post will lapse on 14 January 2001.

6. The dedicated team of support staff, called the WCO Group, consists of one Superintendent of Customs and Excise, one Assistant Superintendent of Customs and Excise, one Senior Inspector of Customs and Excise, one Assistant Clerical Officer and one Clerical Assistant. The WCO Group is a temporary set-up and will be disbanded in July 2002. In addition, a Personal Secretary I is needed to provide secretariat support to the proposed supernumerary AC post.

7. Given that the WCO Vice-Chairman is involved in formulating high-level customs policies with far-reaching international impacts, C of C&E needs the assistance of a directorate officer with extensive knowledge and expertise in customs work. This officer must also possess substantial managerial and administrative experience to steer the work of the WCO Group. In addition, he will need to be sufficiently senior to deal with other officials of the WCO and customs administrations at comparable rank. As such, we propose that the rank of the officer should be pitched at GDS(C)2 level.

8. C of C&E will also task the new AC to oversee the Customs Intelligence and Liaison Bureau (CILB). The CILB is responsible for liaison, cooperation and intelligence exchange with overseas customs administrations, customs authorities in the Mainland and other international organisations. Since the duties of the new AC already involve a lot of liaison with other customs authorities, it will be useful for the new AC to oversee CILB's work as well. The CILB has been part of the Administration and Excise Branch headed by another AC (AC(A)). With the temporary transfer of CILB to the new AC post, AC(A) will remain fully engaged as there are new and additional work falling under his schedule, for example, implementation of an Open Bond System for dutiable commodities scheduled for 2002-03. The CILB will be returned to the Administration and Excise Branch in July 2002 when the additional work in relation to the implementation of the Open Bond System is mostly completed.

9. We have also reviewed the workload of the other two permanent AC posts, as well as the Head of Trade Controls (HTC) and the Customs Civil Secretary (CCS) posts in the establishment of C&ED and concluded that they do not have any spare capacity to assist C of C&E in carrying out the duties of the WCO vice-chairmanship.

Encl. 1 10. The major duties of the three permanent ACs, the HTC and the CCS
Encl. 2 are set out at Enclosure 1. The detailed job description of the new AC post is at Enclosure 2.

Encls.3&4 11. The organisation charts of the C&ED before and after the creation of the proposed supernumerary AC post are at Enclosures 3 and 4.

FINANCIAL IMPLICATIONS

12. The additional notional annual salary cost of this proposal at mid-point is \$1,443,000. The full annual average staff cost of the proposal, including salary and staff on-cost, is \$2,452,000.

13. No provision has been included in the 2000-01 Estimates to meet the cost of this proposal. Subject to Members' approval, we shall provide the supplementary provision required in 2000-01 under delegated authority, and include the necessary provision in the 2001-02 draft Estimates.

14. In parallel with the proposed AC post, we created six non-directorate posts as described in paragraph 6 above on a short-term basis up to July 2002 at a notional annual mid-point salary cost of \$2,994,900 and a full annual average staff cost of \$5,182,000. We have included sufficient provision in the 2000-01 Estimates for the non-directorate posts except the Superintendent of Customs and Excise post for which we shall provide supplementary provision required in 2000-01 under delegated authority. We shall include the necessary provision for these posts in the 2001-02 draft Estimates.

BACKGROUND INFORMATION

WCO

15. The WCO is an independent inter-governmental body founded in 1952 (under the name of Customs Co-operation Council) to improve efficiency and effectiveness of customs administrations through co-operation. Currently, the WCO has 153 member customs administrations, covering approximately 97% of world trade. Hong Kong has been a member of the WCO since 1 July 1987.

16. As the WCO Vice-Chairman, we can -
- (a) better promote regional trade facilitating policies and practices and influence the formulation of WCO's policies;
 - (b) enhance our international position by being a leading customs administration; and
 - (c) underline our status as a separate customs administration under the principle of "one country, two systems".

CONSULTATION

17. We consulted the Legislative Council Panel on Trade and Industry on 13 November 2000. The Panel supported the proposal. In response to Members' enquiry, we have undertaken to delete this supernumerary post in July 2001 in the unlikely event that Hong Kong, China is not re-elected as WCO Vice-chairman for one more year.

CIVIL SERVICE BUREAU COMMENTS

18. The Administration has considered carefully other alternatives including redeployment bearing in mind the Government's commitment to contain the size of the civil service and the need for greater efficiency and effectiveness under the Enhanced Productivity Programme. We are satisfied that the proposal contained in this paper is functionally justified. The Civil Service Bureau considers the grading, ranking and duration of the post appropriate having regard to the level and scope of responsibility and the professional input required.

ADVICE OF THE STANDING COMMITTEE ON DISCIPLINED SERVICES SALARIES AND CONDITIONS OF SERVICE

19. As the post is proposed on a supernumerary basis, its creation, if approved, will be reported to the Standing Committee on Disciplined Services Salaries and Conditions of Service in accordance with the agreed procedure.

Major Duties of Three Permanent Assistant Commissioners, Head of Trade Controls, and Customs Civil Secretary

The major duties of the three permanent Assistant Commissioners (AC), Head of Trade Controls and Customs Civil Secretary are as follows -

- (a) AC(A) is responsible for enforcement matters in relation to dutiable commodities, the overall staff management and the general administration of the customs and excise service; and the housekeeping of the Office of Dutiable Commodities Administration, the Office of Management Services as well as the Office of Service Administration and Training.
- (b) AC(B) is responsible for enforcement matters in relation to narcotic drugs. He also has the housekeeping responsibility for the Airport Command, the Control Points Command and the Customs Drug Investigation Bureau.
- (c) AC(C) is responsible for enforcement matters in relation to the protection of intellectual property rights. He also has the housekeeping responsibility for the Intellectual Property Investigation Bureau, the Marine and Land Enforcement Command, the Ship Search and Cargo Command and the Special Task Force.
- (d) Head of Trade Controls is responsible for matters in relation to trade controls and consumer protection, and the overall staff management of the Trade Controls Officer Grade. He also has the housekeeping responsibility for the Trade Inspection and Verification Bureau, the Trade Investigation Bureau, the Trading Standards Investigation Bureau, the Trade Licensing Investigation Bureau and the Trade Controls Headquarters.
- (e) Customs Civil Secretary is responsible for matters in relation to financial management, establishment and personnel, accounting and supplies procedures, information technology development in the Department as well as liaison with the Government Secretariat on policies with service-wide implications. She also has the housekeeping responsibility for the Office of Departmental Administration, the Office of Financial Administration, the Office of Information Technology, the Information Unit and the Statistics Office.

Job Description

Branch : Customs Cooperation and Intelligence Branch

Post/Rank : Assistant Commissioner of Customs & Excise

Organisational Relationship :

Responsible to the Commissioner through Deputy Commissioner of Customs and Excise.

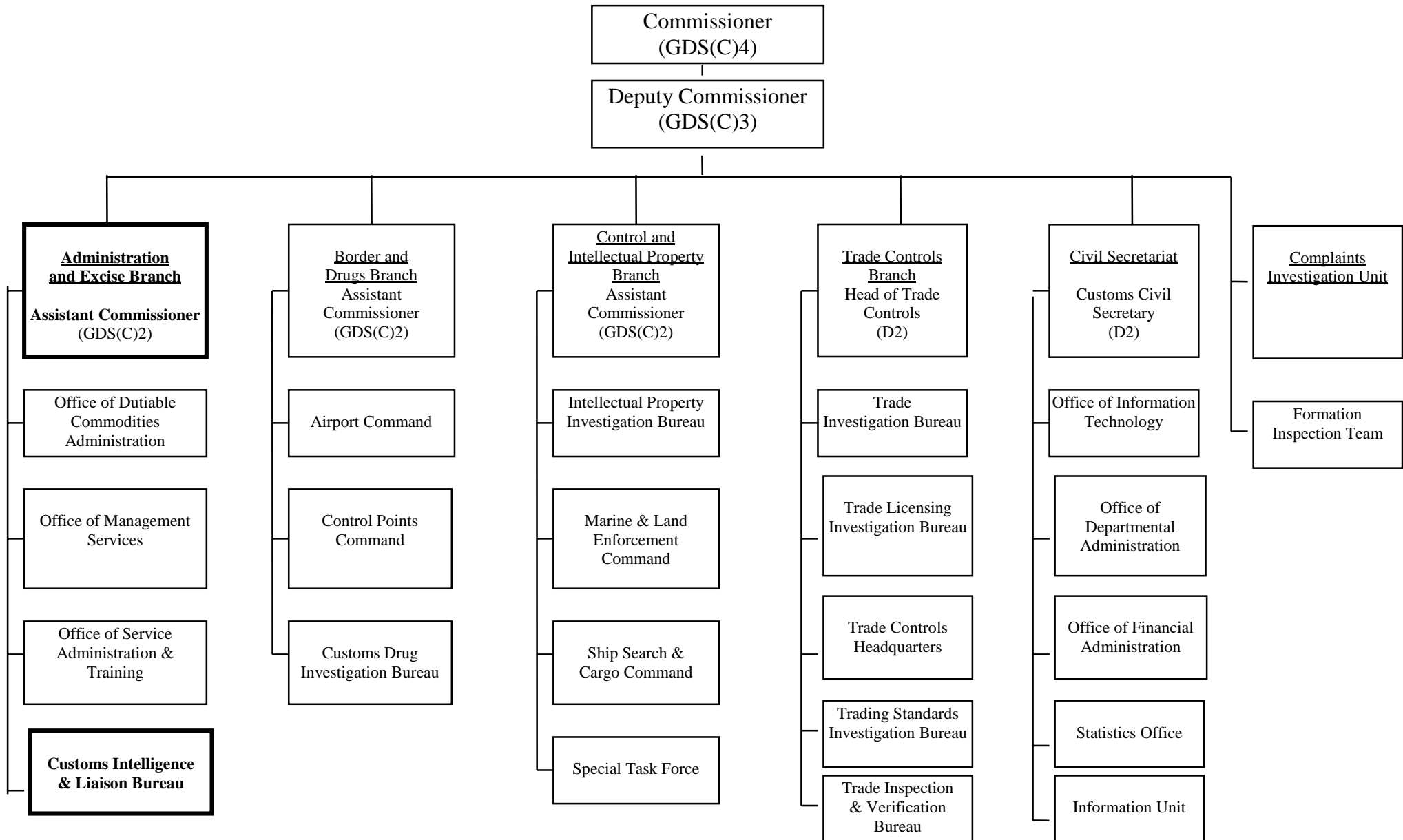
Detailed Description of Duties and Responsibilities -

- (a) to assist and advise the Commissioner in discharging his duties and responsibilities of the WCO Vice-Chairman for the Asia Pacific Region;
- (b) to represent Hong Kong, China to liaise with the WCO and regional Member Administrations, and to coordinate the participation of regional Member Administrations in the activities of the WCO in fulfilling the obligations of the Vice-Chairman;
- (c) to assess the impacts of activities of international organisations, international conventions and agreements, and make recommendations to the Commissioner and the Deputy Commissioner;
- (d) to attend meetings of the WCO, APEC and other international conferences/meetings on Customs matters;
- (e) to advise the Commissioner on the necessary amendments to the Customs legislation, departmental work procedures and guidelines in preparing the HKSAR's accession to the revised "International Convention on the Simplification and Harmonisation of Customs Procedures" (the revised Kyoto Convention), which aims to simplify and harmonise customs procedures and practices world-wide by fostering international cooperation;
- (f) to formulate and administer departmental policy and strategy relating to intelligence handling and customs cooperation at regional and international level;
- (g) to coordinate and formulate departmental reforms and activities in the fulfillment of HKSAR's commitments and obligations in being a member of the APEC Sub-Committee on Customs Procedures;

/(h)

- (h) to assume the role of the Department's Chief Liaison Officer who is responsible for handling liaison and exchanging intelligence with the Mainland's Customs General Administration; and
- (i) to plan, manage and direct the work of the Customs Cooperation and Intelligence Branch which comprises the Customs Intelligence & Liaison Bureau and the WCO Group.

**Organisation Chart of the Customs and Excise Department
(before the creation of the current supernumerary AC post)**



**Organisation Chart of the Customs and Excise Department
(after the creation of the proposed new supernumerary AC post)**

