

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 155 – GOVERNMENT SECRETARIAT : INNOVATION AND TECHNOLOGY COMMISSION Subhead 003 Recoverable salaries and allowances

Members are invited to recommend to Finance Committee the creation of the following supernumerary post in the Innovation and Technology Commission for two years from 9 March 2001 to enable the secondment of a civil servant to the Hong Kong Applied Science and Technology Research Institute Company Limited as its Administration Director –

1 Senior Principal Executive Officer
(D2) (\$116,650 – \$123,850)

PROBLEM

The Hong Kong Applied Science and Technology Research Institute Company Limited (the Company) requires the service of a senior civil servant with sufficient experience and exposure to fill the post of Administration Director to undertake administrative work related to the establishment of the Company.

PROPOSAL

2. The Commissioner for Innovation and Technology, with the support of the Secretary for Commerce and Industry, proposes to create one supernumerary post of Senior Principal Executive Officer (SPEO) (D2) under the Innovation and Technology Commission for a period of two years with effect from 9 March 2001 to enable the secondment of a civil servant to the Company as its Administration Director.

/JUSTIFICATION

JUSTIFICATION

3. The Government accepted the recommendation from the now-dissolved Chief Executive's Commission on Innovation and Technology to set up the Applied Science and Technology Research Institute (ASTRI) to conduct midstream research and development with a view to developing pre-competitive and generic technologies for eventual commercialisation by firms. The Company was incorporated in 2000 under the Companies Ordinance to take forward the planning work for the establishment of ASTRI. Pending completion of ASTRI's permanent building and facilities, ASTRI will play a project management and coordination role by leveraging on the existing capabilities inside and outside Hong Kong (e.g. the resources in the universities). When its permanent building is available, ASTRI will assume a "fully-fledged" role of both project management and performance of midstream research and development.

4. Through open recruitment, the Company has recruited a Chief Executive Officer (CEO), who will start working on the establishment of ASTRI in April 2001. His immediate tasks include the development of a strategy to realise the vision of ASTRI; formulation of ASTRI's research programme; organisation and implementation of major research projects; setting up an effective mechanism for the transfer of technologies to industry; setting up effective linkages with industries, universities, and other relevant research bodies both within and outside Hong Kong; formulation of policies to attract talent to work in ASTRI; setting up the management structure of ASTRI; development of an accountable administration system; and providing the necessary leadership and direction to develop an effective organisation.

5. The Company's Board of Directors considers that given the numerous tasks to be performed by the CEO, there is an urgent need to provide an Administration Director to assist the CEO to start up the Company as soon as possible, and to undertake administration, financial management and other related duties. Such senior level support will facilitate a smooth start-up and enable the CEO to focus on strategic, technology, and research and development issues. The Board is of the view that as the Company is a subvented organisation, the establishment of which requires a lot of interface and liaison with government departments at its initial stage, it is desirable to have an Administration Director with a strong civil service background to provide the necessary administrative and financial support to the CEO who is not a civil servant. Furthermore, the Administration Director is required to start early so that implementation plans can be formulated and carried out as soon as the CEO assumes duty. As considerable lead time will be required to identify the Administration Director through open recruitment, the Company has requested the Government to second a senior civil servant to the Company to take up the position for two years.

6. The Administration Director will head the Administration Division and oversee the administrative work necessary to start up the Company. His responsibilities will include the full range of human resource and financial management matters, building development works and accommodation matters, and the development of other office support systems. At the outset, he will formulate an effective staffing structure for the Company to carry out its mission and conduct recruitment exercises to appoint staff of various disciplines, many of whom will be at senior ranks and recruited from places outside Hong Kong. Since the Company's staff are non-civil servants, the Administration Director will need to draw up competitive terms and conditions of services in order to recruit staff of the right calibre. He will also work closely with the CEO to formulate the business plan of the Company, based on which he will draw up the annual budget and put in place effective control mechanisms which are acceptable to the Government.

7. Another major task for the Administration Director is to plan for and coordinate the building development of ASTRI in the Science Park and to identify appropriate arrangements to accommodate ASTRI's functional requirements before its permanent building in the Science Park is available. In this connection, the Administration Director will have to assess the special requirements to meet ASTRI's research activities, as well as those for other supporting services such as office furnishing and equipment, office automation, telecommunications, security, etc. to ensure that all supporting services are in place to enable the smooth running of ASTRI.

8. Having regard to the wide range, high level and proactive nature of the duties involved, we consider that an experienced officer at the SPEO (D2) level would have the necessary extensive administration and management experience for the position of Administration Director. In the light of the actual operating experience in the initial two years, the Company will review the continued need for the Administration Director position. If it is decided to retain the post, the Company will engage a candidate through open recruitment.

9. The detailed job description of the post of Administration Director is
Encl. at Enclosure.

FINANCIAL IMPLICATIONS

10. The additional notional annual salary cost of this proposal at MID-POINT is –

	\$	No. of post
Supernumerary SPEO post	1,443,000	1

11. The additional full annual average staff cost of the proposal, including salaries and staff on-cost, is \$2,394,000. We will recover the full cost of this proposal from the Company.

BACKGROUND INFORMATION

12. One of the recommendations of Chief Executive's Commission on Innovation and Technology, chaired by Professor Tien Chang-lin, is the establishment of ASTRI to conduct midstream research and development. This recommendation was accepted by the Government and announced by the Chief Executive in his 1998 Policy Address. ASTRI will be established as a statutory body. Given the leadtime required to prepare and enact the necessary legislation to establish the statutory ASTRI, the Company was incorporated last year to take the project forward in the interim period. The operation of the Company/statutory body is governed by its Board of Directors comprising representatives from industry, academia, and the Government.

13. The Government will fund the recurrent operating expenses of the Company and the future statutory ASTRI and the building development of the ASTRI. In addition, ASTRI's research projects and programmes will be funded through allocations from the Innovation and Technology Fund.

CONSULTATION WITH LEGISLATIVE COUNCIL PANEL

14. The Legislative Council Panel on Commerce and Industry was consulted on the proposal on 12 February 2001 and has raised no objection to the proposal.

CIVIL SERVICE BUREAU COMMENTS

15. Having regard to the need to provide sufficient support to the setting up of ASTRI during its initial start up stage and the reasons detailed in the paper, Civil Service Bureau considers the proposal to be justified and the grading and ranking to be appropriate.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

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

Job Description for the Administration Director of the Hong Kong Applied Science and Technology Research Institute Company Limited

Main Duties and Responsibilities

Responsible to the Chief Executive Officer of the Hong Kong Applied Science and Technology Research Institute Company Limited (the Company) and head the Administration Division to carry out the following main duties -

- (1) to develop the staffing structure of the Company, draw up terms and conditions of service and advise on associated policies;
- (2) to provide and maintain staff appointments to all approved levels;
- (3) to develop human resources policy for the effective management of staff including staff planning and development, staff deployment, staff consultation and welfare, discipline and complaints;
- (4) to develop office administration and financial management and control systems for the Company, including its accounting, supplies and procurement policies, audit and resource management, etc.;
- (5) to assist in developing the business plan and prepare the annual budgets of the Company;
- (6) to develop and oversee the provision of various support services such as office accommodation, building development, furnishings and equipment, office automation, telecommunications, security, etc.;
- (7) to liaise with the Government on matters pertaining to the financial and administration matters of the Company and take appropriate follow-up actions, where required; and
- (8) to be the Company Secretary of the Company.