

Legislative Council Panel on Commerce and Industry

Creation of a Supernumerary Senior Principal Executive Officer Post in the Innovation and Technology Commission to enable the secondment of a civil servant to the Hong Kong Applied Science and Technology Research Institute Company Limited

Introduction

This paper seeks Members' support on the creation of a supernumerary post of Senior Principal Executive Officer (D2) in the Innovation and Technology Commission, Commerce and Industry Bureau, for 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 as its Administration Director.

Background

2. The now dissolved Chief Executive's Commission on Innovation and Technology, chaired by Prof Tien Chang-lin, recommended, among other things, the establishment of an 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. ASTRI will provide for midstream research capability for the development of knowledge-based industry to improve Hong Kong's economic competitiveness. This recommendation was accepted by the Government and was announced by the Chief Executive in his 1998 Policy Address.

3. ASTRI will be established as a statutory body. Given the lead-time required to prepare and enact the necessary legislation to establish the statutory ASTRI, we incorporated a limited company entitled the "Hong Kong Applied Science and Technology Research Institute Company Limited" (the Company) under the Companies Ordinance last year to take the project forward in the interim period. The Company will be dissolved on the day the statutory body comes into existence and all assets and liabilities of the Company will be transferred to the statutory body on the same day.

4. ASTRI will be developed in two phases. During Phase One development before its permanent building to be located in the Science Park is available, ASTRI will operate in a temporary office to be housed in leased premises and will play a project management and co-ordination role. In Phase Two development when its permanent building is available, ASTRI will assume a "full-fledged" role of project management and performance of midstream research and development. The Government will fund the recurrent operating expenses of the

Company and the future statutory ASTRI and the building development of ASTRI. In addition, ASTRI's research projects and programmes will be funded through allocations from the Innovation and Technology Fund.

Justification

5. Through open recruitment, the Company has identified a suitable candidate for appointment as its Chief Executive Officer (CEO) who is expected to assume duty in early April 2001. His imminent tasks would 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; development of mechanisms for the effective transfer of technologies to industry; setting up of effective linkages with industries, universities, and other relevant research bodies both within and outside Hong Kong; attracting talents to work in ASTRI; setting up the management structure of ASTRI; development of an accountable administration system; and providing leadership and direction in developing an effective organisation.

6. Given the numerous tasks to be performed by the CEO, there is a need to provide senior management support to assist him to start up the Company as soon as possible. In this regard, the Board of Directors of the Company decided to quickly put in place an Administration Director to support the CEO to undertake administration, financial management and other related duties. Such senior level support would facilitate a smooth start-up and enable the CEO to focus on strategic, technology, and research and development issues. The Administration Director is required as soon as practical to commence preparatory work so that implementation plans can be formulated and carried out more speedily when the CEO assumes duty. As considerable lead time will be required to identify the Administration Director through open recruitment and to expedite progress, the Company has requested the Government to second a senior civil servant to the Company to take up the post. This would also help avoid possible turnover of the post-holder during the start-up period which would cause disruption to the operation of the Company. Moreover, as the CEO is a non-civil servant and given that the Company is a subvented organisation, it is desirable to have an Administration Director with civil service background to assist the CEO at the initial stage (e.g. in setting up control mechanisms required by the Memorandum of Administrative Arrangements to be agreed with the Government).

7. The Administration Director will head the Administration Division and oversee the administrative work necessary to start up the Company. His responsibilities will include, among other duties, 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 effective staffing structure of the Company to carry out its mission and recruit staff of various disciplines, many of whom will be at senior ranks and recruited from places outside Hong Kong. Since the Company 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. The Administration Director 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 Government.

8. Another major task of 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.

9. Having regard to the wide range, high level and proactive nature of the duties involved, we consider that an officer at the Senior Principal Executive Officer (D2) level would have the necessary extensive administration and operational management experience for the post of Administration Director. We believe that given the experience gained at the start-up stage, the Company will have the knowledge to identify a candidate with the right calibre to take up the post of Administration Director through open recruitment by the end of the secondment period if the Company decides to retain the post. We will however review the situation nearer the time.

10. The detailed job description of the post of Administration Director is at Annex.

Financial Implications

11. The additional notional annual salary cost of the supernumerary Senior Principal Executive Officer post at mid point is \$1,443,000. The 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 the secondment from the Company.

Advice Sought

12. Members are invited to support the creation of a supernumerary Senior Principal Executive Officer (D2) post in the Innovation and Technology Commission for two years with effect from 9 March 2001.

Way Forward

13. Subject to Members' views on the proposal, we will seek the approval of the Establishment Subcommittee on 21 February 2001 and the Finance Committee on 9 March 2001 to formally create the post.

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.