

Legislative Council Panel on Public Service

**Corporatisation of the Survey and Mapping Office of the Lands Department
Impacts on the staff concerned**

Administration's Response to the Questions raised by the Hon. Lee Cheuk Yan

Q 1 The corporation may face severe financial loss after its establishment. Is the Government prepared to meet the deficit by injecting additional investment in case of financial loss? If the answer is yes, what is the point of corporatisation ?

A. 1 We are in the process of finalising the corporation business plan. It is based on prudent and conservative revenue estimates. We are confident of the business prospects of the corporation and the financial viability of the business plan.

Q. 2 Will the corporation be privatized after the corporatisation proposal?

A. 2 We do not have any such plan.

Q. 3 Will the corporation be operated on commercial principles? Will the prices of the products and services of the corporation be increased substantially in order to maximise profit?

A.3 The corporation will operate on prudent commercial principles. Our objectives are to provide a better service and fuller utilisation of the valuable digital map data, not profit maximisation.

There is no price increase built in the business plan. Any profit objective of the corporation will be achieved through efficiency gains and growth of business in the market.

Q. 4 Paragraph 6 of the paper stated that staff may opt to retire voluntarily and join the corporation. What is the job security of these staff who opt to join the corporation? Will their services be terminated or their salaries and benefits be deducted on commercial operational grounds? What is the guarantee? Paragraph 6 only promised that no staff will lose their job due to the corporatisation proposal, but there are other reasons such as commercial one to lay off the staff.

A. 4 As stated in the paper we presented to this Panel, there will be no forced redundancy. We have not assumed any reduction in staff level in the business plan. As mentioned earlier, we are confident of the growth of the corporation's business. The objective should be to enhance the productivity of existing staff to meet the increasing demand rather than to reduce the staff level.

Q. 5 There are at present about 100 staff on secondment to other departments (e.g. 120 staff on secondment to the Planning Department), will they be absorbed by individual departments or will they be deployed by the corporation?

A. 5 Upon corporatisation of SMO, staff currently on secondment to departments will come under the central deployment of the corporation. The same complement of staff will be deployed to these departments to provide mapping and survey services under the service level agreement with Government.

Q. 6 Paragraph 10 stated that the current findings re-affirm the feasibility of the corporation. What is the study? Can the study be carried out by the Legislative Council?

A. 6 In devising the corporation business plan, we have looked into the business prospects and market potential of the survey and mapping industry. There are strong indications that the corporation has a very promising future. We are finalising the business plan and will brief this Panel and the Planning, Lands and Works Panel of the details early in the new year.

Q. 7 Paragraph 11 stated that the Government will put in place necessary measures to ensure that both civil servants and corporation staff will have equitable opportunity for promotion? How will it be implemented? If an available promotion post is a corporation post, is it necessary for the officer to give up his civil servant status upon promotion?

A. 7 We will work out measures to ensure that both corporation staff and civil servants will have equitable opportunity for promotion. Selection of staff for promotion is decided on the criteria of character, ability, any qualifications prescribed for the promotion post, and experience. All eligible staff, irrespective of their terms of employment, are considered on equal terms. Civil servants selected for promotion will have their civil servant status retained.