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21 March 2001

Mr Koo Tak-ming
Chairman,
Association of Government Local Land Surveyors

Dear Mr Koo,

I refer to your letter of 15 March 2001.

I am dismayed to note the non-support of your Association for the corporatisation proposal. In the Administration's proposal released on 13 February 2001, we set out the need for and benefits of the corporatisation of SMO. I must emphasize that the prime objectives of the corporatisation of SMO are to enable us to make use of the business opportunities available by our digital map base to meet growing demand for such products and services, and as a result to provide better survey and mapping services to the community.

Failure to take the above opportunity will deprive the community of many benefits that neither the present SMO, a SMO trading fund nor private-practised surveyors are as well positioned to provide. These include significant financial benefits to Government through dividend payment and profit tax which will help cover part of the cost borne by Government for the delivery of survey and mapping services.

I understand that one key concern of your Association is the extent of Government's commitment to the future procurement of survey and mapping services from the Survey and Mapping Corporation (SMC). We

will set out in the draft bill for the setting up of the SMC the objects and functions of the corporation. These include the provision of services to the Government under agreement(s). This service level agreement (SLA), as included in the SMC's business plan and based on the current full operating cost of SMO, is a firm testimony to the Administration's commitment to the procurement of these services from the corporation.

For new projects, I hope you will appreciate that it is not appropriate to include them in the current SLA as they are possible requirements for future services for projects not yet in the Public Works Programme. Provision of services for these projects will mainly be on a cost-recovery basis. It is not possible at this stage to agree with the Government on their cost as both the implementation timetable and project details are not available yet. They are subject to further discussions with the Government.

The financial projections that we have made are based on prudent and very conservative estimate. Revenue from the SLA, which is a very secure source of income based on the current full operating cost of the SMO, will be able to support the operation of the SMC. In my view, this is the best safeguard that can be put in place by Government to ensure the business viability of the SMC.

As professional and frontline managers, I look to Land Surveyors for their support in taking forward the corporatisation proposal. I would be happy to discuss with your Association further on the matter and my Principal Executive Officer (Special Duties) will make the arrangement.

At your request, we have forwarded to your Association separately the working reports produced by the consultants whom we engaged for tendering advice on the business plan and employment package for the SMC. We are preparing the Questions and Answers (Q&As) for the various issues raised at the briefing sessions for Land Surveyors conducted by the Deputy Director (Survey and Mapping) on 9 March 2001 and the Assistant Director (Survey and Mapping) on 27 and 28 February 2001. We will let your Association and all staff have the Q&As for information once ready. I hope they would help clarify any doubts that staff might have on the corporatisation proposal.

I look forward to a meeting with your Association to relay any concerns your members may have on the proposal.

Yours sincerely,

(R.D. Pope)
Director of Lands

c.c.:

Chairman, Legislative Council Panel on Public Service

Chairman, Legislative Council Panel on Planning, Lands and Works

Chief Secretary for Administration (Attn: AA/CS)

Secretary for the Civil Service (Attn: Miss Angelina Fung)

Secretary for Planning and Lands (Attn: Mr Gary Yeung)

Head, Efficiency Unit (Attn: Mrs Grace Pun)

Chairman, Association of Government Land and Engineering Surveying Officers

Chairman, Association of Government Cartographic Staff

President, Association of Government Technical and Survey Officers

Chairman, Government Chainmen Union

Chairman, Lands Department Drivers Association