

**Presentation by Secretary for Education and Manpower
at the Special Meeting of the Finance Committee
on Wednesday, 27 March 2002**

Mr Chairman,

I shall first give a brief overview of Government's expenditure on education, the main areas of increased provision and our priorities of work in the next financial year.

Expenditure on Education

2. In the 2002-03 financial year, the total expenditure on education is estimated to be **\$61.4 billion**, accounting for 24.1% of the total Government expenditure. This represents an 18.5% increase in real terms compared with the revised estimate for 2001-02. The growth in recurrent expenditure is 8% in real terms. The lion's share of the provision goes to basic education, accounting for 68% of the total spending on education.

Major Spending Items

3. The new initiatives which account for the increase in expenditure include:

- (a) creating 249 graduate posts of curriculum leaders for five years to help public sector primary schools to implement the curriculum reform (**about \$220 million**);
- (b) providing a Native English-speaking Teachers and English Language Teaching Assistants scheme for public sector primary schools, and increasing supply of professionally trained language teachers by expanding full-time post-graduate training in English language teaching and mandatory English and Putonghua immersion in pre-service teacher training (**about \$260 million**);
- (c) providing IT co-ordinators for all public sector primary and secondary schools for the 2002/03 and 03/04 school years (**about \$90 million**);
- (d) enhancing student guidance and counselling services in primary schools, and extending the Smart Teen Challenge Project to more secondary school students (**about \$80 million**);
- (e) improving various financial assistance schemes to benefit more primary, secondary and tertiary students (**about \$180 million**);
- (f) improving the Kindergarten Subsidy Scheme to enable kindergartens to achieve a fully trained teaching staff by the 2004/05

school year, and further improving the Kindergarten Fee Remission Scheme to benefit more students (**about \$160 million**);

- (g) encouraging the establishment of senior secondary schools with diversified curricula so as to cater for students with various interests and abilities, and continuing the implementation of whole-day primary schooling and the School Improvement Programme (which involves a cashflow of **about \$3 000 million** in 2002-03) ;
- (h) expanding the student exchange programmes of UGC-funded institutions and continuation of a scholarship scheme for outstanding Mainland students to study in these institutions (**\$210 million over the next few years**); and
- (i) establishing a Continuing Education Fund (with a total funding commitment of **\$5 billion**) .

4. Despite the economic downturn and huge budget deficit, the Government has continued to invest heavily in education. Since 1996-97, education resources have increased by 62%. We, including universities, schools, school sponsoring bodies, the University Grants Committee and the Administration etc, share a heavy responsibility to ensure that resources are used cost-effectively to meet community's aspirations for quality education in Hong Kong. It is time to take stock and review the continued need for some of the existing services as new initiatives are introduced. We must ensure that resources are spent in areas where they are most needed and accord priorities to where the biggest impact can be made. We also have to find savings from within the baseline of provision through re-organisation and reprioritisation of work, streamlining of procedures and pooling of expertise and resources in order to increase cost-efficiency and identify savings to finance new activities and services.

5. We must press on with the education reform which is the key to our success in upgrading the quality of education and the qualifications of our people. To evaluate the education reform, and guide decision-making in the mid-term review of the school places allocation systems to be carried out in 2003/04 school year, we shall step up our efforts to collate research-based evidence through longitudinal studies, opinion surveys, overseas experiences and the work of local and overseas academics and organisations.

6. In the coming financial year, we shall complete deliberations and consult the public on :

- (a) harmonisation of kindergartens and child care centres;
- (b) measures to improve language proficiency among students;
- (c) professional development of teachers;
- (d) the academic structure for senior secondary and university education; and
- (e) further development of higher education in Hong Kong on which the University Grants Committee published a report yesterday.

7. Chairman, that concludes my presentation on the Education programme area. The Controlling Officers and I will be happy to answer questions from Members.

**Presentation by Secretary for Education and Manpower
at the Special Meeting of the Finance Committee
on Wednesday, 27 March 2002**

Mr Chairman,

I shall give an account of Government's expenditure on the policy area of employment and our major initiatives in the coming year.

Overall Expenditure on Employment

2. In 2002-03, the total expenditure on employment and vocational training will be **\$2.6 billion**, representing an increase of 32.5% in real terms. The bulk of the additional provision covers the estimated expenditure for launching the Youth Work Experience and Training Scheme, continuing the Youth Pre-employment Training programme and rolling out the second phase of the Skills Upgrading Scheme. I shall elaborate on some of the major expenditure proposals regarding the Employment programme in the forthcoming year.

(a) Enhancing the Employability of Young People

3. At a time of high unemployment, we are particularly concerned with the employment situation of young people. With limited practical skills and working experience, young people will find it more difficult to obtain employment amidst slack labour market conditions. We will launch the Youth Work Experience and Training Scheme to provide on-the-job training in the private sector for young people aged between 15 and 24 with educational attainment below degree level. We have earmarked a one-off sum of **\$400 million** to implement a two-year Scheme for about 10 000 young people. Depending on the nature of the job, employers can offer on-the-job training of between six months to one year to trainees. Employers will receive a monthly training subsidy for each trainee engaged. We are working with employers and training bodies to identify suitable industries and work out details of the Scheme with a view to launching it in July 2002. We aim to seek Finance Committee's funding approval in April 2002.

4. We have also earmarked an annual provision of **\$54.4 million** in 2002-03 and \$107.5 million in a full year for the continuation of the Youth Pre-employment Training Programme which has proven to be popular and successful in preparing young school leavers for work. Together with the Youth Work Experience and Training Scheme, we aim to help young people bridge the gap between school and the workplace in a more systematic and

effective way.

(b) *IT Assistant Course*

5. In view of the popularity of the IT Assistant Course and the high employment among graduates of the Course, we will continue to provide 1 000 training places each year for the coming three years from 2002/03 to 2004/05. Subject to funding approval by the Finance Committee, the additional commitment amounts to **\$54 million**.

(c) *Skills Upgrading Scheme*

6. To help in-service workers with secondary or lower education levels to upgrade their skills and maintain their competitiveness in the labour market, we launched the “Skills Upgrading Scheme” in 2001 with a total commitment of \$400 million. Courses for six industries, namely printing, catering, import and export trade, transportation, wearing apparel/textile and retail have commenced since last September. We will roll out the second phase of the Scheme soon to cover six additional sectors including tourism, insurance, hairdressing, property management, electrical and mechanical services and hotel industries. We shall invite application for the third phase of the Scheme in the coming year. We have reserved **\$185 million for 2002-03**.

(d) *Vocational Education and Training*

7. Following a review of the existing organisational set-up and service delivery model of vocational training and retraining in Hong Kong last year, we have proposed to set up a Manpower Development Committee (MDC) in 2003. The MDC will advise the government on the promotion and regulation of the vocational education and training market, assessment on labour market demand, funding of the vocational sector, output and service standards as well as monitoring and quality assurance. Also, the MDC will give advice on the development of a qualifications framework with progression ladder that will encourage lifelong learning and create viable conditions to grow the vocational sector market. The establishment of the MDC will bring about a more focused approach to develop Hong Kong’s human resources, build manpower and meet rapidly changing industry and individual needs. We plan to set up a Preparatory Manpower Development Committee around the middle of this year to develop the detailed arrangements for setting up the full MDC.

8. Chairman, that concludes my presentation on the Employment programme area. The Controlling Officers and I will be happy to answer questions.

**Presentation by Secretary for Security
at the Special Meeting of the Finance Committee
on Monday, 25 March 2002**

Mr Chairman,

Public Expenditure on Security

- In the draft Estimates for the coming financial year (2002/2003), the allocation of \$28.6 billion on the security policy area group represents 10% of the total recurrent public expenditure. The two policy areas under the responsibility of Secretary for Security, namely Internal Security and Immigration, account for \$24.9 billion.
- Under the Enhanced Productivity Program, Security Bureau and the departments under our purview have planned to achieve a 5% cumulative savings by 2002/03. We shall meet this target when we deliver savings of \$0.4 billion in the coming year. This is the combined result of a critical review of our service portfolio, re-alignment of our organizational structure, and re-engineering of our operational processes.
- We will redeploy these savings to new or enhanced services. Comparing with 2001/02, the provisions to be allocated to our two policy areas of Internal Security and Immigration, represent real term increases of 3.7% and 14.7% respectively.

Major Growth Areas

- We are committed to keeping Hong Kong safe and secure. With our provisions in the coming year, we will continue to maintain the rule of law in our society and to sustain the safe environment of Hong Kong.

Law and order

- Overall, the Police Force will have a net reduction of 337 posts, most of which are in support and administrative work. We will create 50 posts to strengthen operational front-line capability, crime detection capability and traffic enforcement in new towns and new infrastructures. As regards equipment, we have earmarked \$17 million for upgrading the Police's Communal Information System.

Immigration control

- We will continue to focus on facilitating economic flows between Hong Kong and the Mainland. We will provide 68 additional posts in the Immigration Department to expedite passenger clearance, 20 posts to enhance channel supervision and secondary examination functions at control points, and 5 posts to step up enforcement action against human smuggling. We also plan to improve the facilities of the Lo Wu Terminal Building so as to enhance passenger flow and provide a better environment for the traveling public.
- The Department will press ahead with the introduction of smart ID cards and ensure timely implementation of its updated Information Systems Strategy including feasibility studies for the Automated Passenger Clearance and Automated Vehicle Clearance systems.

Public safety

- To improve our service and to cope with the increasing demand, we will create 69 additional posts to strengthen emergency ambulance service and to implement full provision of paramedic care within 3 years. On the fire safety side, we will create 108 additional posts to man new fire stations and fire appliances.
- We will spend \$18M on the procurement of additional fire appliances, ambulances and equipment to enhance the rescue capability and training facilities.

Prevent and Detect Smuggling

- We will create a total of 81 additional posts for the Customs and Excise Department to strengthen its capability in combating smuggling while at the same time enhancing the efficiency of customs clearance.
- 33 of the new posts will be created at Lo Wu Control Point to help combat the smuggling of psychotropic drugs involving young people. The other 48 posts will mainly be provided for the expansion of kiosks at Lok Ma Chau Control Point and to operate two fixed X-ray vehicle scanning systems which will be commissioned in early 2003.

Drug Abuse and Treatment

- We monitor the drug abuse trend closely, in particular, amongst young people. We will set up two new counseling centers for young psychotropic substance abusers. The Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Bill will commence on 1 April 2002. The Beat Drugs Fund has set up a special funding scheme to assist the centres in acquiring fund for upgrading works. An

inter-departmental working group will also be established to co-ordinate the assistance to the affected centres.

Custody and Rehabilitation of Offenders

- We continue to place heavy emphasis on the re-integration of offenders into society as law-abiding citizens. We will create 10 additional posts to implement a brand new Rehabilitation Centres programme for young offenders. We will allocate a new annual provision of \$2.2M to upgrade eight vocational training courses taught in young offenders' institutions.
- We will create 10 additional posts to implement the Law Reform Commission's recommendation to shorten the maximum length of detention of persons in remand.

**Presentation by Secretary for Home Affairs
at the Special Meeting of the Finance Committee
on Wednesday, 27 March 2002**

Mr Chairman,

Home Affairs Bureau (HAB) is responsible for two Policy Areas, namely Policy Area 19: District and Community Relations and Policy Area 18: Recreation, Culture, Amenities and Entertainment Licensing. Owing to the constraint of time, I shall only give a broad overview of some of our key areas of work, especially where new money is involved.

Rights of the Individual

2. Members will have noted that we have included additional provision in the 2002-03 Estimates for enhancing the quality of our work and taking forward our initiatives in the promotion of the rights of the individual. For the promotion of race relations, we shall establish a new race relations unit. The Unit's main work will cover the production of public education materials, outreach work to schools, maintaining of a hotline for enquiries and complaints and taking follow up action. We shall also appoint a joint non-governmental organization (NGO)/Government committee to help us formulate proposals for race related public education and publicity, promote racial harmony in the community, and encourage all sectors of the community actively to promote awareness in this area.

3. We have also included additional provision in the 2002-03 Estimates for the Privacy Commissioner's Office and Equal Opportunities Commission to enhance their services.

Review on District Councils

4. We completed a review of the role and functions of District Councils (DCs) in 2001 and have commenced implementing the recommendations arising from the review. We will continue to explore ways to further enhance the role and functions of DCs.

Village Representative Elections

5. We are working closely with the rural community to devise new electoral arrangements for the village representative elections. The electoral arrangements should be consistent with the Hong Kong Bill of Rights Ordinance as well as take account of the lawful traditional rights of

indigenous villagers. We will consult the Legislative Council (LegCo) Panel on Home Affairs once the details of the proposal are finalized.

Gambling Policy

6. In June 2001, HAB released the “Gambling Review: A Consultation Paper” to solicit views from the public on a number of gambling-related issues. On 22 March 2002, we released a report on the outcome of the public consultation. While the consultation exercise and the opinion polls indicated that the community in general agrees that soccer betting is widespread in Hong Kong and that simply tightening legislation and stepping up enforcement would not tackle the problem adequately, there are highly divergent views as to whether authorized outlets should be provided as a means to tackle the problem. In view of such markedly divided views on the proposition of regulating soccer betting through authorized outlets, we need more time to assess carefully whether we should implement it. We therefore do not consider it appropriate to rush to a decision at this stage. We will however continue to monitor the situation, particularly during the upcoming World Cup Finals.

7. The Gambling (Amendment) Bill 2000 was introduced into the LegCo in November 2000. The Bill seeks to combat cross-border gambling and the related promotional activities by offshore bookmakers in Hong Kong. The relevant Bills Committee is scrutinizing the provisions of the Bill in detail. We hope that the Bill could be passed before the World Cup Finals starts in late May, so that offshore bookmakers’ activities in Hong Kong could be deterred and curbed in time.

Building Management

8. During my last presentation at these meetings, I introduced to you the new building management services provided by the Home Affairs Department (HAD). We will continue our effort in this endeavour. Besides, we have been working closely with the Sub-committee of the LegCo Panel on Home Affairs in drawing up a package of amendments to the Building Management Ordinance which aim at improving the building management regulatory regime in different aspects. On the other hand, in July this year, the HAD will be organizing a regional conference on building management, which will be the first of its kind in Hong Kong, with a view to fostering the spirit of co-operation among different concerned parties in building management.

Celebration of the 5th Anniversary of the Establishment of the HKSAR

9. We will coordinate a number of activities to celebrate the 5th Anniversary of the Establishment of the HKSAR in July this year. The celebration programme has yet to be finalised but, in the face of the present

economy, it will be dignified but not lavish.

Youth Development

10. With the help of the Commission on Youth and NGOs, we will continue our work on youth development. We will also assist the uniformed groups to recruit more volunteer leaders and set up new units so that more young people can become members. We will also assist the uniformed groups to recruit more volunteer leaders and set up new units so that more young people can become members.

Civic Education

11. We will step up our civic education programmes to promote civic responsibility and good citizenship. Additional resources have been included in the 2002-03 Estimates for the Community Participation Scheme run by the Committee on the Promotion of Civic Education to enable more NGOs to organize community education projects at the district level.

Review of the Policy on Sports Development

12. HAB commenced a review of the policy on sports development in 2001. The review covers a wide range of issues, including the ways to encourage wider public participation in sports, the enhancement of training for elite athletes, the assessment of the future needs for sports facilities and the improvement of the existing administrative structure for sport. Work on the review is nearing completion and we aim to publish a consultation paper later to solicit views of the community.

Entertainment Licensing

13. Currently, the entertainment licensing process cuts across four bureaux and seven departments. In order to encourage a more business friendly environment, a total of \$2.27 million has been included in the 2002-03 Estimates to set up a Task Force to study and find ways to rationalise the arrangements for entertainment licensing.

Culture

14. Members may wish to know the recent development of the Culture and Heritage Commission. The Commission conducted its first consultation exercise in 2001 to encourage the public to voice their opinions and expectations on cultural development in Hong Kong. The majority of respondents support the Commission's vision and strategies in promoting cultural development. This support lays an important foundation for the Commission's future work. The six Working Groups under the Commission are now deliberating on specific policy recommendations in respect of

culture and arts education, cultural exchange, cultural facilities, museums and library services. The Commission will consult the public in the second half of the year on its policy recommendations. A total of around \$5 million has been included in the 2002-03 Estimates for secretarial and other support to the Commission.

Conclusion

15. The above only covers some of our main tasks in the coming year. Members are welcomed to raise questions about any areas of work within HAB's responsibilities. My colleagues and I will try our best to provide you with the answers. Thank you.

**Presentation by Secretary for Constitutional Affairs
at the Special Meeting of the Finance Committee
on Monday, 25 March 2002**

Mr Chairman,

Good morning, Honourable Members. I am pleased to have the opportunity to brief you on the main areas of work undertaken by the Constitutional Affairs Bureau and talk about our estimates of expenditure in 2002-03. Our workload remains heavy in the coming financial year but our estimated provision of \$36.6 million is the smallest among all policy bureaux.

Implementation of the Basic Law

2. The Constitutional Affairs Bureau (CAB) is responsible for providing advice and assistance to other policy bureaux and departments, to ensure that the formulation and implementation of policies comply with the relevant provisions of the Basic Law. We will continue our efforts on this front to facilitate the implementation of the Basic Law.

Maintaining Cordial Working Relationship with the CPG, other Mainland Authorities and Macao Special Administrative Region Government (MSARG)

3. CAB works closely with the Hong Kong and Macao Affairs Office (HKMAO) of the State Council to cultivate and maintain a cordial and constructive working relationship between the HKSARG and the Central People's Government (CPG) and other Mainland authorities. We also assist bureaux and departments of the HKSARG in establishing direct channels of contact with their Mainland counterparts. Officials on both sides have enhanced their mutual understanding through various forms of exchange and have established a cordial relationship in many areas of work.

4. Since Macao's reunification in December 1999, CAB has been coordinating the exchanges between the HKSARG and the MSARG.

External Affairs and Working Relationship with the MFA Office

5. CAB keeps an overview of the HKSAR's external affairs and acts as the focal point of contact between the HKSARG and the Office of the Commissioner of the Ministry of Foreign Affairs of the PRC in the HKSAR (MFA Office). We will continue to maintain close liaison with the MFA

Office and manage HKSAR's external affairs in accordance with the principle of "One Country, Two Systems" and the Basic Law.

Accountability of Principal Officials

6. The Government aims to introduce the accountability system for principal officials on 1 July. In the coming few months, CAB will coordinate the preparatory work for the implementation of the new accountability system, which includes drafting the employment contract for principal officials appointed under the accountability system, and formulating the remuneration package, employment conditions and the code of practice. We will continue to exchange views with the Panel on Constitutional Affairs, the academics and other sectors.

7. We will present the detailed proposals relating to the new accountability system for principal officials to the Legislative Council in mid April. We will explain the arrangements in detail when we launch the package of proposals.

Electoral Issues

8. On the electoral front, we propose to provide the Registration and Electoral Office (REO) with a provision of about \$114.8 million in the 2002-03 financial year, which represents an increase of \$51 million over the revised estimate of the last financial year. This provision is mainly for the preparation work of the District Council elections in 2003. In addition, the REO has proceeded with the development of a new Electoral and Registration System. This system, which will be put into operation by the end of 2003, will assist REO in preparing future elections more effectively.

**Presentation by Director, Beijing Office
at the Special Meeting of the Finance Committee
on Monday, 25 March 2002**

Mr Chairman,

I am pleased to attend the Special Finance Committee Meeting today. I shall begin with a summary of the Beijing Office's work in the past year and some highlights of our major tasks planned for the coming year. And then I will briefly explain our draft estimates of expenditure for the coming financial year.

Liaison

For liaison under Programme (1), the primary task of the Beijing Office is to facilitate the HKSARG's communication and liaison with departments of the Central People's Government (CPG) and local governments. In the past year, through our liaison network, we actively promoted exchanges and understanding between the relevant Mainland authorities and the HKSARG as well as the exchange of views on issues of mutual concern. The year 2001 is of particular significance to both the Mainland and Hong Kong. China's accession to the World Trade Organisation (WTO), the full-scale implementation of the Tenth Five-year Plan and the Western Region Development Strategy as well as Beijing's successful bid for holding the Olympic Games will present both opportunities and challenges to Hong Kong. Thus, the Beijing Office has through various channels collected information about the Mainland's macroeconomic situation, business environment as well as the latest legislation, regulations, policies and measures in various fields. We have kept the HKSARG informed so that relevant departments could keep themselves abreast of such latest information and disseminate the information to the business community and the public as appropriate.

On the HKSARG's instructions, we made enquiries with relevant Mainland authorities, discussed specific issues with them, and took follow-up actions as necessary. To give an example, we were responsible for coordinating with relevant departments of the CPG and local governments the activities of the HKSAR Delegation to the Western Region organised in May last year. We have also strengthened our work in promoting liaison and exchanges between departments of the HKSARG and Mainland authorities, and have assisted in arranging exchange visits between Mainland and Hong Kong officials. China was the host of Asia-Pacific Economic Cooperation (APEC) activities last year. The Beijing Office also provided support to the

Hong Kong Delegation.

Promoting Hong Kong is also our major task. In November last year, in collaboration with relevant Hong Kong departments and organisations, we organised publicity activities in Chongqing to promote Hong Kong's financial services, professional services as well as the strengths of small and medium enterprises. We also assisted Hong Kong's business sector to establish contact with Mainland authorities and enterprises. In addition, we have also organised exhibitions in Beijing, Shanghai, Chengdu and Ningxia. We worked in association with the China National Radio to produce a weekly radio programme. This programme enables Mainland residents in southern China, especially the Pearl River Delta Area, to know more about Hong Kong affairs. It also promotes economic, tourism and cultural exchanges. All these publicity activities have received very favourable response in the Mainland.

Moreover, many countries having no representative organisations in Hong Kong seek to liaise with the Beijing Office through their embassies in China in order to strengthen their ties with Hong Kong. The Beijing Office will try its best to help them. We will also make use of these opportunities to brief them on the implementation of the policy of "One Country, Two Systems" in Hong Kong and our latest developments.

Immigration Matters

For immigration matters under Programme (2), the Beijing Office processed and referred over 17 000 applications for visas and entry permits last year. We continued to negotiate with 12 embassies in Beijing on visa-free access arrangements and made some achievements. Three of the countries (Lithuania, Romania and the United Arab Emirates) have announced that they would grant visa-free entry to HKSAR passport holders. Qatar has also agreed to the visa on arrival arrangement.

Under Programme (2), we handled 224 requests for assistance, including 111 cases involving the detention of Hong Kong residents in the Mainland. In handling accidents involving Hong Kong people (especially group tour accidents), we also sent staff to provide assistance as required.

Task in the Coming Year

In the coming year, the Mainland will continue to deepen reform, further open up and integrate with the global economy. The Mainland will also actively start the preparatory work of the 2008 Beijing Olympic Games. There are bound to be closer trade and economic links between Hong Kong and the Mainland. The Beijing Office will actively play its bridging role and help relevant departments of the HKSARG promote their work in this regard. We will pay close attention to the latest developments in the Mainland in

such areas as economic and social progress, market opening, and the preparatory work of the Olympic Games. We will keep the HKSARG informed of such developments. We will also make good use of our liaison network by providing information about the HKSAR's development to the Mainland's departments, while at the same time facilitate smooth communication and implementation of projects involving Hong Kong departments and their Mainland counterparts.

In addition, we will set up a channel of communication with relevant authorities in the Beijing municipality this year so that Hong Kong people investing or working in Beijing will find it easier to obtain relevant information and tap the business opportunities in Beijing.

While the Mainland is opening up its market to the world at an unprecedented pace, there is a greater need for us to further promote Hong Kong's unique strengths and to consolidate our role as a hub. We will hold an exhibition in Beijing to mark the fifth anniversary of reunification. The exhibition will review Hong Kong's developments and look forward to our future. We will also promote and publicise Hong Kong in the coastal region in Eastern China to help Hong Kong businessmen explore new markets.

Draft Estimates of Expenditure

In 2001-02, the Beijing Office fulfilled the 5% savings target under the Enhanced Productivity Programme (EPP). We will nevertheless endeavour to further cut expenditure in 2002-03 without compromising the quality of services with a view to achieving an accumulated 6.7% saving. Beijing Office's draft estimates of expenditure for 2002-03 is \$50.9m, representing an increase of \$2m over the 2001-02 revised estimates. The main reasons for the increase include expenses for staff movements and improvement made to our internal communication system.

Conclusion

If Members have any questions concerning our work or estimates of expenditures, I am happy to answer. Thank you.

**Presentation by Secretary for Justice
at the Special Meeting of the Finance Committee
on Tuesday, 26 March 2002**

INTRODUCTION

The Department of Justice's role is to provide legal services to the Government of the Hong Kong Special Administrative Region (SAR). It also makes independent prosecution decisions and conducts prosecutions in court. In the financial year 2002-03, a total provision of \$981.8 million is sought.

HIGHLIGHTS

2. I would like to highlight some major areas of work of the Department of Justice.

Review of Legal Education

3. In order to strengthen legal education and improve both the quality and efficiency of legal services, my Department is steering a comprehensive review of legal education and training in Hong Kong in collaboration with the Law Society, the Bar Association, the two law faculties and others. The first stage of the review, which comprised a consultancy study and was funded largely by a grant from the Innovation and Technology Fund, was completed in early August 2001, as marked by the release by two overseas consultants of a detailed report containing 160 recommendations. Taking into account the submissions made in response to the report, the Steering Committee overseeing the review has to date examined, in some depth, some of the major recommendations made by the consultants (e.g. the reform of the LLB and the PCLL courses). It will continue meeting, for at least the next six months, to finalise its consideration of the report.

Prosecution of Crime

4. In the year ahead we will continue to prosecute cases vigorously and fairly, in accordance with the prosecutorial traditions of the common law world.

5. New prosecutors will be joining the department during the year, and intensive training courses in all aspects of prosecutorial responsibility will be provided for them, ensuring that they will understand and strive to achieve the highest ethical and professional standards. Departmental prosecutors

will participate in some of these courses with a view to enhancing their existing capabilities.

6. In recognition of the threats posed by complex and transnational crime, our prosecutors will consult with their counterparts in other prosecution services through the International Association of Prosecutors, with a view, by the sharing of knowledge and expertise, to ensuring that we have the capacity to combat developing areas of crime. In this regard, our ability to cope with the problems of computer and copyright crime, at both the local and international levels, will be further enhanced by the strengthening and training of specialised teams of prosecutors.

7. It is important, as a responsible prosecuting authority, that the work we do is fully understood and appreciated by the community we serve. We will continue, through the publications of the Prosecutions Division, to promote transparency and openness, and to explain to the public at large how prosecutors operate, and what they do and achieve both locally and internationally.

Civil

8. With the rapid development of new technology and increasing public demands, the work of the Civil Division is increasing, both in terms of volume and complexity. The Electronic Transactions Ordinance, the implementation of the information systems strategy in the Immigration Department, the anticipated establishment of the Market Misconduct Tribunal following the enactment of the Securities and Futures Bill in 2002, and the right of abode issue have added or will add to the work pressure of the Division. My Department has sought additional resources in 2002-03 so that we can be ready for and respond efficiently and effectively to new initiatives and public expectations in those important areas.

International Law

9. In the coming year the International Law Division will continue to provide advice on international law issues, negotiate international agreements or contribute as legal advisers in negotiations and handle requests for international legal co-operation to bring benefits to the SAR.

CONCLUSION

10. I would like to conclude my introductory statement this morning by emphasizing that the Department of Justice will be guided in all its work by an unconditional commitment to uphold the rule of law under the Basic Law, and the independence of the judiciary. We will be using the resources allocated to us to promote those vital concepts, and to enhance confidence in the legal system. We are also committed to providing efficient

and effective legal services to the Hong Kong SAR Government, and to maintaining and improving the present legal system.

**Presentation by Judiciary Administrator
at the Special Meeting of the Finance Committee
on Tuesday, 26 March 2002**

Mr Chairman,

In the past year, the Judiciary had been mobilising resources to cope with increasing demand. We have also introduced new facilities and information technology applications to further enhance our services to judges, court users and the public.

Court of Appeal

2. Following the CFA judgment on 10 January 2002, there are still over 4,500 Right of Abode appeals to be dealt with by the Court of Appeal. However, new cases lodged have dropped significantly since February and improvement to the waiting time is expected towards the end of this year.

High Court

3. The civil caseload at the High Court still recorded an increase, from 29,132 cases in 2000 to 32,609 in 2001, primarily the result of a 140% increase in bankruptcy petitions. There are no signs that the number is coming down.

4. The criminal caseload at the High Court, though remained steady at 433 in 2001 compared with 416 in 2000, is getting more complex in terms of court days required to deal with them.

5. The above factors have had significant adverse effects on case waiting time. But we shall closely monitor the waiting time and where necessary redeploy resources to cope with the increase in workload.

District Court

6. The District Court increased its civil jurisdictional limit from \$120,000 to \$600,000 on 1 September 2000. The Judiciary would examine the need for any further increase towards the end of this year.

7. The number of civil claims filed at the District Court increased from 32,515 in 2000 to 36,748 in 2001. The increase in interlocutories dealt with by Masters was even more significant, rising by 83% from 8,385 hearings in 2000 to 15,313 hearings in 2001. However, the District Court is coping well with the increased civil caseload, keeping the waiting times within target.

Labour Tribunal

8. The economic downturn continued to bring pressure to the Labour Tribunal where the number of claims rose by nearly 9% from 9,611 in 2000 to 10,450 in 2001. In coping with the caseload, the Labour Tribunal replaced one night court by a day court in October 2001, thereby increased the Labour Tribunal's capacity to deal with trials.

New Court Buildings

9. The Kowloon City Magistrates' Courts (replacing the San Po Kong and South Kowloon Magistrates' Courts) commenced operation on 3 July 2001. The New Fanling Law Magistrates' Courts will be completed shortly and will commence operation in July 2002. Currently, we are planning for the construction of two new court buildings in the West Kowloon and on the Hong Kong Island. Planned completion dates of the proposed West Kowloon Law Courts and Hong Kong Island Law Courts Buildings are 2006/2007 and 2007/2008 respectively.

Application of Information Technology

10. All the projects under Phase III of the Judiciary Information Systems Strategy, except the Pilot Electronic Filing of Tax Claims at the District Court, have been completed.

11. We are building the first Technology Court at the High Court Building for the conduct of trials and hearings. Facilities will include multi-media presentation of evidence and case related material in electronic form and video conferencing. We will have the Technology Court ready for use this year.

12. We have put the judgments of District Courts and above and practice directions on our Homepage for free public access. We will provide an on-line catalogue of our libraries on the Internet for public access this year. We will also explore more opportunities for electronic transactions with court users and members of the public to enhance access to the court.

Conclusion

13. The proposals I outlined above are part of our efforts to maintain an independent and competent judicial system, capable of upholding the rule of law and safeguarding the rights and freedom of the individual. With Members' support, we have no doubt that we will be able to meet the challenges ahead.

14. Thank you.

**Presentation by Secretary for the Civil Service
at the Special Meeting of the Finance Committee
on Tuesday, 26 March 2002**

Mr Chairman,

In response to the rising public expectation, the Government is firmly committed to continuously enhancing the flexibility, efficiency and effectiveness of the civil service through a package of reform initiatives under the Civil Service Reform.

Under the Civil Service Reform, we have revised the entry system to the civil service and implemented the Voluntary Retirement (VR) Scheme. We are also going to introduce the Civil Service Provident Fund (CSPF) Scheme. While all these measures will enhance the dynamism and quality of the civil service, they also have an impact in reducing government expenditures on civil service pay and fringe benefits. For example, civil servants who are appointed on or after 1 June 2000 will be entitled for provident fund benefits upon retirement. Under the future CSPF Scheme, the long-term average financial commitment will be capped at 18% of the total salary cost, as compared with the average 22% of the total salary cost under the current New Pensions Scheme.

The VR Scheme implemented in 2000 has helped relieve the staff surplus problems in the civil service. Over 8,000 or 85% of the VR takers have already been released from duties by the end of 2001. The remaining successful applicants will leave the service in 2002. We are conducting a review of the implementation of the VR Scheme. Departments and the staff sides have been invited to offer their comments on the Scheme. The review will be completed in the middle of this year. The results will serve as a useful reference for any future determination on whether there should be another round of VR exercise.

It is our established policy to maintain a lean and efficient civil service. Thanks to the efforts of all departments, the civil service establishment has been reduced by 7% from about 198,000 in March 2000 to around 184,000 as at 1 January 2002. Based on the change in the civil service payroll from 1999-2000 to 2001-02, there is a saving of \$1.4 billion in salary costs. The civil service establishment has gone back to the level in 1986/87 while the population of Hong Kong has grown by 20%, or approximately 1.1 million, since 1987. As indicated in the Estimates for 2002/03, the civil service establishment will further drop to 180,130 in 2002/03. In other words, we are going to meet our target of reducing the civil

service establishment to 181,000 by March 2003.

On training and development front, the Civil Service Training and Development Institute and individual departments provide a total of around 460,000 training places each year. With the injection of \$50 million approved by Members last year, an additional 90,000 training places will be provided under the three-year Training and Development Programme. We have achieved our training target for 2001/02. About 43,000 training places have been offered and a new Learning Portal is being developed to further promote e-learning in the civil service. The Portal will be ready for operation later this year. Starting from 2002/03, all departments and major grades will draw up their annual Training and Development Plan so that they can plan ahead and align training and development activities with their strategic objectives and corporate goals.

To test the feasibility of introducing performance-based rewards elements into our system, we have launched a Pilot Scheme on Team-based Performance Rewards in six departments.

Since 1999, we have organized an annual service-wide Customer Service Excellence Award Scheme to promote a quality service culture in the civil service. The Scheme is now in its third year and a prize presentation ceremony has just been held in February this year. For the first time, members of the public were involved in the selection of the best departments through a questionnaire survey.

In the coming year, we have set aside \$3 million under our recurrent account to provide financial support to departments to implement initiatives in promotion of customer service.

The Government has decided to conduct a comprehensive review of civil service pay policy and system. Through the review, we seek to identify ways and means to improve our civil service pay system, with a view to modernizing it and making it simpler and easier to administer. A Task Force comprising members from the Standing Commission on Civil Service Salaries and Conditions of Service, the Standing Committee on Disciplined Services Salaries and Conditions of Service and the Standing Committee on Directorate Salaries and Conditions of Service, is conducting the first phase of the review. Following an analytical study on recent developments and best practices in pay administration in other Governments, the Task Force will consult interested parties, including the staff, departmental management and other interested parties. The study findings should be available by the middle of 2002. The three advisory bodies will then consider how to take forward the second-phase review and will make recommendations to the Government towards the end of this year.

This year's civil service pay adjustment has given rise to extensive public discussion in recent months. I would like to take this opportunity to reiterate that the Government will continue to adopt the existing civil service annual pay adjustment mechanism. We will take into consideration the results of the private sector pay trend survey, which will be available in May this year, and other usual factors, including the Government's budgetary position and the views of civil servants. We will adhere to the principles of lawfulness, fairness and reasonableness in deciding on this year's civil service pay adjustment.

In the coming year, Mr Chairman, all Government departments will continue to explore ways to streamline procedures and simplify structures in order to release resources to meet new and increasing demands, and to further enhance the quality of public service.

Thank you.