

**立法會**  
*Legislative Council*

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**Establishment Subcommittee of the Finance Committee**

**Minutes of the 5th meeting  
held at the Legislative Council Chamber  
on Wednesday, 19 February 2003, at 10:45 am**

**Members present:**

Hon CHAN Kwok-keung (Chairman)  
Hon NG Leung-sing, JP (Deputy Chairman)  
Hon James TIEN Pei-chun, GBS, JP  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon HUI Cheung-ching, JP  
Hon Bernard CHAN, JP  
Hon Andrew WONG Wang-fat, JP  
Hon Jasper TSANG Yok-sing, GBS, JP  
Hon Howard YOUNG, JP  
Hon SZETO Wah  
Hon TAM Yiu-chung, GBS, JP  
Hon LI Fung-ying, JP  
Hon Henry WU King-cheong, BBS, JP  
Hon LAU Ping-cheung

**Members absent:**

Hon Albert HO Chun-yan  
Hon Eric LI Ka-cheung, JP  
Dr Hon David LI Kwok-po, GBS, JP  
Hon Margaret NG  
Hon CHEUNG Man-kwong  
Hon Emily LAU Wai-hing, JP  
Hon Abraham SHEK Lai-him, JP  
Hon Michael MAK Kwok-fung

Hon LEUNG Fu-wah, MH, JP  
Dr Hon LO Wing-lok  
Hon MA Fung-kwok, JP

**Public Officers attending:**

Mr Stanley YING, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>1</sup>
Mrs Jessie TING, JP	Deputy Secretary for the Civil Service
Mr K K LAM	Principal Executive Officer (General), Financial Services and the Treasury Bureau (Treasury)
Mr Alan LAI, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Miss Elizabeth TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>3</sup>
Mrs Stella HUNG, JP	Director of Government Supplies
Mr David TSUI, JP	Government Printer
Mr Edwin LEUNG	Government Land Transport Administrator
Mr Gary YEUNG	Principal Assistant Secretary for Housing, Planning and Lands (Planning and Lands)
Mr Herbert LEUNG, JP	Assistant Director of Lands
Mr LEE Tak-keung	Assistant Director of Planning

**Clerk in attendance:**

Miss Polly YEUNG	Chief Assistant Secretary (1) <sup>3</sup>
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**Staff in attendance:**

Ms Pauline NG	Assistant Secretary General 1
Ms Caris CHAN	Senior Legislative Assistant 1
Mr Frankie WOO	Legislative Assistant 2

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**EC(2002-03)10**                      **Proposed merger of Government Land Transport Agency, Government Supplies Department and Printing Department into a new Government Logistics Department with effect from 1 July 2003 for better efficiency and economy**

Members noted that the Panel on Financial Affairs had been consulted on the present proposal on 6 January 2003.

2. In reply to Mr TAM Yiu-chung's enquiry about the timetable for the deletion of the 59 non-directorate posts as a result of the proposed merger and other changes in operational requirement, the Permanent Secretary for Financial Services and the Treasury (Treasury) (PSTsy) said that the 59 posts expected to be deleted were mainly in the general grades and in surplus departmental grades. He expected that the posts in question could be deleted through natural wastage, retirement and re-deployment in two to three years' time.

3. On Ms LI Fung-ying's enquiry regarding the arrangements for the incumbent postholders of the deleted posts, PSTsy advised that most of them would be laterally transferred to take up relevant posts in the newly merged department.

4. Mr TAM Yiu-chung asked whether the centralized procurement functions currently undertaken by the Government Supplies Department (GSD) would be devolved to individual departments and hence, have implications on manpower requirements. In reply, the Director of Government Supplies (DGS) explained that at present, bulk purchase was the most economical and cost-effective procurement method given that there was a common requirement among government departments for certain items such as computers, paper, office equipment, etc. It was thus unlikely that the purchase of such items would be devolved to individual departments. Nevertheless, there were Supplies Grade officers seconded to departments to assist in stores procurement.

5. Referring to the increasing use of on-line purchase in the business sector, Mr James TIEN asked whether the Government would adopt e-procurement to achieve greater savings in staff cost. In this connection, DGS informed members that at present, an Electronic Tendering System (ETS) was in place. All tenders originated by Government Supplies Department were posted on the ETS. Suppliers could submit bids electronically or paper based. However, not many bids had been received on-line. She further informed members that two trial runs on electronic marketplace involving ten government departments were implemented last year. For purchases below \$50,000, individual government departments were allowed to procure the items on-line. However, it was found that many of the items on sale at the e-marketplace were not commonly required by government departments. Regarding concerns about manpower savings, DGS said that during the last five years, the number of staff in GSD had been reduced from over 700 to around 300. The department would continue to be mindful of the need to deploy its manpower resources effectively having regard to improvements in technology.

6. In this connection, Mr Howard YOUNG commented that if the Government maintained an electronic and a conventional procurement system in parallel, it might not be able to achieve savings and might even require additional resources. Mr YOUNG also drew the Administration's attention to the prevalent

practice in some private-sector corporations that they would only accept on-line tender bids for bulk purchase. This would be useful in promoting the use of e-tendering. The Administration took note of his remarks.

7. The item was voted on and endorsed.

**EC(2002-03)11                      Proposed deletion of three permanent posts of one Chief Estate Surveyor (D1) in Lands Department, and one Government Town Planner (D2) and one Chief Town Planner (D1) in Planning Department with retrospective effect from 8 February 2003**

8. Members noted that a related staffing proposal had been discussed and endorsed by this Subcommittee vide EC(2002-03)4 on 23 October 2002.

9. The item was voted on and endorsed.

10. The Subcommittee was adjourned at 11:00 a.m.

Council Business Division 1  
Legislative Council Secretariat  
3 March 2003