

立法會
Legislative Council

LC Paper No. ESC 44/02-03
(These minutes have been seen
by the Administration)

Ref : CB1/F/3/2

Establishment Subcommittee of the Finance Committee

**Minutes of the 7th meeting
held at the Legislative Council Chamber
on Wednesday, 28 May 2003, at 9:00 am**

Members present:

Hon CHAN Kwok-keung (Chairman)
Hon NG Leung-sing, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon Margaret NG
Hon HUI Cheung-ching, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS, JP
Hon MA Fung-kwok, JP

Members absent:

Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Eric LI Ka-cheung, JP
Hon CHEUNG Man-kwong
Hon Bernard CHAN, JP
Hon Andrew WONG Wang-fat, JP
Hon Howard YOUNG, JP
Hon SZETO Wah
Hon Michael MAK Kwok-fung
Hon LEUNG Fu-wah, MH, JP

Dr Hon LO Wing-lok
Hon LAU Ping-cheung

Public Officers attending:

Mr Stanley YING, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)
Miss Jennifer MAK, JP Mr K K LAM	Deputy Secretary for the Civil Service Principal Executive Officer (General), Financial Services and the Treasury Bureau (Treasury)
Ms Sally WONG, JP	Deputy Secretary for Health Welfare and Food (Women)
Mr LAM Man-ho	Principal Executive Officer Health, Welfare and Food Bureau
Mr KWAN Wing-wah, JP Miss Stoney POON	Deputy Secretary for Home Affairs Chief Executive Officer, Home Affairs Bureau
Mrs Rita LAU, JP	Permanent Secretary for the Environment, Transport and Works (Environment and Transport)
Mr Paul TANG, JP	Deputy Secretary for the Environment, Transport and Works (Environment and Transport)T1
Mr Thomas CHOW	Deputy Secretary for the Environment, Transport and Works (Environment and Transport)E2
Mrs Angela LO	Principal Executive Officer Environment, Transport and Works Bureau (Environment and Transport)

Clerk in attendance:

Miss Polly YEUNG	Chief Assistant Secretary (1)3
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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

Before proceeding with the items on the agenda, the Chairman informed members that when discussing one of the staffing proposals (EC(2003-04)6) at the meeting of the Panel on Environmental Affairs on 26 May 2003, some members considered that the Administration should provide a paper setting out in a comprehensive manner the various establishment changes and proposed re-organizations arising from implementation of the accountability system, as well as the savings achieved. They requested that the Administration should provide the information in time for the meeting of the Establishment Subcommittee (ESC) on 28 May 2003. Members noted that the reply from the Administration, which had been issued by fax in the evening of 27 May 2003, was also tabled at the meeting. (Subsequently issued vide LC Paper No ESC41/02-03).

2. As the Convenor of Legislative Council's Seven Party Coalition (the Coalition) for the month of May 2003, Ms Emily LAU stated that it was the recent decision of the Coalition to maintain its position against any staffing proposal which would result in a net increase in the overall directorate establishment of the civil service. If there was a need to create a directorate post, it should be offset by the deletion of a directorate post of equivalent or higher ranking. Noting the Chief Executive's announcement in his Policy Address to reduce the establishment of the civil service by 10% by 2006-07, the Coalition had taken on board concerns about how the 10% target would be achieved, and whether the cut would be effected on both directorate and non-directorate establishment.

3. Ms Emily LAU recapped the discussion at the Panel on Environmental Affairs and highlighted some members' concern about how the additional cost required for implementing the accountability system would be offset, as well as details of the savings realized or identified so far in terms of staff costs. Noting the Chief Executive's undertaking that the Administration would report to Members the implementation of the accountability system before the end of June 2003, Ms Emily LAU opined that an overall report on how the additional cost would be offset should first be forwarded to the Constitutional Affairs Panel before putting individual proposals to the ESC for consideration.

4. In response, the Deputy Secretary for Financial Services and the Treasury (Treasury) (DS(Tsy)) confirmed that Constitutional Affairs Bureau (CAB) had submitted a six-month report to the Panel on Constitutional Affairs in January 2003 which was discussed at its meeting on 17 February 2003. CAB would submit a 12-month report to the Panel in about June/July 2003 setting out, among other things, details of establishment and organizational changes in the civil service and savings achieved after implementation of the accountability system. In connection with various reorganizations of bureaux and departments, individual Directors of Bureau had also proposed the creation and deletion of various directorate posts for consideration by the relevant Panels and approval by the Finance Committee (FC) via ESC. DS(Tsy) recalled that specific savings had been achieved from the proposals approved by FC as a result of the reorganization of the former Housing Bureau and the Education and Manpower Bureau and

Education Department and the establishment of the Government Logistics Department (GLD). Referring to GLD, DS(Tsy) recapped that the reorganization had resulted in the net deletion of a directorate post at D5 of the Directorate Pay Scale and the downgrading of a D2 post to D1 level. As regards the six proposals submitted for this meeting, DS(Tsy) confirmed that they would also bring about net savings.

5. In response to Ms Emily LAU's further query, DS(Tsy) reiterated that so far, members were only aware of the changes in the directorate establishment as they required ESC/FC's approval. Individual Controlling Officers were also effecting changes in non-directorate establishment under delegated authority. In the 12-month report to be submitted to the Panel on Constitutional Affairs, CAB would account for details of all savings achieved/identified which would make the implementation of the accountability system cost-neutral or even cost-saving.

6. On the earlier information provided by CAB to the Panel about savings in the region of \$75.65 million, Ms Emily LAU enquired about the latest position. In reply, DS(Tsy) confirmed the Administration's undertaking to effect sufficient savings within 12 months to make the implementation of the accountability system cost-neutral. DS(Tsy) said that he was not in a position to inform members of the total savings achieved so far pending input from individual Controlling Officers on the savings achieved as a result of reduction in non-directorate posts. Nevertheless, he said that CAB would provide full information on the savings achieved as a result of deletion of posts/reorganizations in its 12-month report to the Panel on Constitutional Affairs.

7. Ms Emily LAU reiterated the concern that the additional cost required for implementing the accountability system might have been met by reducing the non-directorate establishment. She cautioned that downsizing at the level of frontline or operational staff would adversely affect the quality of public services. In the absence of further information on the savings of \$75.65 million and a breakdown of the posts deleted, Ms LAU was gravely concerned that the bulk of the savings might have been achieved by way of deleting non-directorate posts and trimming down other necessary expenditures. She was aware that at times, members were requested to approve staffing proposals in the absence of comprehensive information on account of their urgency. She had grave reservation on such arrangements and considered that the Administration should withdraw all the six papers pending an overall report from CAB to the Panel.

8. Dr David LI stated his view that the current staffing proposals should not be considered pending the availability of a comprehensive and updated report.

9. In reply to Mr Henry WU on when the Administration could provide the information requested by members, DS(Tsy) advised that while information relating to directorate posts could be readily compiled by the Treasury Branch of the Financial Services and the Treasury Bureau, he would need to consult CAB on

the latest progress in gathering information from individual departments on the changes regarding non-directorate posts and if necessary.

10. Noting that the proposals submitted for this meeting would be considered by FC on 26 June 2003, Miss Margaret NG considered that the Administration would have ample time to brief the Panel on Constitutional Affairs before reverting to ESC.

11. Mr HUI Cheung-ching opined that while the staffing proposals did not give rise to additional directorate posts, they also did not address the Administration's target to reduce the size of the civil service by 10% by 2006-07. He concurred that the Administration should provide more comprehensive information on establishment and organizational changes resulting from the accountability system before ESC proceeded to consider the proposals. He said that if the concerns of ESC were not addressed, there might be protracted discussion at FC. His view was shared by Ms Emily LAU. Ms LAU stressed that detailed information should be provided to Members prior to further deliberation of the subject.

12. In reply to the Chairman, DS(Tsy) explained that the Administration had not been able to provide detailed information on establishment changes and savings as members' request for the information was only received on 26 May 2003. On the other hand, the Administration had put up the current proposals for ESC's consideration upon completion of the necessary staffing and organizational reviews. He therefore requested members to decide on the proposals at this meeting. DS(Tsy) undertook to liaise with CAB and request the Bureau to brief the Panel and provide the information as soon as practicable and in any case before the relevant FC meeting to consider the proposals.

13. Mr TAM Yiu-chung remarked that so far, members had scrutinized each staffing proposal on the basis of the general consensus that there should not be any net increase in directorate posts. He also noted that the six proposals submitted for this meeting were in line with this general consensus. While he agreed that the Administration should give an overall picture of the situation as soon as practicable, he was of the view that the Subcommittee should not defer consideration of the proposals. Mr TAM also pointed out that even if ESC endorsed the proposals, members would still be able to re-visit the matter at the FC meeting before giving the final approval.

14. Ms Emily LAU reiterated that it was necessary to have full information on the overall situation, in particular, the specific posts deleted to achieve the savings of \$75.65 million. In this connection, Ms Emily LAU moved a motion to adjourn further proceedings of the meeting pending the Administration's provision of further information. Her motion was seconded by Miss Margaret NG.

15. The Chairman put Ms LAU's motion to the vote. Seven members voted for the motion, three members voted against and one member abstained. The individual votes were as follows:

For :

Miss Margaret NG
Ms Emily LAU Wai-hing
Ms LI Fung-ying
Mr MA Fung-kwok
(7 members)

Mr HUI Cheung-ching
Mr Abraham SHEK Lai-him
Mr Henry WU King-cheong

Against :

Mr James TIEN Pei-chun
Mr TAM Yiu-chung
(3 members)

Mr Jasper TSANG Yok-sing

Abstention :

Mr NG Leung-sing
(1 member)

16. The motion was carried.

17. The Chairman declared that further proceedings be adjourned. He requested the Administration to provide detailed information before bringing the matter back to ESC.

18. The Subcommittee was adjourned at 9:35 am.

(Post-meeting note : Following consultation with the Chairman of the Constitutional Affairs (CA) Panel, the Administration has proposed that instead of arranging a special meeting with the Panel, it will brief the ESC at the start of the special meeting to be held on 11 June 2003. As the Chairman of the CA Panel has no objection to the proposed arrangement, the Chairman of ESC has agreed to allow sufficient time for the briefing before proceeding to deal with the items on the agenda).