

立法會
Legislative Council

LC Paper No. ESC22/04-05
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by the Administration)

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Establishment Subcommittee of the Finance Committee

**Minutes of the 4th meeting
held at the Legislative Council Chamber
on Wednesday, 19 January 2005, at 10:45 am**

Members present:

Hon LI Fung-ying, BBS, JP (Chairman)
Hon KWONG Chi-kin (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon Margaret NG
Hon CHEUNG Man-kwong
Hon Bernard CHAN, JP
Hon SIN Chung-kai, JP
Hon WONG Yung-kan, JP
Hon Howard YOUNG, SBS, JP
Hon Abraham SHEK Lai-him, JP
Dr Hon KWOK Ka-ki
Hon WONG Ting-kwong, BBS
Hon Patrick LAU Sau-shing, SBS, JP

Members absent:

Dr Hon David LI Kwok-po, GBS, JP
Hon WONG Kwok-hing, MH
Hon MA Lik, JP

Public Officers attending:

Miss Elizabeth TSE, JP

Miss Jennifer MAK, JP
Mr Alfred FOK

Miss Erica NG

Deputy Secretary for Financial Services and
the Treasury (Treasury)

Deputy Secretary for the Civil Service
Principal Executive Officer (General),
Financial Services and the Treasury Bureau
(The Treasury Branch)

Principal Assistant Secretary for Financial
Services and the Treasury (Treasury)

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| Mr CHU Yam-yuen, JP Mr Richard LEUNG | Assistant Commissioner of Inland Revenue Chief Systems Manager Inland Revenue Department |
| Miss Shirley LEUNG | Departmental Secretary Inland Revenue Department |
| Mr Victor LAM | Chief Systems Manager Office of the Government Chief Information Officer |
| Dr Sarah LIAO, JP | Secretary for the Environment, Transport and Works |
| Mr K K KWOK, JP | Permanent Secretary for the Environment, Transport and Works (Environment) |
| Mr Roy TANG | Deputy Secretary for the Environment, Transport and Works (Environment) |
| Dr Michael CHIU | Director of Environmental Protection |
| Mr Thomas CHOW, JP | Deputy Secretary for the Environment, Transport and Works (Transport) |
| Mr MAK Chai-kwong, JP | Director of Highways |
| Ms Olivia NIP Sai-lan | Deputy Secretary for Housing, Planning and Lands (Planning and Lands) |
| Mr Parrish NG Ching-man | Principal Assistant Secretary for Housing, Planning and Lands (Planning and Lands) |
| Mr K A SALKELD, JP | Land Registrar |
| Mr Francis CHU Chan-pui | Senior Principal Executive officer Land Registry |

Clerk in attendance:

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| Miss Becky YU | Chief Council Secretary (1)1 |
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Staff in attendance:

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| Ms Pauline NG | Assistant Secretary General 1 |
| Ms Rosalind MA | Senior Council Secretary (1)8 |
| Miss Edith CHAN | Council Secretary (1)1 |
| Ms Caris CHAN | Senior Legislative Assistant (1)1 |
| Mr Frankie WOO | Legislative Assistant (1)2 |

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The Chairman drew members' attention to ECI(2004-05)5 which summarized the changes in directorate establishment approved since 2002. According to the Administration, the changes to the directorate establishment in relation to the four proposals to be considered at the current meeting would not result in any net increase in the permanent directorate establishment in the civil service. The additional supernumerary posts were time-limited and would lapse upon completion of the defined tasks.

EC(2004-05)12 Proposed permanent redeployment of one permanent post of Chief Systems Manager (D1) from the Office of the Government Chief Information Officer to the Inland Revenue Department with effect from 1 April 2005 to strengthen the directorate input in information technology in the Inland Revenue Department

2. The Chairman informed members that the Panel on Financial Affairs (FA Panel) was consulted on the proposal at its meeting on 6 December 2004.

3. Mr Bernard CHAN, Chairman of FA Panel, said that the Panel generally supported the proposal which was cost-neutral and would not incur additional manpower resources.

4. Mr James TIEN said that Members of the Liberal Party (LP) supported the proposal as the proposed redeployment would not result in any changes in the directorate establishment.

5. While not objecting to the proposal, Dr KWOK Ka-ki asked if there were further plans to redeploy staff of the Office of the Government Chief Information Officer (OGCIO) to other government departments. In reply, the Chief Systems Manager (CSM), OGCIO confirmed that apart from the current proposal, there were no further plans of redeploying directorate staff under OGCIO to other government departments at the moment.

6. The item was voted on and endorsed.

EC(2004-05)13 Proposed creation of two permanent posts of one Administrative Officer Staff Grade B (D3) and one Principal Environmental Protection Officer (D1) and deletion of two permanent posts of Principal Environmental Protection Officer (D1) in the Environmental Protection Department with effect from 1 April 2005; deletion of the rank and permanent post of Director of Environmental Protection (D5) with effect from 31 July 2005; and deletion of one permanent post of Administrative Officer Staff Grade C (D2) in the Environment Branch of Environment, Transport and Works Bureau of Government Secretariat with effect from 1 April 2005, in order to have adequate staffing support at the directorate level in the Environmental Protection Department to deal with new and urgent cross-boundary environmental issues

7. The Chairman informed members that the Panel on Environmental Affairs was consulted on the proposal at its meeting on 21 December 2004. While

supporting the proposal in principle, Panel members had requested the Administration to -

- (a) report regularly to the Panel progress of the pollution control programmes in the Mainland and the outcome of co-operation programmes with the Mainland authorities;
- (b) facilitate the participation of local non-government organizations in the pollution control and monitoring programmes in the Mainland;
- (c) augment the presence of Hong Kong at international fora on environmental protection; and
- (d) work closely with the Mainland authorities to combat illegal trade on endangered species.

8. Mr James TIEN said that LP Members supported the proposal in view of the savings to be achieved. He however enquired about the efficacy of the Administrative Officer Staff Grade B (AOSGB) (D3) post in the liaison with the Mainland authorities in taking forward cross-boundary issues, in particular regional air pollution.

9. The Secretary for the Environment, Transport and Works (SETW) advised members that liaison with the Mainland authorities was not an easy task. As such, the availability of dedicated resources was essential to making the liaison work more effective. The proposed creation of an AOSGB (D3) post to head a dedicated cross-boundary team would be able to follow up more closely the implementation of the Pan-Pearl River Delta (PRD) Region Environmental Protection Cooperation Agreement as well as the PRD Regional Air Quality Management Plan. The ranking of the post was also considered appropriate so that the post-holder would be able to take up with the senior level of the Guangdong Provincial Government, where necessary, implementation issues and new measures and policies to improve regional air quality. The increased efforts should be able to accelerate the implementation schedule so that improvements to the air quality could be achieved sooner. By way of illustration, SETW said that much of the pollution in the Guangdong province came from the operation of small coal-fired power generation units which were expected to be closed down after the completion of the flue gas desulphurization systems in Shenzhen Xibu Power Plant (Units 5 and 6) and Dongguan Shajiao Power Plant A (Unit 5) by end-2004. However, due to the surge in demand for electricity, these power generation units were not closed down as planned. To this end, the Government of the Hong Kong Special Administrative Region (HKSARG) was exploring with the Guangdong authorities on measures to further reduce emissions, including an emissions trading pilot scheme covering power plants in Hong Kong and Guangdong.

10. In response to Mr James TIEN's further enquiry on whether the AOSGB (D3) post was required to investigate or conduct surveillance operations on the sources of pollution and report these to the Mainland authorities for necessary enforcement actions, SETW explained that the modus operandi of the existing liaison mechanism was based on cooperation of both sides rather than surveillance operations. A proper mechanism would have to be put in place to control polluting activities.

11. Mr WONG Yung-kan said that Members of the Democratic Alliance for Betterment of Hong Kong supported the proposal in principle. He also stressed that efforts should also be made to protect the water environment from pollution, in particular from trade effluent and reclamation works. He then enquired how the creation of the AOSGB (D3) post would enhance the control over water pollution. SETW reiterated that the creation of the AOSGB (D3) post would ensure the availability of dedicated resources to make the liaison work more effective. As regards protection of the water environment, SETW said that both sides had maintained close liaison to exchange information on implementation of major development and infrastructure projects that could have significant implications on the sustainability of the water environment. She also confirmed that HKSARG shared with the Mainland authorities knowledge on the use of latest environmentally friendly technologies in reclamation with a view to minimizing the impact on the water environment.

12. While agreeing to the need for a higher ranking officer to deal with cross-boundary issues, Dr KWOK Ka-ki enquired whether the ranking of the proposed AOSGB (D3) post was on a par with that of his Mainland counterpart. SETW replied that a direct comparison might not be meaningful given the different organizational structures between the two sides. The proposed ranking of the AOSGB (D3) post was considered appropriate having regard to the experience gained over the past two years.

13. The item was voted on and endorsed.

EC(2004-05)14 Proposed creation of one permanent post of Chief Engineer (D1) with effect from 12 March 2005; and retention of four supernumerary posts of one Chief Engineer (D1) for a period of 27 months up to 11 June 2007, one Government Engineer (D2) and two Chief Engineer (D1) for a period of 18 months up to 11 September 2006 in the Highways Department in order to provide continued staffing support for planning and implementing the new railway projects and managing major highway projects

14. The Chairman informed that the Panel on Transport (Transport Panel) was consulted on the proposal at its meeting on 17 December 2004. While not

objecting to the proposed retention of the four supernumerary directorate posts, Panel members had expressed reservation on the conversion of the supernumerary Chief Engineer/Technical Services (CE/TS) (D1) post in the Railway Development Office of Highways Department (HyD) to a permanent post as the ongoing and planned railway projects would be completed by stages in the foreseeable future. At the Panel's request, the Administration had provided and incorporated the supplementary information on the need to retain the four supernumerary directorate posts and to create one permanent CE/TS (D1) post in the current proposal. The Chairman also drew members' attention to a letter issued by the Legislative Council (LegCo) Secretariat seeking additional information on the proposed creation of the permanent CE/TS (D1) post. Both the letter and the Administration's response were tabled at the meeting.

(Post-meeting note: The letter and the Administration's response were circulated to members vide LC Paper No. ESC18/04-05 on 20 January 2005.)

15. Mr Howard YOUNG asked if the current proposal was related to the anticipated merger of the Mass Transit Railway Corporation Limited and the Kowloon-Canton Railway Corporation. SETW clarified that the proposal aimed to provide for the continued professional support to HyD for planning and implementing new railway projects and was not related to the merger of the two railway corporations.

16. As railways were environmentally friendly and efficient mass carriers, Ir Dr Raymond HO supported the proposal to provide the continued support for planning and implementing new railway projects. He also agreed to the need to retain adequate professional support for HyD to oversee the operation of the highly complicated Railway Transport Model (the RDS Model) and to vet consultants' proposals submitted by the two railway corporations to ensure that new railway projects would be implemented in the best interest of the community. He however enquired about the complexity of the new railway projects resulting in a need for more professional input at the directorate level.

17. The Director of Highways (DHy) explained that the Railway Development Strategy (RDS) 2000 published in May 2000 had reaffirmed the Government's policy to use railways as the backbone of Hong Kong's passenger transport. Following the expansion of the railway network in recent years, the number of stations had increased to over 100. To facilitate proper planning and implementation, it was imperative to update regularly the railway development plans. In this connection, HyD maintained a comprehensive database of transport statistics and collated key planning and land use information. The information provided essential input to the operation of the RDS Model that forecast rails patronage and revenue for different rail network configurations at different future years under different socio-economic assumptions. The RDS Model was a highly complicated one that required regular updating and recalibration to take account of changes in

planning and socio-economic parameters, including passengers' behaviour and route choices as well as the community's aspiration. Analysis and interpretation of model results together with the subsequent financial and economic evaluations on railway projects were a highly complex task that demanded professional input at the directorate level.

18. In response to Ir Dr Raymond HO's further question on whether the Administration would conduct a review of RDS, DHy advised that the first RDS was published in 1994 while the second RDS published in 2000 had mapped out railway expansion plan up to 2016. He assured members that the RDS Model would be regularly updated to provide essential information to enable the Administration to formulate rail expansion plans, and update RDS and, in a wider context, the transport policy.

19. While supporting the proposal in principle, Mr WONG Yung-kan expressed concern about the possible impact of the development of railway network on the operation of other means of public transport. By way of illustration, a number of bus routes had been cancelled after the commissioning of the Ma On Shan Rail. Further development of the railway network would inevitably affect the employment of bus or mini-bus drivers. He therefore agreed with Ir Dr Raymond HO that the Administration should review the overall strategy for railway development.

20. The Deputy Secretary for the Environment, Transport and Works (Transport) said that in planning for new railway projects, the Administration would take into consideration factors such as population and economic growth, town planning and development parameters, passengers' behaviours as well as impact on other public transport modes. SETW supplemented that in formulating the transport policy, the Environment, Transport and Works Bureau (ETWB) would endeavour to strike a balance among all modes of public transport taking into account the demand of passengers and the socio-economic development of the community as a whole. She assured members that the need for and benefits of each new railway project would be evaluated in detail before implementation.

21. Mr James TIEN noted with concern that the cost of the proposed creation of the permanent CE/TS (D1) post would be met by the savings arising from the merger of the Environment Branch of ETWB and the Environmental Protection Department (EPD). Such an arrangement was at variance with the agreement of the Seven Party Coalition that the creation of a directorate post should be offset by the deletion of an equivalent directorate post in the same proposal or within the same Bureau. Therefore, LP Members could not agree to the current proposal. Mr Howard YOUNG echoed that the current proposal should not set a precedent for future staffing proposals, even if this was subsequently approved by the Establishment Subcommittee (ESC).

22. In response to Mr James TIEN's enquiry on whether the Transport Panel had indicated support for the proposal, the Chairman noted that Panel members had expressed various views on the proposal and had requested the Administration to provide supplementary information to address their concerns and to review the need for the conversion of the CE/TS post to a permanent post. The Administration was also requested to revert the proposal to the Transport Panel, if necessary, for further consideration before the proposal was submitted to ESC.

23. SETW said that the Administration was committed to containing and reducing the size of the directorate establishment. Individual bureaux/departments had made conscious effort to identify the scope for streamlining their organizational structures with a view to achieving greater efficiency and enhancing effective implementation of policies and delivery of services to the public. Nevertheless, Directors of Bureaux (DoBs) and Heads of Department (HoDs) should be given flexibility in redeploying resources within the Government to meet the changing demands, in particular from new initiatives where additional resources might be required. This was in line with the fundamental principle of resource management and was conducive to improving efficiency and teamwork of the Government as a whole.

24. Mr Abraham SHEK agreed that the Administration should be given flexibility in redeploying resources, and that it would not be appropriate for the LegCo to intervene with resource management.

25. Mr CHEUNG Man-kwong said that while the Seven Party Coalition had reached a consensus that the creation of a directorate post should be offset by the deletion of an equivalent post, it had not specified details of the offsetting arrangement like whether the post to be created and deleted should come from the same bureau/department. On that basis, Members of the Democratic Party would support the current proposal. To prevent future disputes over the offsetting arrangement, Mr CHEUNG suggested that different political parties should meet again with a view to agreeing on the major principles for vetting staffing proposals. While supporting Mr CHEUNG's suggestion, Mr James TIEN said that LP Members would abstain from voting on this proposal.

26. The Deputy Secretary for Financial Services and the Treasury (Treasury) (DS(Tsy)) said that the Administration was committed to reducing public expenditure; given the budgetary constraints, therefore, DoBs and HoDs would only put forward proposals on creating posts after critical examination of the needs and manpower situation. She also assured members that the Treasury Branch of the Financial Services and the Treasury Bureau (FSTB) would monitor the submission of staffing proposals from DoBs and HoDs. Ultimately, all financial proposals would be subject to the approval by LegCo Members.

27. The item was voted on and endorsed.

EC(2004-05)15 Proposed creation of one permanent post of Deputy Principal Solicitor (DL2) with effect from 5 April 2005; and creation of four supernumerary posts of one Senior Principal Executive Officer (D2), one Assistant Principal Solicitor (DL1), one Principal Land Registration Officer (D1) and one Chief Systems Manager (D1) for a period of 30 months with effect from 5 April 2005 in the Land Registry to prepare for the implementation of the Land Titles Ordinance and the new Land Title Registration System in Hong Kong and to deal with all legal and legislative work arising from the implementation after commencement of the Ordinance

28. The Chairman informed members that the Panel on Planning, Lands and Works (PLW Panel) was consulted on the proposal at its meeting on 21 December 2004. While supporting the implementation of the new land title registration system (LTRS) under the Land Titles Ordinance (LTO), Panel members held the view that the proposed creation of the permanent Deputy Principal Solicitor (DPS) (DL2) post should be offset by a clearly identified directorate post. The Administration was requested to provide supplementary information addressing Panel members' concern when the proposal was submitted to ESC for consideration. The required information was set out in ECI(2004-05)5.

29. While agreeing that additional manpower resources would be required when the two land registration systems i.e. the existing Deeds Registration System (DRS) and the new LTRS would operate in parallel for 12 years after commencement of LTO, Mr Howard YOUNG enquired about the staffing arrangement after the expiry of the 12-year period. The Land Registrar advised that the current proposal aimed to provide dedicated support at directorate level to prepare for the implementation of LTO and the new LTRS in Hong Kong, and to deal with all legal and legislative work arising from the implementation after commencement of LRO. He agreed that staff engaged in the preparatory work for the conversion from DRS to LTRS would no longer be required after completion of the exercise. Changes in staffing requirements for the new LTRS would be kept under review having regard to the operational needs and possible advancement in technology as well as maintenance of the efficient operation of the new system.

30. In response to Mr James TIEN's enquiry, DS(Tsy) explained that while the proposed DPS post would be fully funded by the Land Registry Trading Fund which was an independent fund established by statute, any creation of directorate posts would still require the approval of the Finance Committee. The Deputy Secretary for Housing, Planning and Lands (Planning and Lands) supplemented that the creation of the permanent DPS post would be offset by one of the four surplus directorate posts resulting from the merger of the Environment Branch of ETWB with EPD with effect from 1 April 2005. She said that efforts had been made by the Housing, Planning and Lands Bureau in downsizing its directorate establishment where possible. These included the deletion of nine directorate posts as a result of

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the merging of the former Civil Engineering Department and Territory Development Department to form the new Civil Engineering and Development Department on 1 July 2004, and the anticipated deletion of 21 directorate posts between 2002 and 2007 as a result of the restructuring of the Housing Department. She stressed that the Administration was mindful of the need to contain and reduce the size of the directorate establishment. The changes to the directorate establishment in relation to the four discussion items on the agenda today would not result in any net increase in the permanent directorate establishment in the civil service.

31. Mr James TIEN held the view that members would have difficulty in monitoring changes in the directorate establishment if the creation of directorate posts was not offset by the deletion of equivalent posts within the same bureau/department. He enquired if similar proposals had been approved over the past two years. He also considered it inappropriate for the Administration to use posts which had been deleted in the past to offset the creation of new posts.

32. The Deputy Secretary for the Civil Service (DS(CS)) said that the Administration was mindful of members' concern about the need to contain and reduce the size of directorate establishment and had been actively seeking to reduce the permanent headcount where circumstances warranted. She reiterated that the four staffing proposals on the agenda today would not result in any net increase in the permanent directorate establishment. As regards precedent cases on offsetting of posts across bureaux/departments, DS(CS) made reference to EC(2004-05)6 where the creation of the permanent post of Assistant Director of Marine in the Marine Department was offset by the deletion of an equivalent post in the Hong Kong Economic and Trade Offices. DS(Tsy) added that EC(2004-05)12 endorsed earlier at the current meeting was another example where the creation of the permanent CSM post in the Inland Revenue Department was offset by the deletion of an equivalent post in OGCIO.

33. Mr James TIEN then enquired about the existing mechanism for coordinating the offsetting of posts across bureaux/departments. DS(CS) said that HoDs and DoBs were requested to submit their manpower plans and additional staffing requirements to the Civil Service Bureau (CSB) for information and comment. CSB would remind all HoDs and DoBs to explore the feasibility of meeting the manpower demand through internal redeployment, re-prioritizing of services or streamlining of procedures. DS(Tsy) supplemented that a mechanism existed for FSTB and CSB to coordinate staffing requests from bureaux and departments for submission to LegCo.

34. While acknowledging Mr James TIEN's concern about the offsetting arrangement, Mr Abraham SHEK said that he would support the proposal as the PLW Panel had indicated support for it. He however pointed out the need for further discussion among different political parties on the offsetting arrangement. His views were shared by Mr WONG Yung-kan who also supported the proposal in principle. Mr WONG added that the Administration should endeavour to provide

more information on the staffing proposals, particularly if these involved offsetting of posts in different bureaux/departments.

35. The item was voted on and endorsed.

Any other business

Rescheduling of meeting in February 2005

36. The Chairman informed members that the Administration had proposed to reschedule the ESC meeting on 2 February 2005 to Wednesday, 16 February 2005, from 8:30 am to 10:30 am in order to include a prospective proposal which had yet to be discussed by the Panel on Education at its meeting on 7 February 2005. The proposed rescheduling of meeting was made taking into account members' earlier decision that more than one discussion item should be included for discussion at a meeting as far as possible. To gauge members' view on the proposal, the LegCo Secretariat had issued a circular on 6 January 2005 and 11 members had indicated support to reschedule the meeting to 16 February 2005.

37. Mr James TIEN and Mr Howard YOUNG expressed concern that some members might not be able to return back to Hong Kong on 16 February 2005. Mr WONG Yung-kan also said that he would be out of town on 16 February 2005. After discussion, members agreed that the meeting on 2 February 2004 be rescheduled to Friday, 18 February 2005, at 8:30 am.

(Post-meeting note: The Administration subsequently advised that for the meeting on 18 February 2005, there would be only one proposal which was not time critical. With the concurrence of the Chairman, the meeting on 18 February 2005 was cancelled. Members were informed of the cancellation vide LC Paper No. ESC21/04-05 on 2 February 2005.)

Meetings in May 2005

38. The Chairman reminded members that with effect from 6 April 2005, all Council meetings would start at 11:00 am instead of 2:30 pm on Wednesdays. As the new arrangement would have bearings on the meetings of ESC which were usually held at 10:45 am on Wednesdays, rescheduling of ESC meetings was required to avoid clashing with the Council meetings. To minimize possible disruptions to the meeting schedule, arrangement had been made to advance ESC meetings from 10:45 am to 8:30 am as far as practicable. However, as some members had expressed reservation on the said arrangement, members' views were sought in this respect.

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39. Mr Howard YOUNG agreed to the advancement of ESC meetings from 10:45 am to 8:30 am on Wednesdays. Mr James TIEN however pointed out it would not be an effective use of time if there were only a few discussion items which would not need to take up the full two-hour slot. Bearing in mind that Council meetings on Wednesdays usually lasted till very late in the evening, consideration should be given to deferring the starting time to say 9:30 am. Mr WONG Yung-kan shared Mr TIEN's view.

40. The Chairman was concerned that there would be insufficient time for discussion if meetings were to start at 9:30 am. The Assistant Secretary General 1 advised that members might consider allowing flexibility to adjust the starting time of meetings having regard to the number and complexity of the discussion items on the agenda. Members subsequently agreed that meetings in May 2005 should be rescheduled to start at 9:30 am on Wednesdays, subject to adjustment where necessary.

41. The Subcommittee was adjourned at 12:00 noon.

Council Business Division 1
Legislative Council Secretariat
24 February 2005