

**For discussion
on 17 January 2007**

EC(2006-07)12

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

**HEAD 145 – GOVERNMENT SECRETARIAT :
ECONOMIC DEVELOPMENT AND LABOUR BUREAU
(ECONOMIC DEVELOPMENT BRANCH)**

Subhead 000 Operational expenses

Members are invited to recommend to Finance Committee the creation of the following supernumerary post in the Tourism Commission of the Economic Development and Labour Bureau (Economic Development Branch) for a period of two years starting from 1 April 2007 –

1 Administrative Officer Staff Grade C
(D2) (\$110,000 - \$116,800)

PROBLEM

We need dedicated directorate support to take forward the Government's plan of developing new cruise terminal facilities in Kai Tak and to ensure timely commissioning of the first berth in 2012.

PROPOSAL

2. The Secretary for Economic Development and Labour (SEDL) proposes to create one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) in the Tourism Commission (TC) for a period of two years starting from 1 April 2007 to lead a dedicated team set up in TC to take forward the cruise terminal project.

/JUSTIFICATION

JUSTIFICATION

3. The Government announced on 24 October 2006 its plan to develop new cruise terminal facilities on a site earmarked at the southern end of the former runway in Kai Tak through open land tender. As timely development of the new cruise terminal facilities will help establish Hong Kong as a cruise hub in Asia, we have set 2012 as the target commissioning date for the first berth of the new terminal. This is an extremely tight timetable given the complexity of the preparatory work and the scale of construction works involved.

Dedicated Team

4. In order to achieve the target of commissioning the first berth in 2012, we propose to set up a dedicated team in TC from April 2007 to implement and oversee the project. The team will play a key role in conducting the tender exercise and monitoring progress made in the construction of the new cruise terminal.

5. The team will provide support to an inter-departmental committee (involving some 20 bureaux and departments) and two working groups established thereunder to focus respectively on technical issues as well as tourism and other relevant policy issues. The inter-departmental committee will ensure that the project progresses as scheduled, and address all issues requiring inter-departmental co-operation. In the first year of its formation, one of the team's top priorities will be to ensure the timely preparation of the tender document, assessment of the bids received and award of the tender. To achieve this, it will have to co-ordinate the work of various bureaux and departments, with necessary expert advice from consultants, in addressing issues raised by stakeholders in the pre-tender consultation exercise scheduled for the first half of 2007. In the process, it will define clearly the technical and operational parameters of the new cruise terminal facilities to facilitate preparation of tender submissions by potential bidders and subsequent evaluation of bids received by the Government, with a view to expediting the tendering process. The team will also help secure necessary statutory approvals for early commencement of construction works.

6. After awarding the tender in the second quarter of 2008, the team's priority will be to co-ordinate, monitor and oversee the work of various parties inside and outside the Government (including liaison with the successful bidder) to ensure timely commissioning of the first berth. We anticipate that the monitoring and overseeing task is particularly important during the initial phase of construction.

7. Pending the commissioning of the first berth in 2012, the team will be responsible for liaising and working closely with the cruise industry and relevant parties in making alternative berthing arrangements for sizable cruise vessels visiting Hong Kong which cannot berth at the Ocean Terminal. In addition, it will liaise actively with the Hong Kong Tourism Board and the cruise industry in formulating marketing strategies to enhance the position of Hong Kong as a regional cruise hub and developing new itineraries for different market segments of cruise vessels visiting or homeporting in Hong Kong.

Need for an AOSGC Post

8. In view of the sensitivity, complexity and importance of the tasks referred to in paragraphs 4 to 7 above, as well as the tight timeframe of the cruise terminal project, we consider it necessary to have a directorate officer as the leader of the team to exercise leadership, provide policy steer and input, co-ordinate among relevant bureaux and departments, liaise with relevant outside agencies, and take proactive actions to facilitate early implementation of the project. The officer should be sufficiently senior with strong leadership and negotiation skills to co-ordinate among bureaux and departments, proven administrative experience to be aware of complications, and strategic planning capabilities to ensure timely completion of the project. To this end, we propose to create one supernumerary post of AOSGC, to be designated as Assistant Commissioner for Tourism (4) (AC(T)4), to head the team. The AC(T)4 will oversee all aspects of the team's work, provide strategic direction to team members as well as relevant bureaux and departments, and closely liaise with outside agencies and the successful bidder. As an officer with rich administrative experience and familiar with the government machinery, he/she will greatly facilitate the work of the team as well as that of the inter-departmental committee and its working groups. He/she will follow closely the development of the project and provide strategic analysis, identify potential issues and recommend practical solutions to the Commissioner for Tourism and other senior officials. He/she will also need to co-ordinate the efforts of the Hong Kong Tourism Board and the cruise industry effectively in developing strategies to enhance the position of Hong Kong as a regional cruise hub. The job description of the proposed AC(T)4 post is at Enclosure 1.

Encl. 1

Non-directorate Support

9. The AC(T)4 will be supported by a team of non-directorate staff comprising one Senior Administrative Officer, one Senior Engineer, one Senior Executive Officer (SEO) and two secretarial staff. An organisation chart of TC, incorporating the proposed AC(T)4 post and the supporting staff, is at Enclosure 2. These non-directorate posts will be internally redeployed from within TC except

Encl. 2

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for the SEO post which will be created with SEDL's envelope allocations. We anticipate that by early 2009 the successful bidder will have prepared the major building plans, obtained the Building Authority's approval of the plans, and received the written consent from relevant authorities to commence works. For prudent deployment of public resources, we are prepared to review the need for retaining the team at the end of the two-year period (i.e. March 2009). As and when the initial construction works progress smoothly, continuous monitoring of the remaining implementation programme beyond March 2009 could be absorbed by the existing resources of TC and relevant bureaux and departments. Implementation timeframe of the project is at Enclosure 3.

Encl. 3

Alternatives Considered

10. We have critically examined whether the existing directorate staff in TC would have any spare capacity to perform the duties of the proposed post. The Commissioner for Tourism is at present supported by one Administrative Officer Staff Grade B, two AOSGCs and one Senior Principal Executive Officer. The four officers are responsible for formulating tourism policies and strategies, implementing new tourism projects (e.g. the Ocean Park Redevelopment Plans, the Aberdeen Tourism Project, the Peak Improvement Scheme, the Stanley Waterfront Improvement Project, the Lei Yue Mun Waterfront Enhancement Project, etc.), monitoring existing tourism attractions (e.g. the Hong Kong Disneyland, Ngong Ping 360 and Hong Kong Wetland Park), housekeeping for the Hong Kong Tourism Board, Advisory Committee on Travel Agents and Travel Industry Compensation Fund Management Board, and overseeing the operation of the Travel Agents Registry. They also work closely with the tourism trade and the Mainland authorities on initiatives in tourism promotion and development (e.g. implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement, Individual Visit Scheme, Golden Week Crowd Management, etc.), as well as tackling problems relating to Mainland inbound tours (e.g. "Honest and Quality Tourism"). In addition, they need to liaise with other overseas tourism authorities including the United Nations World Tourism Organization to keep Hong Kong abreast of world trends in tourism and enhance Hong Kong's profile in the international arena. They are already at their full capacity and it is not possible for them to absorb the duties of the proposed supernumerary AOSGC post without compromising the performance of their existing duties. This is particularly so when the responsibilities and workload of the proposed post will be most intensive during the tendering and initial construction stages.

FINANCIAL IMPLICATIONS

11. The additional notional annual salary cost of the proposed AOSGC (D2) post at mid-point is \$1,360,800, and its full annual average staff cost,

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including salaries and staff on-cost, is \$2,018,000. Based on the proposed set-up of the dedicated team in paragraph 9, the notional annual salary cost of the non-directorate supporting staff at mid-point is \$2,987,460, and the full annual average staff cost, including salaries and staff on-cost, is \$4,604,000.

12. We will include the necessary provision in the 2007-08 draft Estimates to meet the cost of the proposal.

PUBLIC CONSULTATION

13. We consulted the Legislative Council Panel on Economic Services on 27 November 2006. Members in general supported the staffing proposal and asked the Government to explore means to expedite the development of new cruise terminal facilities, and to carefully review the workload of the team at the end of the proposed two-year period.

BACKGROUND

14. The Government announced on 24 October 2006 its plan to develop new cruise terminal facilities on a site earmarked at the southern end of the former runway in Kai Tak through open land tender. The Government is committed to developing new cruise terminal facilities in Hong Kong in order to capture the growth of the cruise industry in the Asia Pacific Region, and sustain its development as a regional cruise hub. The Government has been planning to develop new cruise terminal facilities at the former runway in Kai Tak, as it is the only site within the Victoria Harbour with the capability to provide two or more alongside berths without reclamation.

ESTABLISHMENT CHANGES

15. The establishment changes under Head 145 – Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) for the last two years are as follows –

Establishment (Note)	Number of Posts			
	Existing (As at 1 January 2007)	As at 1 April 2006	As at 1 April 2005	As at 1 April 2004
A	18#	18	18 + (1)	18 + (1)
B	35	35	33	34
C	78	78	78	81
Total	131	131	129 + (1)	133 + (1)

/Note

Note

A - ranks in the directorate pay scale or equivalent

B - non-directorate ranks the maximum pay point of which is above MPS point 33 or equivalent

C - non-directorate ranks the maximum pay point of which is at or below MPS point 33 or equivalent

() - number of supernumerary directorate posts

As at 1 January 2007, there was no unfilled directorate post in the Economic Development Branch.

CIVIL SERVICE BUREAU COMMENTS

16. The Civil Service Bureau supports the proposed creation of the supernumerary post to co-ordinate and monitor the development of new cruise terminal facilities. The grading and ranking of the proposed post is considered appropriate having regard to the level and scope of the responsibilities required.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

17. As the post is proposed on a supernumerary basis, its creation, if approved, will be reported to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedure.

Economic Development and Labour Bureau
January 2007

Job Description
Assistant Commissioner for Tourism (4)

Post title : Assistant Commissioner for Tourism (4)

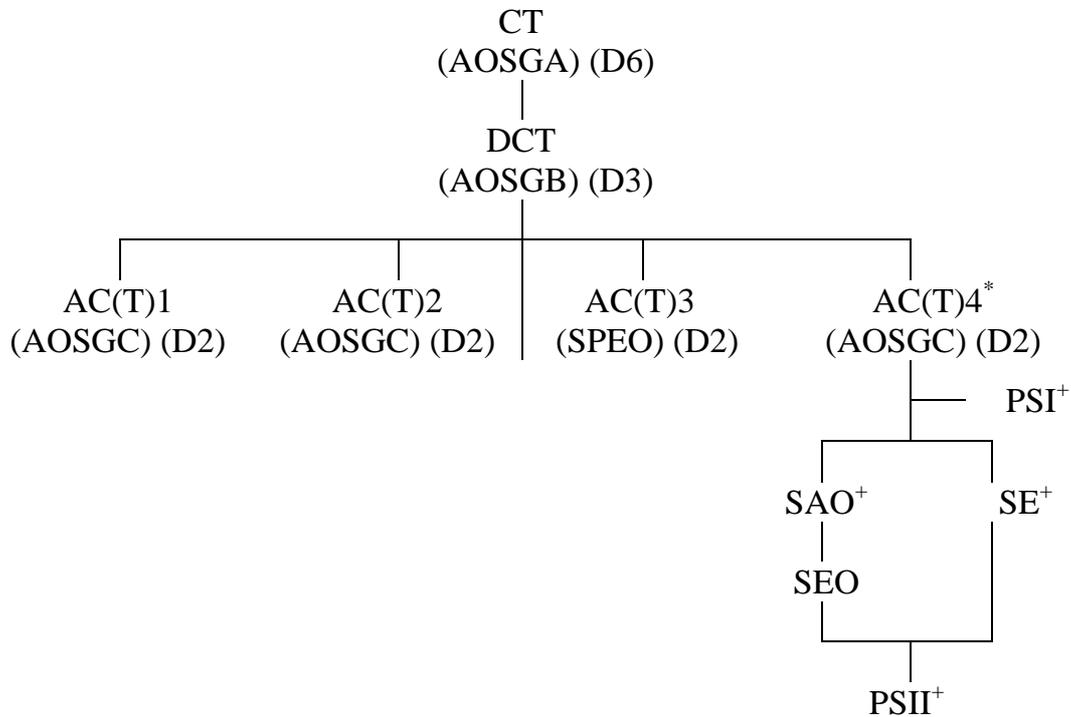
Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Deputy Commissioner for Tourism

Main Duties and Responsibilities –

1. To lead a designated team within the Tourism Commission of the Economic Development and Labour Bureau to oversee and co-ordinate the development of new cruise terminal facilities in Kai Tak through open land tender (the Project).
2. To support an inter-departmental committee and its two working groups for overseeing implementation of the Project.
3. To co-ordinate among and liaise with various bureaux and departments to ensure timely preparation of the tender document, assessment of the bids received and award of the tender of the Project.
4. To liaise with relevant bureaux and departments as well as the successful bidder to ensure compliance with all statutory requirements and procedures for commencement of works for the Project.
5. To liaise with relevant bureaux and departments as well as the successful bidder to monitor the implementation programme (during the early construction phase which involves critical milestones of the Project).
6. To work together with the Hong Kong Tourism Board and the cruise industry in developing strategies to enhance the position of Hong Kong as a regional cruise hub.
7. To facilitate the cruise industry in making alternative berthing arrangements as and when necessary before the commissioning of the first new berth.

Organisation Chart of Tourism Commission



Legend

CT	Commissioner for Tourism
DCT	Deputy Commissioner for Tourism
AC(T)	Assistant Commissioner for Tourism
AOSGA	Administrative Officer Staff Grade A
AOSGB	Administrative Officer Staff Grade B
AOSGC	Administrative Officer Staff Grade C
SPEO	Senior Principal Executive Officer
SAO	Senior Administrative Officer
SE	Senior Engineer
SEO	Senior Executive Officer
PSI	Personal Secretary I
PSII	Personal Secretary II

* Supernumerary post proposed to be created.

+ To be internally redeployed from within the Tourism Commission.

Implementation Timeframe of Cruise Terminal Project

	Task	Tentative Timing
1.	Conduct pre-tender consultation with the tourism industry and the cruise market	First half/2007
2.	Invite tender	Fourth quarter/2007
3.	Close tender upon completion of the necessary statutory procedures under relevant Ordinances	First quarter/2008
4.	Award tender	Second quarter/2008
5.	Obtain consent from relevant authorities to commence works	Early 2009
6.	Commission the first berth	2012
