

## **ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE**

### **HEAD 142 – GOVERNMENT SECRETARIAT : OFFICES OF THE CHIEF SECRETARY FOR ADMINISTRATION AND THE FINANCIAL SECRETARY**

#### **Subhead 000 Operational expenses**

Members are invited to recommend to the Finance Committee the retention of the following supernumerary post in the Secretariat to the Commission on Strategic Development within the Central Policy Unit for a period of two years, from 1 July 2007 to 30 June 2009 –

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

#### **PROBLEM**

The existing supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) in the Central Policy Unit (CPU) as Assistant Secretary to the Commission on Strategic Development (CSD) will lapse on 1 July 2007. The CPU needs to retain the post to provide adequate directorate support for the effective functioning of the CSD Secretariat.

#### **PROPOSAL**

2. Head, CPU proposes to retain one supernumerary AOSGC (D2) post in the CPU as Assistant Secretary to the CSD for a period of two years, from 1 July 2007 to 30 June 2009.

**/JUSTIFICATION .....**

## JUSTIFICATION

### **Increasing workload and complexity of work in the CSD Secretariat**

3. As the most important advisory body to the Chief Executive (CE), the CSD comprises a wide spectrum of community leaders and experts, including professionals, academics, businessmen, politicians, and prominent labour and media personalities. The four official members are the Chief Secretary for Administration (CS), the Financial Secretary (FS), Head, CPU and the Director of the Chief Executive's Office. The workload and the complexity of work in the CSD Secretariat have significantly increased since the restructuring of the CSD in end 2005. From 15 November 2005 to 30 April 2007, the CSD Secretariat organised 33 meetings, ten workshops, and one informal meeting; and issued 65 discussion papers inviting views from CSD members on a range of important issues. As at 30 April 2007, the CSD Secretariat processed a total of 194 written submissions from members of the four committees under CSD expressing their views on various strategic issues.

4. The number of committee meetings held, discussion papers issued and written submissions received from CSD members as at 30 April 2007 are summarised in the tables at Enclosure 1.

Encl. 1

5. The four committees of the CSD, with members drawn from a wide spectrum of the community, have been very effective in providing a platform for the Government to canvass community views on issues of strategic importance to the future development of Hong Kong, as well as to build up broad consensus on controversial and difficult issues. These issues include Hong Kong's international competitiveness; Hong Kong's positioning in international community and external affairs; possible models for selecting the CE and forming the Legislative Council (LegCo) by universal suffrage; further development of regional cooperation; population policy; income inequality and social mobility; creation of employment; support for the family; China's 11<sup>th</sup> Five-Year Plan; as well as maintaining a quality environment, etc. A full list of topics discussed at the four committee meetings is at Enclosure 2.

Encl. 2

6. Apart from the official members of the four committees, representatives of bureaux and departments also attend meetings of the committees and listen to the views and recommendations put forward by CSD members. To keep members of the public apprised of the deliberations of the CSD, all discussion papers of the CSD and summaries of views expressed at the committee meetings have been uploaded to the CSD website maintained by the CSD Secretariat. Copies of these papers and summaries of views are also issued to the LegCo for reference. The CSD Secretariat also arranges media briefings after each committee meeting to inform the public of the gist of the meetings. These arrangements help promote the community's awareness and discussions on various strategic issues.

### **Economic Summit**

7. In addition to servicing the CSD, the CSD Secretariat organised the Economic Summit on "China's 11<sup>th</sup> Five-Year Plan and the Development of Hong Kong" which was held in September 2006. The Economic Summit resulted in the publication of the Action Agenda in January 2007, which sets out specific recommendations aimed to enhance Hong Kong's international competitiveness and to promote sustainable economic development of both Hong Kong and the Mainland. While the Secretary to the CSD was the overall coordinator within the CPU for the organisation of the Economic Summit, the Assistant Secretary to the CSD was responsible for overseeing the planning and preparatory work, liaising with the offices of senior government officials and Mainland officials, supporting renowned panelists, handling publicity arrangements, as well as assisting in the preparation of the Summit Report and Action Agenda.

### **Future tasks of the CSD**

8. The term of the incumbent CSD members will end on 30 June 2007. The Government will announce the new appointment of members to the CSD for the next term nearer the time. We have recently reviewed the operation of the CSD. During the past 18 months, the CSD has indeed offered insightful views and expert advice on a wide range of political, economic and social issues of strategic importance to the long-term development of Hong Kong. It has also been instrumental and effective in taking forward community discussion on certain highly controversial issues such as Hong Kong's future constitutional development. We are therefore of the view that during the third term Government, the CSD should continue to operate and serve as the most important advisory body to the CE and the platform for the Government and various sectors of the community to explore and interact with each other on major strategic issues pertaining to our long-term development. The CSD will discuss a wide range of economic, social and political issues including those issues as outlined under the main themes set out in the CE's Election Platform Policy Blueprint. The CSD Secretariat will need to provide effective support to the on-going work of the CSD.

9. Moreover, in the coming few years, the CSD Secretariat will continue to coordinate and work closely with the relevant bureaux and departments to ensure the timely and effective implementation of some 200 specific measures as contained in the Action Agenda of the Economic Summit on "China's 11<sup>th</sup> Five-Year Plan and the Development of Hong Kong", and submit regular progress reports to the CE and the FS.

10. As the future workload of the CSD will remain heavy in the coming few years, the Administration considers that extension of the supernumerary AOSGC (D2) post as the Assistant Secretary to the CSD is necessary and crucial to provide adequate support at the directorate level in the CSD Secretariat for sustaining its efficient and effective operation. As deputy to the Secretary to CSD, the Assistant Secretary to the CSD is responsible for overseeing the planning and preparation of the meetings of the CSD. He/she is also responsible for undertaking complex policy researches and analyses as well as preparing, in conjunction with relevant bureaux where appropriate, discussion papers on a wide range of strategic issues for consideration by the CSD. In addition, he/she is also responsible for overseeing the administration of the CSD Secretariat. We will critically review the continued need or otherwise for this post before expiry of this proposed two-year extension in light of the prevailing workload and operational requirements of the CSD at that time.

Encl. 3 11. The job description of the Assistant Secretary to the CSD is at Enclosure 3.

#### **Alternatives considered**

Encl. 4 12. The CSD is currently served by a dedicated team led by the Secretary to the CSD at the rank of Administrative Officer Staff Grade B (AOSGB) (D3) with support at the directorate level by the Assistant Secretary to the CSD (supernumerary AOSGC (D2)) and a Government Town Planner (GTP (D2)). The GTP provides the Secretary to the CSD as well as Head, CPU with professional and technical support in studying the global, regional and Mainland development trends which have significant impact on Hong Kong, and to undertake complex policy researches and analyses in this respect. The job description of the GTP is at Enclosure 4.

13. We have critically considered whether the other two directorate staff within the CSD Secretariat, i.e. the Secretary to the CSD (AOSGB (D3)) and the GTP (D2), can absorb the duties of the Assistant Secretary to the CSD at the rank of AOSGC (D2). We have concluded that this is operationally not possible without adversely affecting the effective discharge of their own duties. As the work of the CSD Secretariat will remain very complex and heavy, we need to retain the supernumerary post of Assistant Secretary to the CSD at the rank of AOSGC (D2). If this supernumerary post could not be retained, the support and service to the CSD and its committees at the directorate level would be substantially weakened, to the detriment of the efficient and effective operation of the CSD.

/14. ....

14. In addition to the above three directorate officers, the CSD Secretariat is staffed by 11 non-directorate supporting staff, namely two Senior Administrative Officers, two Executive Officers I, three Personal Secretaries I, one Personal Secretary II, one Clerical Officer and two Assistant Clerical Officers. They provide general support to the CSD Secretariat, including logistical arrangements for meetings, general research work, administrative support, and handling general enquiries. The organisation chart of the CSD Secretariat is at Enclosure 5.

Encl. 5

## FINANCIAL IMPLICATIONS

15. The additional notional annual salary cost of the proposed supernumerary AOSGC (D2) post at mid-point is \$1,360,800; and its full annual average staff cost, including salaries and staff on-cost, is \$2,018,000.

16. The total notional annual salary cost of all the 14 directorate and non-directorate staff in the CSD Secretariat at mid-point is \$8,722,320 and the full annual average staff cost, including salaries and staff on-cost, is \$13,022,000. The general expenses of the CSD Secretariat are subsumed in the total operational expenses of the CPU.

## ESTABLISHMENT CHANGES

17. The establishment changes under Head 142 – Government Secretariat: Offices of the CS and the FS in the past two years are as follows –

Establishment (Note)	Number of Posts		
	Existing (as at 1 April 2007)	As at 1 April 2006	As at 1 April 2005
A	32 + (4) @	32 + (2)	32 + (1)
B	100	96	93
C	369	366	360
<b>Total</b>	<b>501 + (4) *</b>	<b>494 + (2) #</b>	<b>485 + (1)</b>

/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 April 2007, there was no unfilled directorate post.
- \* - The increase over 1 April 2006 is mainly due to the creation of posts to provide support for the Tamar development project.
- # - The increase over 1 April 2005 is mainly due to the creation of posts for the Secretariat to the Commission on Poverty and the CSD Secretariat, partly offset by deletion of posts for Hong Kong Guangdong Cooperation Coordination Unit.

## **CONSULTATION WITH LEGISLATIVE COUNCIL PANEL**

18. We consulted the LegCo Panel on Public Service on this proposal on 16 April 2007. A number of Members expressed support for the proposal. They shared the view of the Administration that the CSD, with its members drawn from different sectors of the community, had served as a useful channel for the CE to collect views and advice from the community on long-term development issues. They considered that the proposed two-year extension of the supernumerary AOSGC (D2) post was necessary to provide adequate support for the CSD to carry out its intended functions.

19. On the other hand, some Members had reservation on the proposal. They questioned the need for the continued existence and the representativeness of the CSD. They were particularly concerned about the on-going discussion on constitutional development in the CSD and considered that the role of the LegCo had been undermined as a result.

20. We explained to Members at the meeting that the CSD was an advisory body with no statutory or executive powers. It provided a forum for the Administration to gauge community views on a wide range of long-term development issues including economic and social issues, and the constitutional role of the LegCo as prescribed under the Basic Law would not be replaced by the CSD.

## **BACKGROUND**

### **Role and structure of the CSD**

21. In his Policy Address on 12 October 2005, the CE announced that he looked upon the CSD as the most important advisory body, and would substantially

/expand .....

expand its membership by recruiting talents from different fields. The expanded CSD would provide a platform for all sectors of the community to explore with the Government major issues pertaining to our long-term development. It would be able to gauge a wide range of community views, thereby laying the foundation for formulating specific policies, and making the process more scientific and transparent, backed up by enhanced public participation and acceptance.

22. As at 30 April 2007, 155 non-official and four official members have been appointed by the CE to serve on the four committees of the CSD, viz. Executive Committee, Committee on Governance and Political Development, Committee on Social Development and Quality of Life, and Committee on Economic Development and Economic Cooperation with the Mainland. The first two committees are chaired personally by the CE and the other two by the CS and the FS respectively. The terms of reference of the four committees are at Enclosure 6.

Encl. 6

23. The importance attached to the work of the CSD, the surge in membership from no more than 13 to over 150 non-official members and the setting up of four committees with specific terms of reference have significantly increased the complexity and work of the CSD Secretariat. In order to provide the CSD with effective and efficient support, the CSD Secretariat has been strengthened at the directorate level with the creation of one supernumerary post of AOSGC (D2) as Assistant Secretary to the CSD since May 2006 (vide EC(2006-07)2).

24. The supernumerary post will lapse on 1 July 2007, mainly to tie in with the expiry date of the current term of CSD members. We have reviewed the work of the Assistant Secretary to the CSD in the light of actual operational experience, and consider its continued provision essential to maintaining a high quality service to the CSD.

#### **CIVIL SERVICE BUREAU COMMENTS**

25. The Civil Service Bureau supports the proposal which is necessary to provide continued directorate support for the CSD Secretariat. The grading and ranking of the post are considered appropriate having regard to the level and scope of responsibilities in question.

**/ADVICE .....**

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

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

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Central Policy Unit  
May 2007



**Statistics on the Number of Meetings Held,  
Discussion Papers Issued and Submissions Received**

Table 1 Statistics on Meetings Held  
(from 15 November 2005 to 30 April 2007)

<b>CSD Committee</b>	<b>Number of Meetings</b>	<b>Number of Workshops</b>	<b>Number of Informal Meetings</b>
Executive Committee	9	1	--
Committee on Governance and Political Development	9	6	--
Committee on Social Development and Quality of Life	7	3	1
Committee on Economic Development and Economic Cooperation with the Mainland	8	--	--
<b>Total</b>	<b>33</b>	<b>10</b>	<b>1</b>

Table 2 Statistics on Discussion Papers and Submissions  
(from 15 November 2005 to 30 April 2007)

<b>CSD Committee</b>	<b>Number of Discussion Papers Issued</b>	<b>Number of Written Submissions Received from CSD Members</b>
Executive Committee	21	19
Committee on Governance and Political Development	18	101
Committee on Social Development and Quality of Life	12	43
Committee on Economic Development and Economic Cooperation with the Mainland	14	31
<b>Total</b>	<b>65</b>	<b>194</b>

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**List of Topics Discussed at the Commission on Strategic Development  
(up to 30 April 2007)**

**Executive Committee**

1. An overview of Hong Kong's development, opportunities and challenges, and positioning and vision
2. Hong Kong's positioning in our country's economic, social and political development
  - "The opportunities and challenges for Hong Kong arising from the Mainland's development during the 11<sup>th</sup> Five-Year's period"
  - "The role and responsibilities of Hong Kong in our country's economic, social and political development"
3. Hong Kong's positioning in international community and external affairs
4. Hong Kong's international competitiveness
5. Balanced and sustainable development on all fronts
6. Follow-up on the Economic Summit on "China's 11<sup>th</sup> Five-Year Plan and the Development of Hong Kong"
7. Further development of regional cooperation
8. Policies and schemes for attracting Mainland and overseas talents
9. Maintaining a quality environment for Hong Kong

**Committee on Governance and Political Development**

1. An overview of the political structure of the Hong Kong Special Administrative Region
2. A preliminary study on the models to be adopted for selecting the Chief Executive and for forming the Legislative Council when universal suffrage is attained

3. Principles and concepts of universal suffrage
  - “The constitutional basis of the Basic Law provisions regarding ‘universal suffrage’”
  - “General understanding on the concept of ‘universal suffrage’”
4. How to ensure the Basic Law principle of facilitating the development of the capitalist economy would be realised in the process of attaining universal suffrage and in designing the model for universal suffrage
  - “Provisions in the Basic Law concerning the capitalist economy”
  - “Public finance policy and financial position of the SAR”
5. Conclusions on discussions on the concepts and principles relating to universal suffrage
6. Possible models on selecting the Chief Executive and forming the Legislative Council by universal suffrage
7. Review on the role, functions and composition of District Councils
8. “Consultation Document on Further Development of the Political Appointment System”

### **Committee on Social Development and Quality of Life**

1. An overview of major social development trends in Hong Kong
2. Tripartite partnership
3. Population policy - Part I:
  - Promoting parenthood
  - Quality of population
4. Population policy - Part II:
  - Ageing
  - Eligibility and portability of public benefits

5. Council for Sustainable Development – “Public Engagement Process on Population Policy”
6. Support for the family
7. Income inequality and social mobility

**Committee on Economic Development and Economic Cooperation with the Mainland**

1. An overview of Hong Kong's economy - recent performance and near-term outlook
2. How to power ahead Hong Kong's economic cooperation with the Mainland on all fronts
3. Promoting the development of creative industries
4. Hong Kong as a hub for talent
5. High value-added logistics
6. “Report on the Review of Hong Kong's Competition Policy”
7. Consultation paper on “Broadening the Tax Base Ensuring our Future Prosperity – What's the Best Option for Hong Kong?”
8. Creation of employment
9. 2007-08 budget consultations
10. The Hong Kong economy: developments since 2003, and a critical review of the structural and cyclical issues impacting on the economy and the labour market

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**Job Description**  
**Assistant Secretary to the Commission on Strategic Development**

- Post title** : Assistant Secretary to the Commission on Strategic Development
- Responsible to** : Secretary to the Commission on Strategic Development
- Rank** : Administrative Officer Staff Grade C (D2)

**Major duties and responsibilities**

The Assistant Secretary to the Commission on Strategic Development is the deputy to the Secretary to the Commission and is responsible for –

- (a) coordinating policy researches and analyses as directed by the CSD committees;
- (b) coordinating and preparing papers for the CSD committees, following up their advice and recommendations, and preparing reports on the work of the CSD committees;
- (c) providing secretariat and other support services to the CSD committees, including the logistics of meetings and record keeping, etc.;
- (d) liaising and coordinating with government bureaux and departments as well as other organisations on issues for discussion by the CSD committees and following up their advice and recommendations;
- (e) handling publicity arrangements for the CSD committees and enhancing transparency of the work of the CSD;
- (f) planning and organising major events and activities, and engaging the community on strategic issues;
- (g) monitoring the implementation of the 207 specific measures proposed at the Economic Summit on “China’s 11<sup>th</sup> Five-Year Plan and the Development of Hong Kong”; and
- (h) assisting the Secretary to the Commission in administering the Secretariat to the CSD.

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**Job Description**  
**Government Town Planner (Commission on Strategic Development)**

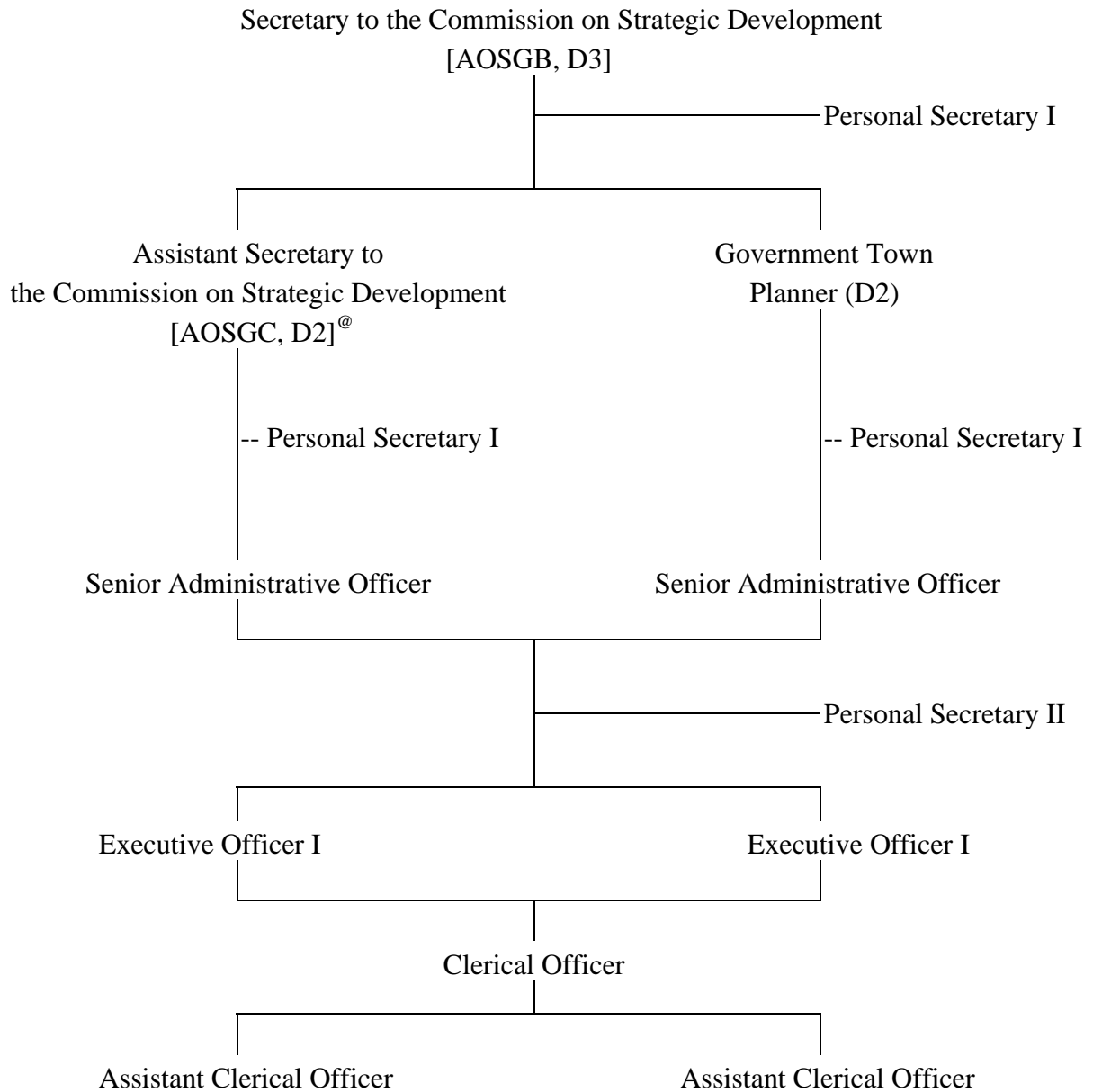
- Post title** : Government Town Planner (Commission on Strategic Development)
- Responsible to** : Secretary to the Commission on Strategic Development
- Rank** : Government Town Planner (D2)

**Major duties and responsibilities**

- (a) undertaking policy researches and analyses in relation to population policy, Mainland-related development, and other strategic development issues;
  - (b) providing expert and professional inputs in preparing discussion papers for the CSD committees, following up their advice and recommendations, and preparing reports;
  - (c) assisting the Secretary to the Commission in preparing study briefs and research papers on global, regional and Mainland development trends with significant impact on Hong Kong's development;
  - (d) assisting the Secretary to the Commission in liaising with government bureaux and departments, and other organisations in providing inputs regarding strategic development issues;
  - (e) assisting in liaising with interested parties outside the Government, in respect of the studies initiated by the CSD committees;
  - (f) assisting the Secretary to the Commission in preparing consultancy briefs and papers to facilitate the commissioning of consultancy projects initiated by the CSD committees;
  - (g) assisting the Secretary to the Commission in monitoring the progress of consultancy projects and providing steer to consultants; and
  - (h) undertaking any specific tasks as directed by the Secretary to the Commission.
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**Organisation Chart of the  
Secretariat to the Commission on Strategic Development**

(as at 30 April 2007)



(A total of 14 officers)

**Legend**

AOSGB Administrative Officer Staff Grade B

AOSGC Administrative Officer Staff Grade C

@ Existing supernumerary post proposed for retention

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**Terms of Reference of the Four Committees under  
the Commission on Strategic Development**

*Executive Committee*

- to advise the CE on Hong Kong's long-term development needs and goals; and
- to conduct reviews and studies of Hong Kong's economy, human resources, education, housing, land supply, environmental protection and relations with the Mainland to ensure that Hong Kong's resources are well-used, and that Hong Kong keeps up with world trends in competitive terms, and to maintain the vitality of economic development.

*Committee on Governance and Political Development*

- to advise the CE on the direction and strategy of political development and enhancing the quality of governance; and
- to conduct studies on political development and governance issues of strategic importance.

*Committee on Social Development and Quality of Life*

- to advise the CE on the direction and strategy of social development to enhance the quality of life in Hong Kong, including social harmony, environment and health, education and public welfare, transport, arts and culture, population, etc.; and
- to conduct studies on major social development issues of strategic importance.

*Committee on Economic Development and Economic Cooperation with the Mainland*

- to advise the CE on the direction and strategy to enhance the economic development and competitiveness of Hong Kong, to explore the commercialisation of creative ideas and opportunities for exchanges among creative talent, and to foster closer regional cooperation between Hong Kong and the Mainland with particular reference to the Pearl River Delta (PRD) and the Pan-PRD; and
- to conduct studies on economic development issues of strategic importance.

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