

NOTE FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

Forecast of Proposed Creation/Deletion of Directorate Posts in the 2008-09 Legislative Session

This note provides supplementary information on the directorate staffing proposals to be submitted to the Establishment Subcommittee (ESC)/ Finance Committee (FC) in the 2008-09 legislative session as forecast in ECI(2008-09)7.

2. In ECI(2008-09)7, we forecast that in the 2008-09 legislative session, the Administration will put forward proposals to create eight permanent directorate posts and delete two permanent directorate posts, and to create 16 supernumerary directorate posts and extend two supernumerary directorate posts. We also forecast that there will be two proposals involving re-grading/re-ranking of permanent directorate posts. Supplementary information on each of these proposals is provided at Enclosures 1 and 2 following the same order as presented in ECI(2008-09)7.

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3. The forecast in ECI(2008-09)7 represents the Administration's current assessment only. Bureaux/departments may need to adjust their current assessments on staffing requirements in the course of the 2008-09 legislative session as proposals are refined or as unforeseeable circumstances arise. The directorate staffing proposals that will eventually be submitted to ESC/FC in the 2008-09 legislative session may be different from what is set out in the current forecast.

**Forecast of Proposed Creation/Deletion of Permanent Directorate Posts
in the 2008-09 Legislative Session**

Bureau/Department/Office

Development Bureau

Post(s) proposed to be created/deleted

Creation of one permanent post of Government Town Planner (GTP) (D2)

Purpose and justification

In the 2007-08 and 2008-09 Policy Addresses, the Chief Executive (CE) has stressed the importance of accelerating infrastructural development and strengthening cross-boundary infrastructure co-operation as a means to sustain Hong Kong's economic growth. The accelerating pace of economic integration between Hong Kong and the Mainland, particularly the Guangdong Province has been manifested, through enhanced co-operation through the Guangdong/Hong Kong Co-operation Joint Conference and Pan Pearl River Delta (PRD) Forum, and has given rise to the demand for a more coordinated and integrated forward planning for the future development of Hong Kong, the Hong Kong-Shenzhen metropolis and the Greater PRD Region. Also in the 2007-08 Policy Address, the CE pledged to revive the planning and engineering studies on the New Development Areas (NDAs) at Kwu Tung North, Fanling North, Ping Che/Ta Kwu Ling and Hung Shui Kiu. These NDAs will be required to ease pressure on developed areas and provide land for various uses such as housing, employment, high-value added and non-polluting industries. The planning and development of these NDAs would need to take into account their physical proximity to the boundary district and thus the strategic role they may perform in the overall development of Hong Kong. We need dedicated support to provide policy steer on cross-boundary related planning issues and the development of NDAs.

The team led by the proposed GTP will assist in formulating strategies and policies in facilitating cross-boundary planning and infrastructure developments. It will also handle issues arising from co-operation between Hong Kong, Shenzhen, Guangdong and the Greater PRD Region and planning policy issues of major cross-boundary infrastructural projects, NDAs, and the planning study on land to be released from the Frontier Closed Area.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Development on 8 December 2008.

Bureau/Department/Office

Development Bureau

Post(s) proposed to be created/deleted

Creation of one permanent post of Administrative Officer Staff Grade C (AOSGC) (D2)

Purpose and justification

Victoria Harbour is an important natural asset shared by all the people of Hong Kong. As pledged by the Chief Executive in the 2008-09 Policy Address, the Development Bureau will step up coordination of different government departments to ensure the effective implementation of projects to beautify and revitalise the harbourfront area. We need dedicated support at directorate level to strengthen the policies on harbourfront enhancement, to devise and coordinate the implementation of harbourfront enhancement initiatives as well as to engage the Harbour-front Enhancement Committee (HEC) and its subsidiary bodies.

There are existing restrictions in the planning and use of waterfront sites. The team led by the proposed AOSGC will coordinate inter-departmental efforts on harbourfront planning and will identify quick-win projects for public enjoyment of the harbourfront as early as possible. We aim to open up as much unoccupied government land as possible (including, where appropriate, sites now under short term tenancies) for the development of continuous promenades along the harbourfront and strengthen engagement of District Councils, HEC, harbour preservation groups and the public in identifying and implementing both long-term as well as short-term harbourfront enhancement projects where appropriate.

The proposed post will also take on responsibility for the Town Planning Appeal Board after rationalisation of the duties of the principal assistant secretaries of the Bureau.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Development on 8 December 2008.

Bureau/Department/Office

Food and Health Bureau

Post(s) proposed to be created/deleted

Creation of –

- one supernumerary post of Administrative Officer Staff Grade B (AOSGB) (D3) for four years;
- one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) for four years;
- one permanent post of Principal Executive Officer (PEO) (D1); and
- one permanent post of Chief Systems Manager (CSM) (D1).

Purpose and justification

As announced by the Chief Executive in his 2008-09 Policy Address, as part of the Healthcare Reform initiatives, the Administration would develop a territory-wide patient-oriented electronic health record (eHR) sharing system for sharing medical records of patients between both the public and private healthcare providers subject to the patients' consent. The eHR sharing system would provide an essential infrastructure to support the Healthcare Reform, by facilitating timely sharing of essential medical information of individual patients for better continuity and efficiency of care. The initiative has received broad support during the public consultation on healthcare reform from March to June 2008.

To take forward the initiative which is a long-term project involving enormous scale of infrastructure development and complex legal and privacy issues, we need to set up a dedicated government coordination office with support at the directorate level. The team will spearhead and sustain the development of eHR-sharing-capable systems in both the public and private sectors; develop and maintain eHR standards and promote adoption and compliance of such standards; develop and operate the information infrastructure; and oversee policy matters, privacy, security and legal issues concerning eHR.

The scale and complexity of the project require high level steer at the AOSGB level to be assisted by an AOSGC to lead the office in its various functions and tasks. The two posts are proposed to be created for four years initially and the Administration will review the continued need for the posts in due course having regard to the overall development of the system. The PEO is required to oversee the overall administration of the eHR office as well as the financing aspects of various development projects whereas the CSM is required to oversee the overall

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development plan of the eHR infrastructure, as well as the professional and technical IT aspects of the various development projects. These two posts are proposed to be created on a permanent basis in view of the long-term nature of the duties concerned.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Health Services in the first quarter of 2009 on the overall eHR development plan including the staffing proposals.

Bureau/Department/Office

Food and Environmental Hygiene Department

Post(s) proposed to be created/deleted

Creation of one permanent post of Assistant Director of Municipal Services (ADMS) (D2) offset by the deletion of one permanent post of Administrative Officer Staff Grade C (AOSGC) (D2)

Purpose and justification

When the Food and Environmental Hygiene Department was established in January 2000, one AOSGC and three ADMS posts (including one ADMS post approved on a supernumerary basis) were created under its Environmental Hygiene (EH) Branch. The three ADMSs were responsible for managing environmental hygiene services on a regional basis with a view to further streamlining and alignment in time. The AOSGC was responsible for policy input to related matters on a territory-wide basis. The supernumerary ADMS post lapsed in January 2002.

Review at the end of 2001 concluded that although the management systems between the urban areas and the New Territories had been successfully aligned, workload of the three ADMSs had increased over time. There was a need to retain three ADMSs operationally. A stop-gap arrangement was then put in place to reorganise the work of the four posts so that the AOSGC post was frozen while each of the three ADMSs shared one-third of the work of the AOSGC post on a grouped subject basis in addition to their existing schedule of duties. The above redeployment arrangement has proved successful after having been put on trial for several years. As we foresee that the workload and the level of responsibilities of the three ADMS posts will remain heavy in the future, we propose to rationalise the directorate structure of the EH Branch by creating a permanent ADMS post offset by the deletion of the AOSGC post.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Food Safety and Environmental Hygiene on 9 December 2008.

Bureau/Department/Office

Government Laboratory

Post(s) proposed to be created/deleted

Creation of one permanent post of Chief Chemist (CC) (D1)

Purpose and justification

To tie in with the Government's effort to enhance food safety, the Government Laboratory (GL) needs an additional CC to enhance its capability to respond to emergencies, support litigation, develop new test methods and provide advisory services.

The Analytical and Advisory Services Division of GL comprises the Food Safety and Quality Group (FSQ) and the Other Scientific Services (OSS) Group. The OSS Group is headed by a CC who provides professional steer and administration support to the Group. On the other hand, the seven operational teams of the FSQ Group, which provides services mainly to the Food and Environmental Hygiene Department on food safety matters, report directly to the Assistant Government Chemist (D2) without a Group Head at the CC level. The emergence of a number of food incidents over the past few years has led to a surge of new and urgent service demands for analytical and advisory services (e.g. developing methods and carrying out tests in response to recent incidents of contamination of milk products by melamine) that are substantial both in terms of diversity and technical complexity. The Food Safety Bill under development also requires intensive input from the GL. A CC as the Head of the FSQ Group is therefore required to provide the necessary leadership and professional input for the FSQ Group to cope with the quantity and complexity of food safety workload, including the implementation of the Food Safety Bill.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Food Safety and Environmental Hygiene in the first quarter of 2009.

Bureau/Department/Office

Official Receiver's Office

Post(s) proposed to be created/deleted

Creation of one permanent post of Chief Treasury Accountant (CTA) (D1) offset by the deletion of one permanent post of Assistant Director of Accounting Services (ADAS) (D2)

Purpose and justification

The proposed downgrading of the ADAS post to CTA level is to rationalise the directorate structure of the Financial Services Division (FSD) of the Official Receiver's Office (ORO) to reflect changes in responsibilities and workload.

Following the Asian Financial Crisis in the late 1990s, the ORO began to outsource the administration of insolvency cases to Private Insolvency Practitioners (PIPs) to cope with the increasing workload. As a result, the demand for accounting assistance and support in the direct administration of liquidation cases by the FSD had diminished considerably. Since 1999, three out of the four investigation teams formerly engaged in such work were deleted in phases, leaving only one team engaged in insolvency prosecution work. Instead of planning and monitoring the insolvency work directly performed by internal investigation teams, the head of the FSD had since been responsible for the planning, overseeing, and reviewing of tender exercises on outsourcing insolvency work, and monitoring the PIPs. To recognise such change in duties, a supernumerary CTA post was created in December 2004 under delegated authority to head the FSD, with the ADAS post left vacant and frozen on a trial basis. Given the outsourcing of the winding-up cases and the resultant change in the workload of the FSD, and in light of the actual operation in the past four years, it is concluded that the streamlined structure of the FSD has been functioning smoothly. It is therefore proposed to formally rationalise the organisation structure of the FSD by deleting the ADAS post and creating a permanent CTA post in the establishment of the ORO.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Financial Affairs on 5 January 2009.

Bureau/Department/Office

Planning Department

Post(s) proposed to be created/deleted

Deletion of two permanent posts of Chief Town Planner (D1)

Purpose and justification

As a result of streamlining and rationalisation of work, two permanent posts of Chief Town Planner (D1) in the Planning Department are no longer required and can be deleted. Arising from this, the duties and responsibilities of a number of directorate posts will be revised and redistributed.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Development in the second quarter of 2009.

Bureau/Department/Office

Security Bureau

Post(s) proposed to be created/deleted

Creation of one permanent post of Administrative Officer Staff Grade C (D2)

Purpose and justification

The purpose for the creation of the post is to provide dedicated support at the directorate level to the Commissioner for Narcotics (C for N) in formulating anti-drug policies and programmes and, in particular, implementing the comprehensive and long-term recommendations of the Task Force on Youth Drug Abuse (the Task Force) led by the Secretary for Justice.

The Narcotics Division (ND) plays a central, critical strategy-formulating and coordination role among bureaux, departments, non-government organisations and other stakeholders in the community in tackling the drug abuse problem. There is at present only one permanent directorate post, i.e. C for N herself responsible for the complex and broad anti-drug policy portfolio. The Task Force considered that combating youth drug abuse, or the drug problem in general, could not be a short-term or time-limited exercise. The drug problem is well recognised as a manifestation of more fundamental problems in society, and problems of employment and crime more generally. The long-term, comprehensive strategy recommended by the Task Force underlines the kind of sustained and escalated efforts needed to fight the war on drugs relentlessly and incessantly. The level of responsibility, experience and political awareness required by the resultant tasks exceeds the level normally expected of non-directorate officers. In view of the growing responsibilities of ND and the significant increase in workload, it is necessary to provide directorate support to C for N to ensure effective implementation and coordination of the strategy to combat drug abuse.

Previous or planned panel consultation

We consulted the Legislative Council Panel on Security on 2 December 2008.

Bureau/Department/Office

Transport Department

Post(s) proposed to be created/deleted

Creation of one permanent post of Principal Transport Officer (PTO) (D1)

Purpose and justification

The proposed PTO post will head the Ferry and Paratransit Division (FPD) of the Management and Paratransit Branch which is responsible for the planning, development, regulation, management and monitoring of paratransit services. FPD comprises three sections, namely, the Taxi Section, Ferry Section and Disabled Transport Section. In view of the increasingly difficult operating environment and more complexities in paratransit operation, FPD needs to take up a range of new tasks to ensure that the paratransit services will continue to operate at a reasonable level in terms of both service delivery and fare charges. These new tasks include providing support in policy reviews and more focused strategic planning of future services to meet changing demand and assessment on operating cost. At present, the Assistant Commissioner for Transport/Management and Paratransit is the only directorate officer directly managing all three teams and overseeing the vast number of paratransit services. He also heads the Management Services Division to oversee the management of transport infrastructures and facilities. An additional directorate officer with the expertise in the trade and experience in high-level deliberations is required to assist him in overseeing the expanded range of duties.

Previous or planned panel consultation

The proposal was discussed at the meeting of the Legislative Council (LegCo) Panel on Transport on 27 April 2007. While some Members opined that more needed to be done to achieve the objective of barrier-free transport which was one of the reasons for proposed creation of the post, most Members did not support the proposal. The Chairman indicated that if the Administration could undertake to effect the provision of concessionary fares for people with disabilities, Members might support the proposal.

The Labour and Welfare Bureau subsequently reviewed the policy on fare concession and decided to provide a monthly transport supplement of \$200 each for Comprehensive Social Security Assistance recipients aged between 12 and 64 with 100% disability and recipients of Disability Allowance to address the disabled groups' request for concessionary public transport fares. We now plan to consult the LegCo Panel on Transport again on 23 January 2009 on the proposed creation of the post.

Bureau/Department/Office

Transport Department

Post(s) proposed to be created/deleted

Creation of one permanent post of Principal Transport Officer (PTO) (D1)

Purpose and justification

In view of the increasing importance of railways on the public transport market, the increasing complexity of inter-modal coordination in the planning of new railway projects, and the enhanced regulatory regime after the merging of the Mass Transit Railway and Kowloon-Canton Railway systems, it is necessary to create a PTO post in the Railway Division of the Bus and Railway Branch of the Transport Department. The proposed post is essential for strengthening the existing establishment at the directorate level for enhancing both its planning function in connection with the large number of new railways which have to be completed within very tight timeframes and its monitoring of railway operations.

The PTO post is proposed to be created so that the incumbent will share the heavy duties of overseeing the whole process from the planning to the implementation of a number of new railway projects, namely the West Island Line, the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Shatin to Central Link, the Kwun Tong Line Extension and the South Island Line. These railway projects are important infrastructure projects mentioned in the 2007-08 Policy Address and they have received much support from the relevant district councils and the locals. One of the key issues raised in the public consultation on these projects so far is how to ensure the smooth operation of these railways and how public transport service can be well coordinated upon their commissioning.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Transport in March 2009.

**Forecast of Proposed Creation/Extension of Supernumerary Directorate Posts
in the 2008-09 Legislative Session**

Bureau/Department/Office

Civil Engineering and Development Department

Post(s) proposed to be created/extended

Creation of two supernumerary posts of Chief Engineer (CE) (D1) for five years

Purpose and justification

In the coming years, the Civil Engineering and Development Department (CEDD) will undertake a number of major infrastructure projects, including the Kai Tak Development (KTD) and the Liantang/Heung Yuen Wai Boundary Control Point (BCP). We need dedicated support at the directorate level to assume the overall administration, planning, design and construction supervision of these two projects to ensure their effective delivery, which will bring about both tangible and intangible benefits to Hong Kong at the macro and strategic levels.

The proposed CE posts will provide the necessary directorate steer to formulate the implementation framework and manage resources for the above projects which are to be implemented within a very tight timeframe. For KTD which is highly complex requiring efficient inter-bureaux and cross-departmental co-operation, the proposed CE is also required to maintain close liaison with a host of bureaux/departments to resolve complicated interface problems. For the BCP project, the proposed CE is also required to take a pivotal role in handling all public engagements with district councils, residents and the logistics industry; to complete appropriate designs for the BCP to meet the different operational requirements of the Hong Kong Special Administrative Region Government and the Mainland authorities through extensive liaison; and to collaborate with relevant bureaux/departments to ensure that the connecting road satisfies all statutory requirements and technical standards. In view of the time-limited nature of the projects, the two CE posts are proposed for creation for five years initially. We will review the continued need for the posts taking into account the project progress and the workload situation of the department in due course.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Development on 8 December 2008.

Bureau/Department/Office

Commerce and Economic Development Bureau (Tourism Commission)

Post(s) proposed to be created/extended

Extension of one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2)¹ for five years and nine months

Purpose and justification

The existing supernumerary AOSGC post created in the Tourism Commission to take forward the Government's plan of developing the new cruise terminal facilities in Kai Tak will lapse on 1 April 2009. There is a need to retain this post to oversee the implementation of the cruise terminal project as the Government has decided to finance the project and lease the facilities to a cruise terminal operator.

We need the supernumerary AOSGC to lead the existing dedicated team; coordinate and oversee the implementation of the project for timely commissioning of the first berth in 2013 and full commissioning of the cruise terminal building in 2014/15; lease the cruise terminal to an operator through a competitive tender in 2011; monitor the initial operation of the cruise terminal operator; and undertake necessary coordination, liaison and promotion work to develop Hong Kong into a regional cruise hub. The proposed duration of the post ties in with the scheduled completion of the major construction works for the cruise terminal facilities.

Previous or planned panel consultation

The Legislative Council Panel on Economic Development was consulted on 24 October 2008. Members in principle supported the staffing proposal.

¹ ESC endorsed the proposal for extension of the supernumerary AOSGC post at its meeting on 26 November 2008. The proposal will be subject to approval of the Finance Committee.

Bureau/Department/Office

Commerce and Economic Development Bureau (Tourism Commission)

Post(s) proposed to be created/extended

Creation of one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) for 18 months

Purpose and justification

An existing supernumerary AOSGC post was created under delegated authority in August 2008 in the Tourism Commission for six months to handle matters relating to the Hong Kong Disneyland (HKD) project, including to support the discussions between Government and The Walt Disney Company (TWDC) on an expansion plan for HKD and capital realignment of the joint-venture company. As we envisage that the intensive discussions will not be completed by February 2009 when the post is due to lapse, we need the approval of the Finance Committee to create the post so as to continue to support these discussions, and to coordinate the implementation of the agreed expansion plan and capital realignment package. The proposed duration of the post for 18 months represents our broad assessment of the time required to reach an agreement with TWDC and to coordinate initial implementation issues.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Economic Development on 16 December 2008.

Bureau/Department/Office

Constitutional and Mainland Affairs Bureau

Post(s) proposed to be created/extended

Creation of one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) for 22 months

Purpose and justification

Hong Kong will participate in the World Exposition 2010 Shanghai China (Shanghai Expo) which will be held from 1 May to 31 October 2010 in Shanghai. A total budget of \$346.4 million has been approved by the Finance Committee in mid-2008 for Hong Kong's participation in the Expo (\$145.4 million is capital works expenditure for the design and construction of Hong Kong Pavilion and \$201 million is non-recurrent expenditure for the Urban Best Practices Area Exhibition and related activities). Constitutional and Mainland Affairs Bureau is tasked to coordinate the above projects.

To take forward the planning and implementation work for Hong Kong's participation in Shanghai Expo, we need dedicated support at the directorate level to lead the Expo team and ensure the smooth delivery of the above undertakings. The Expo team will have to work closely with other bureaux/departments during the preparation stage as well as the 6-month Expo period. Apart from monitoring the progress and budget, the Expo team will have to liaise with the Expo Coordination Bureau in Shanghai on a regular basis to take forward the preparatory work. We therefore propose a supernumerary AOSGC post be created for 22 months up to January 2011 to oversee the preparation and implementation, as well as the wrapping up of Hong Kong's participation in the whole event.

Owing to the workload in relation to the Shanghai Expo we are now experiencing, we have created a supernumerary AOSGC post under delegated authority in November 2008 to tide over the period before creation of the proposed post.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Commerce and Industry in February 2009.

Bureau/Department/Office

Constitutional and Mainland Affairs Bureau

Post(s) proposed to be created/extended

Creation of one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) for three years

Purpose and justification

The Sichuan Wenchuan earthquake in May 2008 affected over 46.24 million victims with 125 000 km² being hard-hit areas. These stricken areas are in dire need of assistance. After communication with the Central Government and Sichuan Provincial Government, Hong Kong Special Administrative Region (HKSAR) Government has agreed to assist in the reconstruction of various facilities and infrastructures in the Sichuan earthquake stricken areas, such as schools, hospitals, rehabilitation centres for the disabled, roads and bridges, etc. In July 2008, the Finance Committee of the Legislative Council approved an injection of \$2 billion into the Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas. A Steering Committee, chaired by the Chief Secretary for Administration, and five Working Groups have been formed to ensure the effective coordination of HKSAR's reconstruction support work from different sources and deployment of resources matching the needs of the stricken areas.

The relief and reconstruction work in Sichuan is a mammoth and complicated task. It involves a wide spectrum of work including policy and secretarial support to the Steering Committee and other related meetings, regular liaison and interaction with a host of concerned governmental/non-governmental parties and the relevant Sichuan authorities, meticulous policy analysis, planning, coordination, execution, monitoring and reporting. There is a need to form a dedicated team, led by an AOSGC, to oversee and take forward the work involved. As it is expected that most reconstruction projects will be completed in about three years' time, it is proposed that the post be created for an initial period of three years, subject to review at a later stage.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Development in early 2009.

Bureau/Department/Office

Development Bureau

Post(s) proposed to be created/extended

Creation of three supernumerary posts for five years for each post as follows –
one Administrative Officer Staff Grade B (AOSGB) (D3);
one Administrative Officer Staff Grade C (D2)/Government Engineer (D2)
(AOSGC/GE); and
one Government Engineer (GE) (D2).

Purpose and justification

Infrastructural development has become a key strategy in Hong Kong's continued economic development. We will in the coming years take forward a large number of various types of infrastructure projects. We need dedicated support at the directorate level to enhance Works Branch (WB)'s capability to resolve cross-bureau and cross-departmental issues relating to public infrastructure projects, to conduct high level public engagement and to address strategic issues which might impede progress in the delivery of these projects.

To cope with the above challenges, a new division, to be headed by an AOSGB underpinned by an AOSGC/GE and a GE with supporting staff to be internally redeployed, will be formed under the WB of the Development Bureau to steer, oversee and monitor the implementation of the infrastructure projects. It is proposed that the new posts be created for a period of five years. We will review the continued need for the posts taking into account the progress of the infrastructure/development projects and the workload of WB towards the end of the five-year period.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Development on 20 January 2009.

Bureau/Department/Office

The Financial Services and the Treasury Bureau (Financial Services Branch)

Post(s) proposed to be created/extended

Creation of one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) for two years

Purpose and justification

The Chief Executive has highlighted in his 2008-09 Policy Address the need for improving our systems to combat money laundering and terrorist financing. Pursuant to the Mutual Evaluation conducted by the Financial Action Task Force on Money Laundering (FATF), the Administration will undertake a comprehensive review of the current legal and regulatory regime in Hong Kong and introduce specific measures enhancing the capability to effectively prevent, detect, investigate, enforce and prosecute money laundering and terrorist financing activities. The initial phase of the review will focus on the anti-money laundering and counter financing of terrorism (AML/CFT) regulatory regime for financial services sectors. Legislative work will be undertaken to implement measures to improve the regime.

Enhancing the preventive measures in financial institutions has become an essential component of an effective AML/CFT regime. To ensure that AML/CFT measures to be implemented work in tandem with the policies to promote Hong Kong as an international financial centre, the Central Coordinating Committee on Anti-Money Laundering and Counter Financing of Terrorism (CCC) decided that the Financial Services Branch (FSB) should take over from the Security Bureau the overall coordinating role for AML/CFT policies within the Administration. We need dedicated support at the directorate level to lead a policy team to assume the new task on the overall coordination of AML/CFT policies and take forward the legislative exercise.²

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² Before October 2008, the Narcotics Division (ND) of the Security Bureau (SB) was in charge of the overall coordination for AML/CFT policies within the Administration, as an ancillary to its anti-drug efforts. In a normal year, this took up about 20% of the Commissioner for Narcotics' resources, and she was supported by non-directorate staff of the ND. The year 2007-08 saw an upsurge in workload brought about by the Financial Action Task Force on Money Laundering's conducting of a mutual evaluation on Hong Kong. To deal with the sudden surge of workload, a supernumerary AOSGC post was created for six months from November 2007. With the setting up of the Central Coordinating Committee on Anti-Money Laundering and Counter Financing of Terrorism chaired by the Financial Secretary, another supernumerary AOSGC post was created for four months from May 2008 to provide support for the Committee and to formulate a priority strategy and work plan.

The new team will be responsible for drawing up legislative proposals on enhancement of the AML/CFT regime in Hong Kong, coordinating inputs and providing policy support to Hong Kong's contributions to the formulation of the AML/CFT policies and standards at the international level; coordinating with the concerned bureaux, departments and regulatory authorities in conducting AML/CFT threat assessments on different business sectors; and serving as the secretariat of the CCC. We aim to complete the legislative exercise substantially by around June 2010 so that progress made could be reported to the FATF in our first progress report. Upon enactment of the legislation, FSB will oversee the initial implementation of the enhanced regulatory framework, including setting up the regulatory regime for remittance agents and money changers, and coordinating the modifications to the regulatory guidance concerning the new statutory requirements for customer due diligence and record keeping for financial institutions. FSB will also be responsible for compiling the first progress report to FATF, which calls for considerable coordination across government bureaux, departments and financial regulators. In view of the range and complexity and sensitivity of the duties involved as well as the need for accomplishing the tasks within a tight timeframe, there is a need for a full-time dedicated AOSGC post to oversee the AML/CFT portfolio in the next two years. We propose that a supernumerary AOSGC post be created in FSB for a period of 24 months.

It is our plan to have the enhanced regulatory regime ready for operation by January 2011. With the implementation of the enhanced regime, we expect that the volume of AML/CFT duties will be reverted to a normal level and that the remaining workload would be absorbed by FSB through internal redeployment.

Previous or planned panel consultation

The Legislative Council Panel on Financial Affairs was consulted on 21 November 2008 on the staffing proposal. At that meeting, some Members asked whether the proposed duties and workload justified the creation of a new directorate post for 24 months and whether the proposed duties could be absorbed by other existing directorate staff in FSB instead. The Chairman asked the Administration to consider Members' views/suggestions before submitting the proposal to the Establishment Subcommittee of the Finance Committee on 17 December 2008.

Bureau/Department/Office

Food and Health Bureau

Post(s) proposed to be created/extended

Creation of one supernumerary post of Administrative Officer Staff Grade B (AOSGB) (D3) for four years

Purpose and justification

At present, the Deputy Secretary (Food) (DS(F)) (AOSGB1) (D4) is the only Deputy Secretary (DS) in the Food Branch of the Food and Health Bureau (FHB). DS(F) oversees policy matters relating to food safety, food supply, surveillance and prevention of zoonotic diseases (e.g. Avian Influenza), the establishment of the central poultry slaughtering centre (including the enabling legislation and the seeking of Finance Committee funds), sustainable fisheries, animal welfare and management, review of public market policy and hawker licensing, as well as policy issues on public health, environmental hygiene and agriculture. In addition, DS(F) has to handle a number of pressing and complex legislation in parallel, including the introduction of the Food Safety Bill, taking forward various regulations governing food standards which would complement the Food Safety Bill, and which formed part of FHB's commitment in the Policy Agenda. It is beyond the capacity of one DS to handle such a large policy portfolio.

It is proposed that an additional DS post be created in the Food Branch to oversee the legislative work of the Food Safety Bill and a number of related regulations. The drafting of the Food Safety Bill and these regulations involves complex issues and the interests of many stakeholders. It also necessitates close liaison with overseas and Mainland food authorities and is therefore required to be handled at a sufficiently senior level. In addition, the proposed DS would oversee the follow up work on the Public Health and Municipal Services (Amendment) Bill concerning the expanded power of the Director of Food and Environmental Hygiene to deal with food incidents (currently being scrutinised by the Legislative Council (LegCo)), and formulating publicity and implementation plans to prepare for the smooth commencement of the nutrition labeling law.

After the completion of our review exercise of the various food standards through legislation, the types of tests, the complexity of the tests and the number of tests to be conducted by our Government Laboratory and the private

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laboratories would increase significantly in the coming years. The DS post would oversee a review on the work of the Government Laboratory with a view to improving its services, consider scope for outsourcing and cultivating the capability of private laboratories to tie in with the enactment of the various new legislation.

We expect the above duties would take four years to complete. Therefore, our proposal is to create the supernumerary DS post for four years.

Previous or planned panel consultation

We plan to consult the LegCo Panel on Food Safety and Environmental Hygiene in the first quarter of 2009.

Bureau/Department/Office

Highways Department

Post(s) proposed to be created/extended

Creation of one supernumerary post of Chief Engineer (CE) (D1) for seven years

Purpose and justification

The Shatin to Central Link (SCL) project is featured as one of the ten major infrastructure projects in the Chief Executive's 2007-08 Policy Address and is targeted to commence construction by 2010. Owing to the urgency, scale and complexity of the SCL project, it is essential to create an additional supernumerary CE post to take up the workload arising from SCL and the Kwun Tong Line Extension (KTE).

The new team, to be headed by the proposed CE, will formulate strategies for delivering the SCL Tai Wai to Hung Hom section and the KTE projects. It will closely liaise with the policy bureaux and other departments to resolve the complicated interfacing matters with other development projects. The team will have to ensure the MTR Corporation Limited is adopting the appropriate strategy, procedures and programme, on both engineering and financial aspects. The team will also devise and carry out public consultation with Legislative Council (LegCo) and various concerned districts in both the design and construction stages. With regard to statutory requirements, the team will have to complete all the works required for gazettal of the two railway schemes under the Railways Ordinance.

The CE post is proposed to be created for seven years so that the incumbent will oversee the whole process from the planning and design stage till the completion of the SCL Tai Wai to Hung Hom section and the KTE project, both targeted in 2015.

Previous or planned panel consultation

We plan to consult the LegCo Panel on Transport on 19 December 2008.

Bureau/Department/Office

Highways Department

Post(s) proposed to be created/extended

Creation of one supernumerary post of Chief Engineer (D1) for five years

Purpose and justification

A supernumerary CE post is required in the Highways Department for providing professional guidance and leadership to a team of professional staff to plan and implement the strategic Hong Kong Boundary Crossing Facilities (HKBCF) project.

The HKBCF is one of the core parts of the Hong Kong-Zhuhai-Macao Bridge (HZMB) project, which is among the ten major infrastructure projects as announced in the Chief Executive's 2007-08 Policy Address. The project team, consisting of integrated, multi-disciplinary professional and technical members, is tasked to expedite the completion of the pre-construction works, and to develop and implement new contract procurement methods to shorten the six-year construction period currently planned for the HKBCF to cater for the possible early completion of the HZMB Main Bridge. Given the scale and complexity of the project, it is anticipated that a lot of major issues, such as the adoption of suitable design and cost-effective layout to minimise the size of reclamation and enhance daily operation, and the formulation of contract strategy, will arise and need to be resolved. As the leader of the project team, the CE would need to work closely with each member of the team and provide timely steer and guidance to them so as to resolve these major issues effectively and ensure the fast-track programme for the HKBCF project could be achieved.

As the HZMB Main Bridge is expected to commence construction soonest possible and no later than 2010, the work for the HKBCF would need to be expedited so as to synchronise its completion with the commissioning of the HZMB Main Bridge. The post is proposed to be created for a period of five years initially. We will review the continued need for this supernumerary post taking into account the progress of the projects and the projected workload towards the end of the five-year period.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Transport on 19 December 2008.

Bureau/Department/Office

Leisure and Cultural Services Department

Post(s) proposed to be created/extended

Creation of one supernumerary post of Principal Executive Officer (PEO) (D1) for about four years

Purpose and justification

The Committee on Museums (CoM) submitted its Recommendation Report to the Administration in May 2007. To take forward the recommendations made by the CoM, including making preparations for setting up of a statutory Museums Board, the Administration will formulate a development strategy, draw up an efficiency improvement programme and devise service enhancement measures for public museums. We aim at improving and enhancing the overall operation and management of public museums in the short to medium range so as to prepare them for the future development of museum services, including the proposed institutional changes. Besides, in relation to the delivery of frontline and support services in public libraries, the Efficiency Unit (EU) has been invited to conduct a review on the mode of delivery of the services with a view to formulating a suitable long-term manpower strategy and implementation plan for delivery of the services. We expect that there may be changes to the future direction of the delivery of the frontline and support services in public libraries.

A directorate officer pitched at PEO level with extensive resource management and administrative experience is therefore needed to head a task force to map out proposed strategies to take forward the recommendations of the CoM's Report and staff consultation plan, as well as to implement the recommendations of the EU's study in relation to manpower strategy of public libraries frontline and support services delivery. In view of the extensive coverage of the CoM's recommendations including the institutional changes on public museums and implementation of the staffing redeployment plan for public libraries, the PEO post is proposed to be created for four years.

Previous or planned panel consultation

The CoM's Recommendation Report and the Administration's response were presented to the Legislative Council (LegCo) Panel on Home Affairs (HA) in June 2007. We plan to consult the LegCo HA Panel on the staffing proposal on 9 January 2009.

Bureau/Department/Office

Labour Department

Post(s) proposed to be created/extended

Creation of one supernumerary post of Chief Labour Officer (CLO) (D1) for three years

Purpose and justification

As announced by the Chief Executive in his 2008-09 Policy Address, the Administration would proceed with the legislative work with the aim of introducing a bill on statutory minimum wage (SMW) to the Legislative Council (LegCo) in the 2008-09 legislative session. We need dedicated support at the directorate level to lead the SMW team to be set up in the Labour Department (LD) in taking forward the legislative exercise and ensuring the smooth enactment of the SMW Bill and its subsidiary legislation.

The team will work closely with other departments to deal with a full range of policy issues relating to the SMW legislative exercise. The team will also be responsible for setting up and providing support to the work of the Provisional (and the future statutory) Minimum Wage Commission in the identification of an optimal SMW and the development of a review mechanism. In addition to handling the legislative exercise, the team will coordinate among divisions in LD, departments and parties concerned in working out the implementation details and formulating strategies for the smooth and effective implementation, enforcement and promotion of the SMW legislation after its enactment. The CLO post is proposed to be created for three years so that the incumbent will oversee the whole legislative exercise of introduction and passing of the SMW Bill in LegCo, its early stage of implementation, as well as subsequent promotion.

Previous or planned panel consultation

The LegCo Panel on Manpower was consulted on 20 November 2008 on the staffing proposal. Members supported the proposed creation of the supernumerary CLO post.

Bureau/Department/Office

Offices of the Chief Secretary for Administration and the Financial Secretary (Central Policy Unit)

Post(s) proposed to be created/extended

Extension of one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) for three years

Purpose and justification

The existing supernumerary post of AOSGC in the Central Policy Unit (CPU) as Assistant Secretary to the Commission on Strategic Development (CSD) will lapse on 1 July 2009. CPU needs to retain the post to provide adequate support at the directorate level for the effective functioning of the CSD Secretariat.

As the most important advisory body to the Chief Executive, the CSD has been very effective in providing a platform for the Government to gauge 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. Input from the CSD would facilitate the formulation of public policies which could then be submitted for the consideration of the Legislative Council. The Administration is of the view that during the third term of Hong Kong Special Administrative Region Government, which will end on 30 June 2012, the CSD should continue to operate and offer expert advice on political, economic and social issues of strategic importance to the long-term development of Hong Kong. The CSD Secretariat will need to provide effective support to the on-going work of the CSD. As deputy to the Secretary to CSD, the Assistant Secretary to the CSD is responsible for overseeing the planning and preparation of meetings of the CSD and undertaking complex policy researches and analysis as well as preparing papers on a wide range of strategic issues for consideration by the CSD. The extension of the post is necessary and crucial to sustaining the efficiency and effective of the CSD Secretariat.

Previous or planned panel consultation

We plan to consult the Legislative Council Panel on Public Service in around March 2009.
