

**Select Committee to Inquire into Matters Relating to the  
Post-service Work of Mr LEUNG Chin-man**

**Witness statement of Mrs Sarah KWOK TAM Pui Yi**

I, Sarah KWOK TAM Pui-yi, was the Deputy Secretary for the Civil Service 1 of the Civil Service Bureau (“CSB”) from November 2007 to October 2008. In preparing this witness statement, I set out the questions raised by the Select Committee and then provide my answers to the best of my knowledge. In answering the following questions, I have sought assistance from my former colleagues of CSB to provide relevant information and to peruse relevant files and records.

**The vetting and assessment of post-service work applications from directorate civil servants**

*Q1. The procedure adopted after the Civil Service Bureau (“CSB”) has received an application for post-service work from a directorate civil servant*

*Q2. The procedure adopted by CSB after receiving the views of other bureaux which have been consulted on such an application*

A1&A2: After receiving an application for post-service work from a former directorate civil servant, CSB will consult the relevant Permanent Secretary(ries), Head of Department or Head of Grade to seek their comments and assessment. After obtaining their comments and assessment, CSB will prepare a paper setting out the details of the application and the assessment of relevant bureaux/departments, including CSB, and also CSB’s recommendation at that stage. The paper, in draft, will be passed to the Chairman of the Advisory Committee on Post-service Employment of Civil Servants (“the Advisory Committee”) for consideration. After receiving the Chairman’s advice, CSB will incorporate the views of the Chairman, and finalize the paper for circulation to Members of the Advisory Committee for their advice. Members will provide their comments by completing a reply slip. Where necessary, the Chairman may ask for a meeting to discuss the application. After receiving the advice of the Advisory Committee, CSB will submit the case to the Secretary for the Civil Service (“SCS”) for a decision.

Q3. The procedure adopted when there is divergence in views of the consulted bureaux, and how the difference in views is resolved by CSB

A.3. When there is divergence in views of the consulted bureaux, CSB will take note of the different views and formulate its own initial view and recommendation. The difference in views will be reported to the Advisory Committee and SCS for consideration and decision respectively.

The vetting and assessment of Mr LEUNG Chin-man's application for post-service work with New World China Land Limited

Q4. Your role in vetting Mr LEUNG's application and factors taken into account when assessing the application.

A4. My role in vetting Mr LEUNG's application, as with all other applications from former directorate civil servants, is to tender advice to SCS and the Permanent Secretary for the Civil Service ("PSCS") on his application. More specifically, I was involved in processing Mr LEUNG's case in two stages –

- (a) after the CSB officers responsible for processing Mr LEUNG's application had collected the views of all relevant policy bureaux, they prepared their analysis, proposed a preliminary recommendation and invited my views on their preliminary recommendation, as well as asked for my assessment of the application from the Grade Management angle on behalf of the Head of the Administrative Officer ("AO") grade. After I had completed the AO Grade Management's assessment and cleared the preliminary recommendation they proposed, they incorporated the afore-said Grade Management assessment, and submitted the application, together with all views expressed by all relevant parties within the Government, for the advice of the Advisory Committee.
- (b) after the CSB processing officers had obtained the advice of the Advisory Committee, they made a final submission to SCS via me and PSCS. The final submission set out, among other things, the views of all relevant policy bureaux, the afore-said Grade Management assessment, their analysis and final recommendation after incorporating the Advisory Committee's advice. I also tendered my own advice to SCS and PSCS at this stage.

When assessing the application, I had taken into account the policy objective on

post-service work and the specific considerations in vetting an application, as set out in CSB Circular No. 10/2005. The policy on post-service work aims to ensure that civil servants on final leave or who have left the Government will not take up any work outside the Government which may constitute real or potential conflict of interest with their former government duties or cause negative public perception embarrassing the Government and undermining the image of the civil service, without at the same time unduly restricting the said individuals' right to pursue employment or other work after ceasing government service. The specific considerations laid down in the circular are as follows -

- (i) whether the applicant was involved in the formulation of any policy or decisions, the effects of which directly or specifically benefited or could directly or specifically benefit his/her own business/prospective employer;
- (ii) whether the applicant/prospective employer might gain unfair advantage over competitors because of the applicant's access to sensitive information while in government service;
- (iii) whether the applicant was involved in any contractual or legal dealings to which the prospective employer was a party;
- (iv) whether the proposed work would have any connection with the assignments/projects and/or regulatory/enforcement duties in which the applicant was involved while in government service;
- (v) whether the applicant's taking up of the proposed work would give rise to public suspicion of conflict of interest or other impropriety; and
- (vi) whether any aspects of the proposed work would cause embarrassment to the Government or bring disgrace to the civil service.

Q5. The Works Branch advised on 26 May 2008 that the post-service work applied for by Mr LEUNG with relativity to his former appointment as Director of Buildings might have a public perception issue, despite the operation of his prospective employer was outside Hong Kong, in the light of the business nature of Mr LEUNG's prospective employer in real estate development, construction and management matters. On 17 June 2008, CSB sought views from the Works Branch again to see whether they had any objection to Mr LEUNG's application. Please provide the

reason for CSB to seek views from the Works Branch again, and CSB's evaluation of the Works Branch's repeated view about the "public perception issue".

A5. The purpose of seeking views from the Works Branch ("WB") again was to clarify whether WB had any objection to the application, or if there was no objection per se, whether the concern could be addressed, for example by imposing restrictions and conditions.

In its second reply, the WB advised that since Mr LEUNG had not served in it nor its departments prior to his retirement, it was not in a position to comment on or object to the application.

Having regard to all the advice tendered by relevant policy bureaux, CSB came to the view that while recommending approval, additional work restrictions should be imposed to address any possible public perception issue.

Q6. You completed Part III Assessment B of Mr LEUNG's application form in the capacity as Head of the Administrative Officer ("AO") Grade in which you advised that there did not appear to be any apparent conflict between the prospective employment applied for and Mr LEUNG's former duties, and recommended approval of the application. Please advise –

(a) who were consulted in formulating the views of the AO Grade Management on Mr LEUNG's application and what were their comments; and

A6(a). As stated above, CSB had consulted the relevant policy bureaux and obtained their respective comments on the application. When formulating the views of the AO Grade Management on Mr LEUNG's application, I made reference to the information provided by Mr LEUNG in the application form, as well as the information, assessment and views given by the relevant policy bureaux.

(b) what factors were considered by the AO Grade Management in giving its advice on Mr LEUNG's application, including whether consideration had been given to the senior positions Mr LEUNG had held in the Government and his involvement in major housing and land policies when serving as the Permanent Secretary for Planning, Lands and Housing (Housing)/Director of Housing and Director of Buildings

A6(b). The AO Grade Management considered the policy objective on post-service work and the specific considerations in vetting an application set out in CSB Circular No. 10/2005, as stated in A4 above. Consideration was also given to the senior positions that Mr LEUNG had held in the Government, and the job duties of those positions. As regards his involvement in major housing policies, the AO Grade Management made reference to the information provided and assessment made by the relevant policy bureaux.

Q7. On 4 July 2008, a written submission was put up to the Secretary for the Civil Service recommending approval of Mr LEUNG's application. Please advise –

(a) the reasons why Mr LEUNG's involvement in the Hunghom Peninsula development was not stated in the submission; and

A7(a). Mr LEUNG's involvement in the Hunghom Peninsula development was not raised by the relevant policy bureaux, nor considered by CSB. Hence it was not stated in the submission to SCS.

(b) why you considered that the additional work restrictions would be able to address the "public perception issue" raised by the Works Branch?

A7(b). I noted that the business of Mr LEUNG's prospective employer, New World China Land Limited ("NWCL") was in the Mainland, and that Mr LEUNG's duties would be to oversee the company's business in the Mainland only. He would be based in a major city in the Mainland. Mr LEUNG had advised in his application form that he would not be involved in the business of NWCL's parent company, i.e. New World Development Company Limited or its subsidiaries. Having regard to such information, I considered that there was no apparent conflict between Mr LEUNG's proposed appointment with NWCL and his former duties. On addressing the public perception issue, I considered it necessary to impose additional work restrictions (as set out below) to guard against any potential conflict of interest in the future, and to ensure beyond doubt that Mr LEUNG should confine his proposed appointment only to NWCL, and that he should not involve himself in any business of NWCL that is connected with Hong Kong. The restrictions we suggested for consideration by the Advisory Committee as well as PSCS and SCS were as follows –

- (i) Mr LEUNG should not involve himself in any business of NWCL that is connected with Hong Kong;

(ii) For avoidance of doubt, Mr LEUNG should confine his proposed appointment to NWCL;

(iii) Mr LEUNG should not use or disclose any classified or sensitive information acquired while he was in government service in the course of his employment with NWCL; and

(iv) Mr LEUNG should not represent NWCL in any discussion with the Government.

Q8. *The personal relationship between you and Mr LEUNG*

A8. I do not have any personal relationship with Mr LEUNG.

Sarah KWOK TAM Pui-yi

4 March 2009