

**For discussion  
on 13 January 2010**

**EC(2009-10)14**

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

**HEAD 155 – GOVERNMENT SECRETARIAT :  
INNOVATION AND TECHNOLOGY COMMISSION  
Subhead 000 Operational expenses**

Members are invited to recommend to Finance Committee the creation of the following supernumerary post in the Innovation and Technology Commission for a period of two years from 16 March 2010 to 15 March 2012 –

1 Administrative Officer Staff Grade C  
(D2) (\$116,100 - \$126,985)

### **PROBLEM**

The existing supernumerary Administrative Officer Staff Grade C (AOSGC) (D2) post created under delegated authority in the Innovation and Technology Commission (ITC) to assist the Hong Kong Council for Testing and Certification (HKCTC) in formulating and implementing a development plan for the testing and certification industry will lapse on 16 March 2010. There is a need to create a supernumerary AOSGC post beyond this date to support the HKCTC.

### **PROPOSAL**

2. We propose to create a supernumerary AOSGC post in ITC for a period of two years from 16 March 2010 to 15 March 2012 to provide continued support to HKCTC in formulating and implementing a development plan for the testing and certification industry.

**/JUSTIFICATION .....**

**JUSTIFICATION****The Establishment of the Hong Kong Council for Testing and Certification**

3. The Chief Executive (CE) established the Task Force on Economic Challenges (TFEC) in October 2008 to monitor and assess the impact of the financial tsunami on local and global markets. TFEC has identified six economic areas where Hong Kong enjoys clear advantages and has good potential for further development. The testing and certification industry is one of them.

Encl. 1

4. In September 2009, the Government established HKCTC to spearhead the development of the testing and certification industry. The terms of reference of HKCTC are at Enclosure 1. HKCTC is chaired by Professor Ching Pak-chung, Pro-Vice-Chancellor of the Chinese University of Hong Kong, with members from the testing and certification industry, business sector, professional bodies as well as relevant public bodies and Government departments. The priority task of HKCTC is to work with the industry to formulate a three-year market-driven development plan in April 2010 for submission to the CE. It has drawn up a three-phase work plan (at Enclosure 2) to achieve this.

Encl. 2

**Support to HKCTC and the Need for Creation of the Post of Secretary-General (Testing and Certification)**

5. A dedicated team has been set up in ITC to provide support to HKCTC and serve as its secretariat. The organisation chart of the Secretariat is at Enclosure 3. The Secretariat is headed by Secretary-General (Testing and Certification) (SG(TC)) and comprises a small team of non-directorate time-limited civil service posts including one Chief Executive Officer, one Senior Executive Officer, one Executive Officer II and four clerical and secretarial staff. As a stop-gap arrangement, we created a supernumerary AOSGC post under delegated authority for a period of six months from 16 September 2009. The post will lapse on 16 March 2010.

Encl. 3

6. SG(TC) is the key officer providing support to HKCTC. In the run up to mid-March 2010 before the lapse of the supernumerary post, he will have to undertake the following –

- (a) to head the Secretariat to assist HKCTC in formulating the three-year market-driven development plan for the testing and certification industry;

/(b) .....

- (b) to consult various stakeholders on behalf of HKCTC on their needs and aspirations;
- (c) to provide support to HKCTC in conducting studies into the operation of the industry and international practices and analyse the strengths, weaknesses, opportunities for and threats to the industry;
- (d) to propose possible areas of work for consideration by HKCTC for inclusion in the three-year development plan for the industry;
- (e) to draft the Report to the CE for consideration by HKCTC; and
- (f) to make arrangements for the publication of the Report.

7. After the submission of the Report to the CE and obtaining his endorsement, HKCTC will turn to the major challenge – i.e. implementation of the three-year development plan. This will include the following areas of work –

- (a) On the general front – to implement measures to enhance the various factors of production according to the development plan so as to improve the competitiveness of the testing and certification industry in Hong Kong. This would entail significant workload. Using manpower as an example, SG(TC) will support HKCTC in –
  - (i) coordinating with the universities and the Vocational Training Council to enhance manpower training (e.g. ascertaining the industry's needs and exploring with the institutes to organise more courses and to enhance course programmes to better meet the industry's needs; organising seminars and workshops to enable students to gain more understanding about the industry and possible career opportunities);
  - (ii) coordinating with the Hong Kong Accreditation Service (HKAS)<sup>1</sup> to provide more training to practitioners in the industry on technical skills and management of laboratories. Such training has been very well-received by the industry and would help raise the professional standards;
  - (iii) considering the need to raise the professional standards of personnel working in the industry if necessary; and
  - (iv) reviewing the sufficiency of assessors should the demand for accreditation increase significantly due to the effort of HKCTC;

/(b) .....

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<sup>1</sup> Hong Kong Accreditation Service of Innovation and Technology Commission provides accreditation for laboratories, certification bodies and inspection bodies located in Hong Kong.

- (b) In respect of specific trades with good potential to generate demand for testing and certification services, SG(TC) will need to support HKCTC in working together with parties concerned to bring various concepts to reality, for example, by –
- (i) facilitating different sectors of the trade (for a single trade there may already be a number of trade associations) to agree upon a broad platform for cooperation;
  - (ii) exploring the possibility of establishing a standard for testing which will be acceptable to the trade and recognised by stakeholders both within and outside Hong Kong;
  - (iii) discussing with the testing industry on the development of testing methods which are practical and economically viable;
  - (iv) ensuring that HKAS has the capability to give accreditation to laboratories which apply for accreditation for the new test; and
  - (v) proceeding with promotion both within and outside Hong Kong when all the necessary preparatory steps have been taken and after conducting appropriate trial schemes.

8. Given our proximity to the Mainland which is a major manufacturing base in the world, it is important for us to explore opportunities for cooperation when promoting the development of the local testing and certification industry. Hence, apart from the duties mentioned in paragraph 7 above, SG(TC) will need to work closely with the Mainland authorities on testing and certification with a view to drawing up areas of cooperation so as to bring benefits to both sides.

9. It would also be necessary to for SG(TC) to continue to support HKCTC in advising the Government on the long-term role of the Council, including its status, staff establishment, functions and interface with HKAS having regard to the development needs of the industry. More new areas of work will emerge depending on the ultimate recommendations in the three-year development plan.

10. Given the substantive policy content and the complexities of the duties involved, we propose to create the post of SG(TC) at the rank of AOSGC for a period of two years upon the lapse of the existing supernumerary post on 16 March 2010. We will review the need for retaining the SG(TC) post for a longer period or on a permanent basis in due course, having regard to the long term role of HKCTC. The existing and proposed job descriptions of SG(TC) are at Enclosures 4 and 5 respectively.

Encl. 4  
Encl. 5

/Alternatives .....

### Alternatives Considered

Encl. 6  
Encl. 7

11. We reviewed and redistributed the duties of the directorate officers of ITC at D2 level following the setting up of the Office of Create Hong Kong under the Commerce and Economic Development Bureau in 2009. The proposed redistribution of duties of ITC officers at D2 level was endorsed by the Establishment Sub-committee and the Finance Committee vide the paper EC(2009-10)2 in April and May 2009 respectively. The revised duties of the three Assistant Commissioners at D2 level are attached at Enclosure 6. The existing and proposed organisation chart of ITC at the directorate level is at Enclosure 7.

12. Following the above review, ITC has been subsequently tasked to support the development of two of the six economic areas identified by TFEC, i.e. testing and certification, and innovation and technology. We hence looked into the feasibility of redeploying other directorate officers in ITC to head the Secretariat of HKCTC and to provide necessary support in formulating and implementing the three-year development plan for the testing and certification industry. However, to further develop the innovation and technology sector, ITC will take forward a series of new initiatives in the coming two years. These will include further enhancement of our publicity and public education efforts in fostering an innovation and technology culture in Hong Kong, examining how to enhance our physical infrastructure to support innovation and technology including a study on the revitalisation of the industrial estates, launching of a Research and Development Cash Rebate Scheme in early April 2010 to encourage more R&D investment in the private sector, etc. Moreover, as we informed the Legislative Council in June 2009, ITC would conduct an overall review in 2010 to look into the modus operandi of the R&D Centres to see if there is any room to achieve greater savings and higher cost-effectiveness. Given the already heavy on-going commitments and the additional workload expected, the existing directorate officers in ITC are already fully engaged and have no spare capacity. It is therefore operationally not feasible to redeploy the existing directorate officers in ITC to take up the substantive workload of SG(TC) as detailed above in addition to their existing duties.

### FINANCIAL IMPLICATIONS

13. The proposed creation of the supernumerary AOSGC post will require an additional notional annual salary cost at mid-point of \$1,479,480. The additional full annual average staff cost, including salaries and staff on-cost, is \$2,144,000.

14. The notional annual salary cost at mid-point of the seven non-directorate posts in the Secretariat is \$3,037,500 and the full annual average staff cost, including salaries and staff on-cost is \$4,360,000.

/15. ....

15. We will absorb the additional expenditure from within ITC's existing provision in 2009-10 and will include the necessary provision in the Draft Estimates of subsequent years to meet the cost of the proposal.

## PUBLIC CONSULTATION

16. On 15 December 2009, we briefed the Legislative Council Panel on Commerce and Industry on the work progress of HKCTC and consulted Members on the proposal of creating the supernumerary AOSGC post to provide continued support to HKCTC. Members supported the proposal.

17. At the Panel meeting, the Administration also clarified that HKCTC's role is to support the development of the testing and certification industry in Hong Kong, e.g. by ensuring that HKAS has the capability to give accreditation to private laboratories applying for accreditation of new testing services. The Council will not provide any direct testing and certification services to users. HKCTC's three-year market-driven development plan will also be formulated together with the testing and certification industry.

## ESTABLISHMENT CHANGES

18. The establishment changes under Head 155 for the last two years are as follows –

Establishment (Note)	Number of posts			
	Existing (as at 1 January 2010)	As at 1 April 2009	As at 1 April 2008	As at 1 April 2007
<b>A</b>	7 + (1) #	7	7	7
<b>B</b>	49	49	48	48
<b>C</b>	106	113	113	113
<b>Total</b>	<b>162 + (1)#</b>	<b>169</b>	<b>168</b>	<b>168</b>

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 post

# - As at 1 January 2010, there were no unfilled directorate posts in ITC

**CIVIL SERVICE BUREAU COMMENTS**

19. The Civil Service Bureau supports the proposed creation of the supernumerary AOSGC post for two years from 16 March 2010 to 15 March 2012 to provide support to HKCTC. The grading and ranking of the proposed post are appropriate having regard to the level and scope of responsibilities required.

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

20. 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.

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Commerce and Economic Development Bureau  
January 2010

**Terms of Reference of  
Hong Kong Council for Testing and Certification (HKCTC)**

To advise the Chief Executive on -

- (a) a three-year development plan for the industry;
- (b) the long-term operational model of the Council, including its status, functions and staffing plan; and
- (c) exploring new opportunities for the industry to develop and to enhance its professional standards.

HKCTC will adopt new Terms of Reference after the first three-year industry development plan is accepted by the Chief Executive.

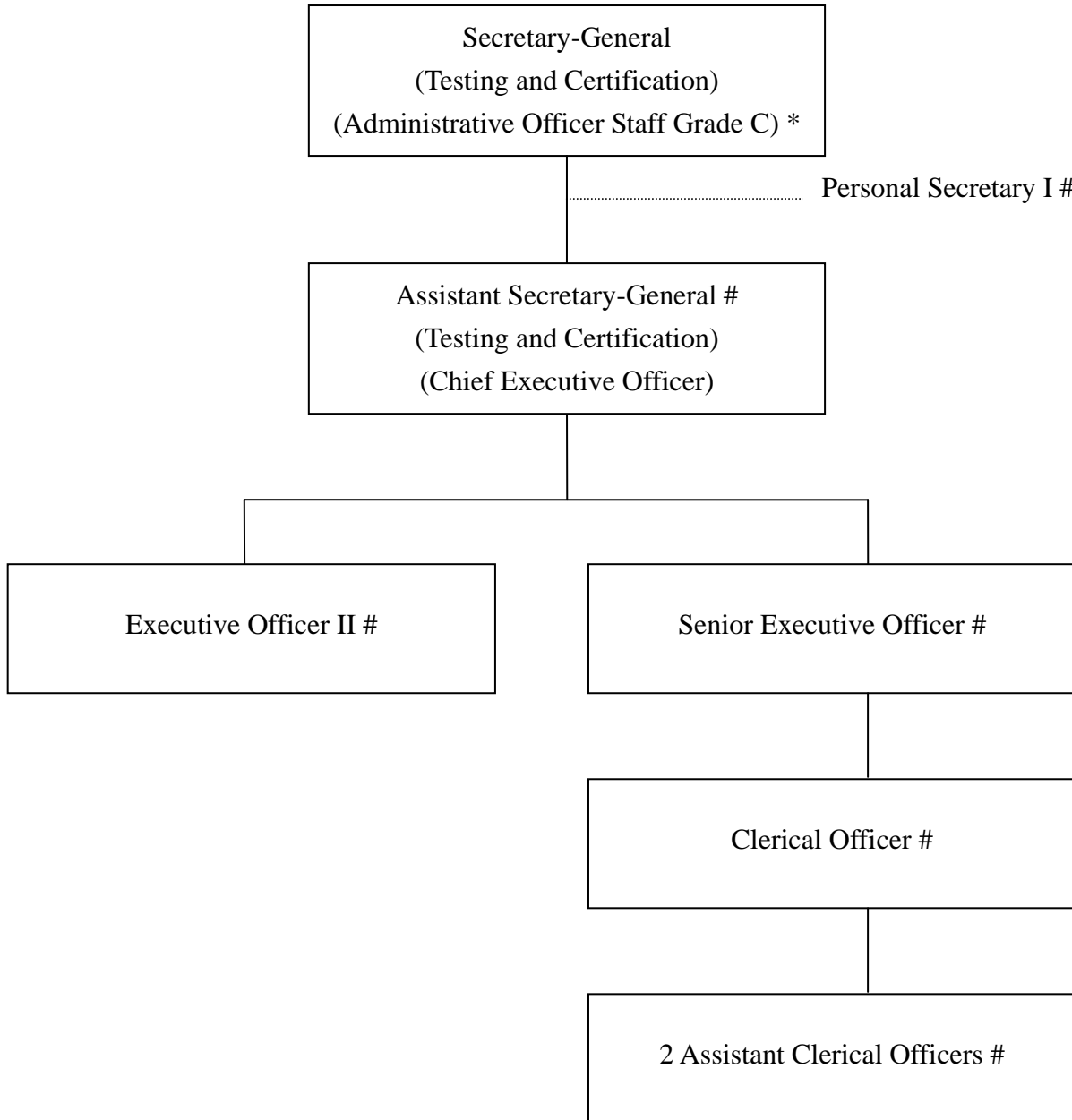
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**Work Plan of the Hong Kong Council for Testing and Certification  
(HKCTC)**

- (a) Phase 1 – HKCTC will conduct background research (including the current mode of operation of the industry, international practices and the current position of Hong Kong’s testing and certification industry in the Mainland and international markets, etc.) in order to have a comprehensive understanding of the testing and certification industry. Such information will enable the Council to analyse the strengths, weaknesses and opportunities of the industry and devise supporting measures accordingly;
  - (b) Phase 2 – HKCTC would identify measures to enhance the capacity and quality of the local testing and certification industry so as to enhance its competitiveness. These should include steps that could be taken by the industry itself and those that will allow the public sector to dovetail with private sector developments. Issues such as enhancing the support to the industry provided by the Hong Kong Accreditation Service, strengthening manpower training and upgrading professional standards, as well as promoting testing and certification services in Hong Kong, the Mainland and other places will be looked into; and
  - (c) Phase 3 – Will involve the refinement of measures and the preparation of the report, in particular the formulation of a three-year market-oriented development plan for the industry. The report will be submitted to the Chief Executive in April 2010.
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**Organisation Chart of the Secretariat for the  
Hong Kong Council for Testing and Certification**



\* Supernumerary post proposed to be created for two years.

# Non-directorate time-limited posts created for two years.

**Existing Job Description  
Secretary-General (Testing and Certification)**

**Rank** : Administrative Officer Staff Grade C (D2)

**Responsible to** : Deputy Commissioner for Innovation and Technology

**Main Duties and Responsibilities –**

- (a) to head the Secretariat for the Hong Kong Council for Testing and Certification (HKCTC) and provide secretariat support to HKCTC;
  - (b) to assist HKCTC in formulation of a three-year development plan for the testing and certification industry;
  - (c) to assist HKCTC to promote Hong Kong's testing and certification services in the Mainland and overseas;
  - (d) to assist HKCTC to liaise with stakeholders in the trade and other relevant public bodies in the promotion of our testing and certification services;
  - (e) to assist HKCTC to draw up the long-term role of the Council, including its staff establishment, functions and interface with the Hong Kong Accreditation Service; and
  - (f) to oversee the administration of the Secretariat.
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**Proposed Job Description**  
**Secretary-General (Testing and Certification)**

**Rank** : Administrative Officer Staff Grade C (D2)

**Responsible to** : Deputy Commissioner for Innovation and Technology

**Main Duties and Responsibilities –**

- (a) to head the Secretariat for the Hong Kong Council for Testing and Certification (HKCTC) and provide secretariat support to the HKCTC on the implementation of the three-year development plan for the industry, which would include:
  - (i) on the general front – to implement measures to enhance the various factors of production;
  - (ii) in respect of specific trades with good potential – to work with parties concerned to bring concept to reality;
  - (iii) promotion of Hong Kong’s testing and certification services in the Mainland and overseas; and
  - (iv) any other areas of work arising from the endorsed recommendations of the three-year development plan;
- (b) to liaise with the Mainland authorities with a view to drawing up areas of cooperation so as to bring benefits to both sides;
- (c) to assist HKCTC in advising the Government on the long-term role of the Council, including its status, staff establishment, functions and interface with the Hong Kong Accreditation Service; and
- (d) to oversee the administration of the Secretariat.

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**Job Description**  
**Assistant Commissioner (Funding Schemes)**

**Rank** : Administrative Officer Staff Grade C (D2)

**Responsible to** : Deputy Commissioner for Innovation and Technology

**Main Duties and Responsibilities –**

- (a) to deal with policy and management matters relating to the Innovation and Technology Fund;
- (b) to oversee the provision of the Innovation and Technology Fund;
- (c) to deal with policy and housekeeping matters on Hong Kong Productivity Council;
- (d) to promote university-business collaboration in research and development projects; and
- (e) to deal with the policy on research and development centres and housekeeping matters on Automotive Parts and Accessory Systems Research and Development Centre and Hong Kong Research Institute of Textiles and Apparel.

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**Job Description**  
**Assistant Commissioner (Policy and Development)**

**Rank** : Administrative Officer Staff Grade C (D2)

**Responsible to** : Deputy Commissioner for Innovation and Technology

**Main duties and responsibilities –**

- (a) to formulate policies on technology collaboration and development;
- (b) to formulate policies and managing the Applied Research Fund and the Small Entrepreneur Research Assistance Programme;
- (c) to service the Hong Kong side of the Mainland and Hong Kong Science and Technology Cooperation Committee under the cooperation framework between the Ministry of Science and Technology of the Central People's Government and the Government of the Hong Kong Special Administrative Region, and to coordinate follow-up actions with government bureaux, departments and other agencies;
- (d) to deal with matters related to Hong Kong's participation in the Pan-Pearl River Delta Joint Conference on Regional Cooperation in Science and Technology;
- (e) to service the Hong Kong side of the Hong Kong-Guangdong Cooperation Joint Conference – Expert Group on Cooperation in Innovation and Technology, and to coordinate follow-up actions with government bureaux, departments and other agencies;
- (f) to service the Hong Kong side of the Shenzhen-Hong Kong Steering Group on Cooperation in Innovation and Technology, and to coordinate follow-up actions with government bureaux, departments and other agencies;
- (g) to deal with matters related to other bilateral, multilateral and regional collaboration on innovation and technology;
- (h) to deal with matters relating to policy and housekeeping matters of the Nanotechnology and Advanced Materials Institute; and
- (i) to promote an innovation and technology culture in business and the community, and to formulate and implement the Commission's corporate communications strategy and publicity programme.

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**Job Description**  
**Assistant Commissioner (Infrastructure and Quality Services)**

**Rank** : Assistant Commissioner for Innovation and Technology (D2)

**Responsible to** : Deputy Commissioner for Innovation and Technology

**Main duties and responsibilities –**

- (a) to deal with policy, resource and housekeeping matters related to the Hong Kong Science and Technology Parks Corporation, Hong Kong Applied Science and Technology Research Institute Company Limited, Hong Kong Jockey Club Institute of Chinese Medicine Limited and Hong Kong R&D Centre for Logistics and Supply Chain Management Enabling Technologies Limited;
  - (b) to deal with matters related to technology incubation and techno-entrepreneurship policy and relevant programmes;
  - (c) to deal with matters related to human capital and implementing Mainland-related projects for supporting innovation and technology, including providing input to the Admission of Talents Scheme and Admission of Mainland Professionals Scheme;
  - (d) to supervise the Quality Services Division in providing accreditation services, standards and calibration services, standards information; and
  - (e) to participate in multilateral and regional collaboration efforts on standards and accreditation matters.
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Existing and Proposed Organisation Chart of Innovation and Technology Commission

