

**立法會**  
**Legislative Council**

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(These minutes have been  
seen by the Administration)

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**Establishment Subcommittee of the Finance Committee**

**Minutes of the 2<sup>nd</sup> meeting**  
**held in Conference Room 1 of Legislative Council Complex**  
**on Wednesday, 26 October 2011, at 8:30 am**

**Members present:**

Dr Hon Margaret NG (Chairman)  
Dr Hon PAN Pey-chyou (Deputy Chairman)  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Dr Hon David LI Kwok-po, GBM, GBS, JP  
Hon CHEUNG Man-kwong  
Hon WONG Yung-kan, SBS, JP  
Hon LAU Kong-wah, JP  
Hon LI Fung-ying, SBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Prof Hon Patrick LAU Sau-shing, SBS, JP  
Hon WONG Sing-chi  
Hon IP Wai-ming, MH

**Member absent:**

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

**Public Officers attending:**

Ms Alice LAU, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Mrs Ingrid YEUNG, JP Ms Elsie YUEN	Deputy Secretary for the Civil Service (1) Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Joshua LAW, JP	Permanent Secretary for Constitutional and Mainland Affairs
Miss Charmaine LEE	Deputy Secretary for Constitutional and Mainland Affairs
Mrs Elina CHAN	Principal Assistant Secretary for Constitutional and Mainland Affairs
Miss Elizabeth TSE, JP	Permanent Secretary for Commerce and Economic Development (Communications and Technology)
Mr Joe WONG, JP	Deputy Secretary for Commerce and Economic Development (Communications and Technology)
Miss Eliza LEE, JP	Director-General of Telecommunications, Office of the Telecommunications Authority
Mr HA Yung-kuen	Deputy Director-General of Telecommunications, Office of the Telecommunications Authority
Mr Chaucer LEUNG	Assistant Director (Support), Office of the Telecommunications Authority

**Clerk in attendance:**

Ms Annette LAM	Chief Council Secretary (1)7
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**Staff in attendance:**

Mrs Constance LI	Assistant Secretary General 1
Ms Emily CHAN	Council Secretary (1)8
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Ms Clara LO	Legislative Assistant (1)10

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Action

The Chairman advised that the Administration had provided two information papers to members before the meeting. ECI(2011-12)6 provided an update on the overall directorate establishment position and advance information on possible proposals for creation and deletion of directorate posts in the 2011-2012 Legislative session. ECI(2011-12)7 set out the latest changes in the directorate establishment approved since 2002.

Ringling of division bell at the Establishment Subcommittee meeting

2. The Chairman informed members that the House Committee (HC) had endorsed on 7 October 2011 the interim arrangements for lengthening the duration of the ringing of the division bell to five minutes for meetings of HC, Panels, Bills Committees and their subcommittees. As Rule 71(13) of the Rules of Procedure provided that the practice and procedure of the Finance Committee (FC) and its subcommittees should be determined by FC, pending the adoption of the interim arrangements by FC on the ringing of the division bell for meetings of FC and its subcommittees, the existing procedure in Paragraphs 39 and 39A of the Establishment Subcommittee (ESC) Procedure would apply to this ESC meeting. The Chairman said that if a division was to be ordered by her at this meeting, the division bell would ring for two minutes before a division took place.

**EC(2011-12)3      Proposed creation of one permanent post of Administrative Officer Staff Grade B (D3) in the Constitutional and Mainland Affairs Bureau of Government Secretariat with effect from 1 December 2011 to head the new Hong Kong Economic, Trade and Cultural Office in Taiwan; and the extension of the existing flexible ranking system of the Hong Kong Economic and Trade Offices in the Mainland to the directorate head in Hong Kong Economic, Trade and Cultural Office in Taiwan**

3. The Chairman advised that the Administration's proposal was to create a permanent post of Administrative Officer Staff Grade B (D3) in the Constitutional and Mainland Affairs Bureau with effect from 1 December 2011 to head the new Hong Kong Economic, Trade and Cultural Office ("HKETCO") in Taiwan; and to extend the existing flexible ranking system of the Hong Kong Economic and Trade Offices in the Mainland to the directorate head of HKETCO in Taiwan. The Chairman informed members that the Panel on Commerce and Industry had been consulted on the proposal at its meeting on 18 October 2011. Panel members in principle supported the

Action

proposal and were of the view that with the signing of the "Economic Cooperation Framework Agreement" (ECFA) between the Mainland and Taiwan in June 2010, the Administration should play a more active part in the ECFA and leverage on the opportunities brought by the new developments. Some Panel members considered that, apart from promoting economic relations and business exchanges between Hong Kong and Taiwan, the HKETCO should also be tasked to foster cooperation in the areas of tourism, public health and food safety, and that the Head of HKETCO should be knowledgeable about Taiwan culture. At the request of the Panel, the Administration had provided supplementary information on the status of HKETCO and that of the Taipei Economic and Cultural Office in Hong Kong.

Functions of the HKETCO

4. Mr IP Wai-ming said that the functions of HKETCO, as stated in paragraph 11 of the Administration's paper, seemed to focus mainly on promoting financial investments and enhancing business and cultural exchanges between Hong Kong and Taiwan. Noting that Taiwan was Hong Kong's second largest visitor source and a popular tourist destination for Hong Kong people, he enquired about HKETCO's role in promoting tourism between Hong Kong and Taiwan. He also asked whether Immigration Officers would be seconded to HKETCO to assist Hong Kong residents in Taiwan in case of calamities and emergencies.

5. Permanent Secretary for Constitutional and Mainland Affairs (PSCMA) responded that HKETCO was multi-functional. As stated in the Administration's paper, HKETCO would be set up to promote multi-faceted cooperation between Hong Kong and Taiwan in a number of priority areas at economic, trade and cultural fronts, including tourism. He referred members to paragraphs 11(d) and (e) of the paper that HKETCO was also tasked to provide assistance to Hong Kong residents in Taiwan to the extent possible and, where necessary, assist in handling matters relating to entry applications from Taiwanese residents. As regards Mr IP's concern that no Immigration Officer would be seconded to the office of the HKETCO, PSCMA said that not every overseas Hong Kong Economic Trade Office had Immigration Officers in post. In the case of emergencies or calamities, Immigration Officers could be sent to the places concerned to assist Hong Kong residents as and when necessary. Officers of HKETCO would also be able to liaise with relevant authorities in Taiwan to render assistance to Hong Kong residents in distress if necessary. The Administration would assess the long-term operational need for posting Immigration Officers to HKETCO after the office had been running for a certain period of time. PSCMA added that, to facilitate the entry of Taiwan visitors for business or leisure, a number of

Action

further measures had been agreed at the joint meeting between the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council and its Taiwan counterpart, the Taiwan-Hong Kong Economic and Cultural Cooperation Council, to streamline existing procedures. The two sides had agreed to implement new arrangements to allow Taiwan visitors to make pre-entry registration on their own via the internet free of charge. Detailed arrangements would be announced in due course and he envisaged that the relaxed arrangements would help increase the inflow of Taiwan visitors.

6. The Chairman said that there were occasions when Legislative Council (LegCo) Members might visit Taiwan for purposes such as to observe elections or study emergency relief work. She enquired if it was among the functions of HKETCO to provide information on Taiwan, such as its government structure, organization and contacts of the various government agencies, and assist LegCo Members visiting Taiwan.

7. PSCMA said that while the core function of HKETCO was to promote economic, trade and cultural exchanges between Hong Kong and Taiwan, it could help provide LegCo Members with requested information about Taiwan; and would render assistance, as far as practicable and appropriate, to LegCo Members on visits to Taiwan.

Commissioning of HKETCO

8. Mr WONG Ting-kwong said that the Panel on Commerce and Industry supported the staffing proposal. At the Panel's request, the Administration had provided supplementary information on the status of HKETCO and that of the Taipei Economic and Cultural Office in Hong Kong. The Administration had also addressed in paragraph 22 of the paper the Panel's comment that the Administration would develop performance indicators to assess the effectiveness of HKETCO's work. In view of the increasing economic and trade ties between the two places, it was essential to set up HKETCO, as Hong Kong's representative body in Taiwan, to leverage on the opportunities brought about by the implementation of "Three direct Links" and the signing of ECFA. He hoped HKETCO could start operation as early as possible to enhance communication and cooperation between the two places.

9. PSCMA said that subject to the Finance Committee's approval, the proposed Administrative Officer Staff Grade B (AOSGB) post would be created on 1 December 2011 for HKETCO to commence operation within 2011. As regards the feasibility of setting up HKETCO within such a short period of time, PSCMA advised that the Administration had already

Action

commenced the search for suitable office premises. To ensure that HKETCO would commence operation soonest possible, the Administration's initial plan was to rent cell units in a business service centre as its temporary office, while identifying suitable premises for long-term operation.

10. The item was voted on. Members agreed that the Subcommittee should recommend the item to FC for approval.

**EC(2011-12)7 Proposed creation of a new grade of Regulatory Affairs Manager comprising four ranks of Chief Regulatory Affairs Manager (D1), Principal Regulatory Affairs Manager (MPS Point 45 - 49), Senior Regulatory Affairs Manager (MPS Point 34 - 44) and Regulatory Affairs Manager (MPS Point 27 - 33); and creation of one permanent post of Chief Regulatory Affairs Manager (D1) in the Competition Affairs Branch of the Office of the Telecommunications Authority to strengthen the directorate support for tackling competition matters and related complaint and dispute cases in the telecommunications sector**

11. The Chairman advised that the Subcommittee was invited to consider the proposed creation of a new grade of Regulatory Affairs Manager (RAM) comprising four ranks of Chief Regulatory Affairs Manager (CRAM), Principal Regulatory Affairs Manager (PRAM), Senior Regulatory Affairs Manager (SRAM) and RAM; and the creation of one permanent post of CRAM in the Competition Affairs Branch of the Office of the Telecommunications Authority (OFTA) with a view to strengthening the directorate support for handling competition matters and related complaints and dispute cases in the telecommunications sector.

12. The Chairman further advised that the Panel on Information Technology and Broadcasting had discussed and supported in principle the proposal on 9 May 2011. Panel members also noted the submission from representatives of Telecommunications Engineers (TE) of OFTA raising objection to, inter alia, the proposed subsuming of the functions of the TE grade under the new civil service grade of RAM. Panel members held the view that the Administration should improve communication with staff of the TE grade in OFTA to allay their concerns, and conduct a review on the continued need for the expertise of the TE grade in OFTA before taking a decision on the subsuming arrangements. The OFTA management had

Action

undertaken to review the detailed subsuming arrangements of the functions of the TE grade in consultation with TE grade members. The Administration further assured Panel members that the TE grade would remain a civil service grade in OFTA until the retirement of all serving grade members in about 20 years' time.

13. The Chairman informed members that two submissions received from some non-civil service contract (NCSC) regulatory staff and the representative of TE grade of OFTA had been circulated to members before the meeting.

Motion moved by Ir Dr Raymond HO

14. Ir Dr Raymond HO referred members to the submission from the representative of the TE grade in OFTA objecting to the permanent recruitment freeze on the TE grade and also the subsuming of the functions of the TE grade under the proposed RAM grade. He said that although the Administration had assured serving TE grade staff members in OFTA of their security of employment until retirement, these staff members remained gravely concerned that the phasing out of the professional TE grade in OFTA would adversely affect the quality of work and have impact on public safety. This might give rise to interferences with the communication network of government fire services, police and aviation, as well as disruption to mobile telecommunications and broadcasting services. To safeguard public interests, the TE grade strongly requested the Administration to retain the TE grade in OFTA and resume recruitment of professional engineers. Ir Dr HO said that telecommunications engineering was a highly specialized discipline and he shared the views of the TE grade that there was a continued need for professional engineers to undertake technical regulatory work in OFTA. He said that it would not be in the public interest to replace this highly professional grade of engineers by non-professional technicians or multi-disciplinary staff.

15. Permanent Secretary for Commerce and Economic Development (Communications and Technology) (PS(CT)) clarified that the proposal under consideration was to create an entirely new civil service grade of RAMs comprising four ranks and one permanent post of CRAM. She highlighted that the proposal was not to abolish the TE grade, and new recruits to the proposed RAM grade would replace NCSC regulatory staff rather than serving TE staff. She added that following the deregulation of the local fixed network market in 1995 and the full liberalization of external network market and local fixed network market in 2000 and 2003 respectively, the telecommunications market had witnessed the rapid development from one

Action

local fixed network and one external network operator in 1995 to 17 fixed network operators, five mobile network operators, 42 external fixed network operators and 544 service-based operators as of 1 September 2011. In view of the fast evolving and rapid expansion of Hong Kong's telecommunications industry in the past decades, OFTA had to deal with increasingly intertwining technical and economic regulatory issues of much greater diversities and complexities in nature which went beyond the traditional telecommunications and electronics disciplines. To meet the service needs for the required talents and expertise which were not available in the existing TE grade, OFTA had been engaging NCSC staff with multi-disciplinary expertise since 1999 to perform its multifarious functions in regulating the telecommunications industry. However, the arrangements of meeting the service need by NCSC staff was problematic since staff morale was undermined by restricted career development due to the lack of a line of promotion to directorate posts, and the turnover rate was relatively high. In the past five years, a total of 24 out of some 30 NCSC, representing about 80% of the total strength of NCSC regulatory staff, left OFTA. To address these issues, the optimal solution was to create a new civil service RAM grade that could attract and retain the requisite talents, in the required disciplines (viz. engineering, information and communication technology, economics, law, finance, accounting, business administration and statistics) to replace the NCSC regulatory staff.

16. As regards the proposed subsuming arrangement, PS(CT) said that the Administration had held a few rounds of staff consultation and the matter had also been discussed at meetings of the Panel on Information Technology and Broadcasting. The Administration had undertaken to conduct a review of the detailed subsuming arrangements as soon as possible to gauge the views of the OFTA staff and the TE grade.

17. Ir Dr Raymond HO stressed that there was a continued need for the expertise of the TE grade to support OFTA in performing its technical regulatory functions which was highly specialized. He said that staff of the TE grade did not oppose to the creation of the new RAM grade but was strongly against subsuming the functions of the TE grade under the new grade and the recruitment of non-professional staff to replace professional engineers in OFTA. Noting that recruitment to the TE grade had been frozen for more than 12 years, Ir Dr HO reiterated the grade's strong call for the resumption of recruitment to the TE grade and urged the Administration to address the grade's concerns. He moved a motion urging the Administration to withdraw the proposal on the creation of the new RAM grade, to resume recruitment of the TE grade, to call off subsuming the TE grade under the proposed new RAM grade, and to consult afresh the professional and technical staff of OFTA.

Action

18. The Chairman read out the wordings of the motion as follows -

"That this Subcommittee strongly requests the Government to withdraw its proposal and consult afresh the professional and technical staff of the Telecommunications Authority; to undertake to call off subsuming the Telecommunications Engineer grade under the newly created Regulatory Affairs Manager grade and resume recruitment of the engineer grade so as to keep pace with the developmental trend of the international telecommunications industry, tie in with the rapid digitalization of the telecommunications industry, coordinate telecommunications services with adjacent regions and dovetail with the modernization of the technical regulations for the international telecommunications industry; and to ensure that the telecommunications services used by the public are not interrupted, safety signals are transmitted and the safely level of non-ionizing radiation is maintained."

19. The Chairman drew members' attention to the procedure for dealing with motions under paragraph 31A of the ESC Procedure. The Chairman advised that if the motion to express a view was considered by the Chairman as directly related to the agenda item and agreed by a majority of members that it should be proceeded forthwith, the meeting would then deal with the motion. The Chairman remarked that since the motion proposed to request the government to withdraw the proposal under consideration, she considered the motion directly related to the agenda item and invited members' views on the motion.

20. Mr WONG Ting-kwong opined that the motion was not directly related to the proposed creation of the new RAM grade. He said that while he appreciated the concern of the staff about the prospect of the TE grade, their concerns about subsuming arrangements were not directly related to the proposal on the creation of the new RAM grade. He enquired about the Administration's recruitment plan for the new RAM grade and whether the head of the grade would be filled by internal promotion.

21. Ms LI Fung-ying expressed grave concern about the TE grade's strong opposition to subsuming its functions under the new RAM grade. She asked the Administration to clarify whether the subsuming arrangements as mentioned in paragraph 23 of the Administration Paper was part of the staffing proposal submitted to the Subcommittee for consideration.

Action

22. PS(CT) responded that subsuming the TE grade under the proposed new RAM grade was not part of the proposal under discussion. While it was the Administration's preliminary view to gradually subsume the functions of the TE grade under the new multi-disciplinary civil service grade with a view to performing more effectively and efficiently the intertwining economic and technical regulatory functions, the Administration had, having regard to the concerns raised by the TE grade and LegCo Members, undertaken to conduct a review of the detailed subsuming arrangements in 2013, for completion by July 2015.

23. Dr PAN Pey-chyou considered the motion directly related to the item under consideration since it was stated clearly in paragraph 23 of the Administration paper that the TE grade should gradually be subsumed under the new grade.

24. Prof Patrick LAU was of the view that the motion was directly related to the proposal under discussion. He said that it was clear that the Administration had already decided to subsume the TE grade under the proposed new grade, otherwise the Administration should first complete the review on subsuming arrangements before putting in a proposal to create a new RAM grade. He called on the Administration to undertake to retain the TE grade.

25. The Chairman remarked that the proposed creation of a new civil service grade and the freezing of the recruitment of the TE grade were separate issues. The Administration's paper did not mention abolition of the TE grade, but stated that the TE grade would remain a civil service grade in OFTA until the retirement of all serving TE grade members.

26. Deputy Secretary for Financial Services and the Treasury stressed that the Administration's proposal was to create a new RAM grade. The future of the TE grade was not part of the proposal. Paragraphs 23 and 24 of the paper only sought to explain the interface between the proposed new RAM grade and the existing TE grade, set out the timeframe of the review, and inform members of the arrangements for in-service TE grade staff until their retirement.

27. Mr CHEUNG Man-kwong considered Dr HO's motion related to the agenda item. However, he did not agree that the creation of the new grade should await the completion of the review of the subsuming arrangements in 2015.

Action

28. Mr LAU Kwong-wah remarked that the motion was partly related to the staffing proposal. He considered that the new RAM grade could be created first, while the review of the subsuming arrangements could proceed concurrently. He also called on the Administration to take into consideration the views and concerns of staff members and LegCo Members before deciding on the subsuming arrangements.

29. Having considered members' views, the Chairman ruled that the motion moved by Ir Dr Raymond HO was directly related to the item. She said that she would allow members to discuss the staffing proposal first before putting Ir Dr HO's motion to vote. If Ir Dr HO's motion was carried, the Administration would be requested to consider whether to withdraw the paper. If Ir Dr HO's motion was negated, the Chairman would put the staffing proposal in EC(2011-12)7 to vote.

Subsuming arrangements of the TE grade

30. Ms LI Fung-ying said that in view of the rapid advancement in technology and the fast changing business environment for the telecommunications industry in Hong Kong, she supported the proposed creation of a new multi-disciplinary grade in OFTA to perform its multifarious regulatory role. She also welcomed converting the existing NCSC posts to permanent civil service posts as a right move in the direction long championed by trade unions. However, she considered subsuming the existing TE grade under the new grade unfair to TE grade members, and this would also put public interest at stake. As the expertise of the professional TE grade was still required for the operation of OFTA, it was absurd and unacceptable to phase out the TE grade in OFTA. She urged the Administration to address staff concerns and to safeguard public interests. She also sought the Administration's explanation on the diminishing workload for the TE grade.

31. Director-General of Telecommunications (DGT) responded that the OFTA management was fully aware of the concerns of the TE grade members about the recruitment freeze and the subsuming arrangements. She said that recruitment of TE grade had been frozen since 1998 due to changes in the regulatory environment and the diminishing operational needs for pure engineering support in OFTA's regulatory work. With the full liberalization of the telecommunications market in Hong Kong, the challenge of OFTA's work had progressively shifted to, and would remain in the years ahead, handling the intertwining technical and economic regulatory issues and in regulating the economic aspects of the telecommunications sector, the workload of which had grown substantively over the past decade. Serving members of the TE grade did not possess the necessary expertise in

Action

performing economic regulatory function, including the enforcement of regulations against anti-competitive conduct and unfair trade practices, arbitrating or mediating on terms and conditions of interconnection among telecommunications operators, implementing the Radio Spectrum Policy Framework through conducting auctions of radio spectrum and setting spectrum utilization fees, etc. The TE grade members did not have the necessary experience and knowledge to competently perform the non-technical regulatory functions, and neither were they required by their job descriptions to perform such functions. DGT added that although the technical and non-technical split for the regulatory work of OFTA was about 30% to 70%, there were presently 38 TE grade members solely dedicated to purely technical regulatory work and 30 NCSC regulatory staff undertaking the non-technical regulatory work. Given that the mainstay of TE grade's work (i.e. providing telecommunications engineering support and technical regulatory work) had been diminishing, some of the 38 incumbent TE grade members were assigned to undertake non-technical tasks such as external relations, involving arranging visits from overseas regulatory bodies and OFTA's participation in regional or international conferences.

32. Deputy Director-General of Telecommunications (DDGT) was invited to brief members on the decreasing workload in the area of pure technical regulatory work. He said that due to the major transformation of and rapid developments in Hong Kong's telecommunications industry, OFTA had evolved from a department focusing on technical regulatory work to one performing multifarious regulatory role in areas embracing engineering, information technology, law, economics, accounting and finance, etc. In recognition of the need for OFTA to compete with the commercial sector in recruiting personnel with the necessary qualifications and expertise to perform regulatory functions intertwined with both economic and technical issues, OFTA had resorted to recruiting NCSC staff with the required specialty to meet the multifarious service needs.

33. DGT supplemented that the Administration had drawn reference to the best practice in overseas jurisdictions, such as Australia, Singapore and the United Kingdom in designing the proposed RAM grade. It was common for regulatory bodies in these advanced economies to maintain a common grade of multi-disciplinary staff members to handle all regulatory issues, and the Administration considered that this should be set as the long term objective of OFTA. To achieve this objective, there were two possible ways forward. The first was for the functions of the TE grade to be expanded to cover also non technical regulatory functions. DGT pointed out that before finalising the staffing proposal, the TE grade members had been consulted on whether they would be willing to take up a wider set of duties instead of creating a new

Action

civil service grade. TE grade members indicated that they did not support the alternative of expanding their job specifications to include non-technical regulatory work and urged the OFTA management to conduct a detailed analysis of the subsuming option as soon as possible. In view of the TE grade members' response, the Administration considered that the proposal of revising the job specifications of the TE grade should not be further pursued. That was the background to why the alternative option of gradually subsuming the functions of the TE grade to the new civil service grade was adopted as the basis for staff consultation. Taking into account the objection of the TE grade to the subsuming option, and views of members expressed at the meeting, DGT said that at the current moment, the Administration did not have any pre-set stance on whether or not to subsume the functions of the TE grade under the new RAM grade. She assured members that the OFTA management would endeavour to proceed with the review of the TE grade as soon as possible and would continue to engage the TE grade members before and during the review. She also invited members to note the incumbent NCSC regulatory staff's aspirations for the opportunity to apply for the new civil service posts.

34. Dr PAN Pey-chyou said that in view of the possible adverse impact on public safety and interferences with various telecommunications services, it would not be in the public interest to phase out professional engineers in OFTA. While he recognized OFTA's need for multi-disciplinary staff to assist it in the regulation of telecommunications/communications industry in Hong Kong, the Administration should create more posts for multi-disciplinary staff to cope with the expanding work scope instead of subsuming the TE grade under the new RAM grade. He further said that it would be difficult for a staff member who had been working in a particular discipline for several decades to master new skills of different disciplines, and that the concerns of the TE grade were well-justified. Sharing a similar view, Ir Dr Raymond HO said that the TE grade members had relayed to him the difficulty in taking on work of other disciplines. As recruitment to the TE grade had been frozen in the past 12 years, and the Administration had made it clear not to resume recruitment, the workload on serving TE grade members had been on the increase as posts left vacant by retired staff were not filled.

35. Mr CHEUNG Man-kwong said that Members belonging to the Democratic Party supported the creation of the new multi-disciplinary civil service grade. He said that in view of the revolutionary changes in the telecommunications market over the past decade, there was a need for multi-disciplinary staff to cope with the expanded regulatory work. He said that the creation of the new grade should not be held up by the review on subsuming arrangements. He, however, urged the Administration to give due

Action

recognition to the contribution of the TE grade members and engage them in the review to work out appropriate arrangements for the grade.

36. PS(CT) stressed that the Administration attached great importance to the work and contribution of the TE grade and reiterated OFTA's need for a new multi-disciplinary grade to effectively and efficiently perform its intertwining economic and technical regulatory work.

37. Mr LAU Kong-wah expressed support for the creation of a new grade of RAMs. He considered that apart from recruiting multi-disciplinary talents, OFTA should also retain a strong professional technical team that was comparable to the private sector to maintain its competitiveness. He reiterated that a two-stage approach (i.e. creating the new RAM grade first to be followed by a review on the subsuming arrangements for the TE grade) should be adopted.

Timeline of the review on the subsuming arrangements

38. In response to Dr PAN Pey-chyou's enquiry on the timeline of the review on the subsuming arrangements, DGT said that according to the original plan, a comprehensive review would be conducted in 2013 for completion by July 2015. Given the TE grade members' request for an early review, the Administration would target to commence the review in 2012.

39. Mr LAU Kong-wah said that a long-drawn review spanning two years would cause unnecessary stress and anxiety to staff members. He urged the Administration to start the consultation with the concerned staff members as early as possible and to complete the review within one year.

40. Sharing a similar view, Mr CHEUNG Man-kwong and Prof Patrick LAU urged the Administration to expedite the review to allay the uncertainty and anxiety of serving TE grade members.

Admin 41. Having considered members' views, DGT undertook to commence the review in 2012 and, in consultation with the TE grade, to compress the period of the review to 18 months or less.

Entry requirements of the proposed RAM grade

42. Prof Patrick LAU expressed grave concern that professional qualification(s) of the respective discipline was not made one of the basic entry requirements for the RAM grade. He stressed that professional qualifications could not simply be replaced by years of experience, and he

Action

strongly urged the Administration to include professional qualifications as a basic entry requirement for the RAM grade.

43. DGT explained that different from a professional grade of a specific discipline (such as lawyer, engineer or accountant), the proposed RAM grade was a multi-disciplinary grade and therefore it would not be necessary to have professional qualifications as one of the entry requirements for the grade. In fact, some of the disciplines, such as business administration and statistics, did not have any professional qualifying examinations. She pointed out that if professional qualification(s) was made the only entry requirement, candidates of the above-mentioned disciplines would be barred from joining the grade, and about half of the serving 30 NCSC regulatory would not be eligible to apply. She stressed the importance for the Administration to, in designing the entry requirements and remuneration package of the new RAM grade, ensure the existing NCSC staff would be eligible to apply for the RAM posts while attracting multi-disciplinary personnel in the private sector and other civil service grades with similar entry requirements to join the grade. She pointed out that it was also the practice in the United Kingdom, Singapore and Australia to recruit regulatory staff with degrees in engineering and other disciplines, instead of looking for candidates with professional qualifications in various fields. She further advised that the proposed entry requirements for the new RAM grade as stated in the Administration's paper represented only the minimum requirements for the entry rank of RAM. The minimum requirements in terms of post-graduate experience in the relevant field for the promotion ranks, viz. SRAM, PRAM and CRAM were eight, ten, and twelve years respectively.

44. Prof Patrick LAU queried whether the multi-disciplinary regulatory staff would be able to acquire professional qualifications on the strength of his/her work experience with OFTA. DDGT replied that the Administration would discuss with the professional institutions concerned for the recognition of the experience of the proposed grade in the light of its multi-disciplinary or multi-professional job nature.

45. In summarising the discussion, the Chairman said that there was consensus among members regarding the need and the urgency for the creation of a new RAM grade. There were however diverse views over the issue of subsuming the functions of the TE grade under the new grade, although members generally agreed that the review about the subsuming arrangements should be conducted as soon as possible. The major controversy was about the timing of the review, specifically whether the new grade should be created before or after the finalisation of the subsuming arrangements, or whether the Administration should conduct the review first before proposing to create the

Action

new RAM grade.

Admin

46. Ms LI Fung-ying requested the Administration to undertake to expedite the review, and to provide information on the timeline of the review and the detailed subsuming arrangements.

47. Dr PAN Pey-chyou said that he was inclined not to support the proposal. He urged the Administration to clarify the detailed subsuming arrangements and expressed reservation on the availability of such multi-disciplinary talents in the market.

48. DGT responded that candidates who possessed the required entry qualifications in any of the disciplines could apply for the RAM post. She said that the existing NCSC staff had cross-disciplinary background in law, business administration, engineering, information technology, accounting, economics and finance. This demonstrated the availability of multi-disciplinary talents in the market. She elaborated that 14 of the 30 incumbent NCSC regulatory staff possessed professional qualifications, and 12 had double degrees whilst eight of the grade members had background in engineering and information technology, six were lawyers, five accountants, and three professional engineers. With better civil service employment terms for the new RAM grade, she did not envisage difficulties in recruiting candidates with the necessary qualifications and calibre. She appealed for members' support for the creation of the new grade to convert the NCSC grade into permanent civil service grade.

49. PS(CT) reiterated the pressing need to create a new RAM grade to support OFTA in discharging its multifarious regulatory work. The arrangements would also offer the serving NCSC regulatory staff the opportunity of joining the permanent establishment to address the high turnover problem faced by OFTA. She undertook that the Administration would provide a timeline of the review and would commence the review as soon as possible. On the recruitment freeze, PS(CT) said that while the Administration respected the TE grade and recognized grade members' contribution to the department, having regard to the operational requirements of the department, the Administration saw no practical need to resume recruitment to the TE grade at this stage.

50. Dr PAN Pey-chyou expressed concern about the possible management problem in grouping staff members with diversified backgrounds and expertise into one single grade and questioned whether the creation of the multi-disciplinary grade would be conducive to OFTA's operations. DGT advised that the regulatory bodies in major jurisdictions had the successful

Action

experience of maintaining a common grade with multi-disciplinary staff members to handle all technical and non-technical regulatory issues.

51. Referring to paragraph 23 of the Administration's paper, Mr LAU Kwong-wah suggested that the statement "the functions of the TE grade should gradually be subsumed under the new grade" be amended to the effect that the review would focus on whether to subsume the TE grade under the new grade in its submission to FC meeting. DGT stressed that the OFTA management had no pre-set stance on the subsuming arrangements and agreed to reflect this stance in the paper to be submitted to the FC meeting.

Admin

52. Ir Dr Raymond HO said that while he had no objection to the creation of the new RAM grade, he opposed to subsuming the TE grade under the new RAM grade. He reiterated that freezing the recruitment of the TE grade over the past 12 years and in future would not only create anxiety for TE grade members, but would also put public safety at stake. He suggested that paragraph 24 of the paper be amended to the effect that the TE grade would be retained in OFTA and would remain a civil service grade. The Chairman remarked that the Administration had made a clear undertaking to retain the TE grade until the retirement of serving TE grade members.

Voting on the motion moved by Ir Dr Raymond HO

53. The Chairman put the motion moved by Dr IR HO to vote. As requested by Ir Dr Raymond HO, the Chairman ordered a division. Of the 10 members present, 3 voted for and 5 voted against the motion. One member abstained from voting. The Chairman declared that the motion was not carried. The voting results of the individual members present were as follows:

*For:*

Ir Dr Raymond HO Chung-tai  
Prof Patrick LAU Sau-shing  
Dr PAN Pey-chyou  
(3 members)

*Against:*

Mr CHEUNG Man-kwong  
Mr WONG Yung-kan  
Mr LAU Kong-wah  
Mr WONG Ting-kwong  
Mr WONG Sing-chi  
(5 members)

Action

*Abstain:*

Ms LI Fung-ying  
(1 member)

Voting on EC(2011-12)7

54. The Chairman then put the proposal in EC(2011-12)7 to vote. Ir Dr Raymond HO claimed a division. Due to technical problem of the electronic voting system, the Chairman asked members to raise their hands for voting for or against the proposal. Of the 10 members present, 5 voted for and 3 voted against the proposal. One member abstained from voting. The Chairman declared that the proposal was endorsed. The voting results of the individual members present were as follows:

*For:*

Mr CHEUNG Man-kwong  
Mr WONG Yung-kan  
Mr LAU Kong-wah  
Mr WONG Ting-kwong  
Mr WONG Sing-chi  
(5 members)

*Against:*

Ir Dr Raymond HO Chung-tai  
Prof Patrick LAU Sau-shing  
Dr PAN Pey-chyou  
(3 members)

*Abstain:*

Ms LI Fung-ying  
(1 member)

55. Members agreed to recommend to FC that the item be voted on separately at the FC meeting on 18 November 2011.

56. There being no other business, the meeting ended at 10:30 am.