

立法會
Legislative Council

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Establishment Subcommittee of the Finance Committee

**Minutes of the 7th meeting
held in Conference Room 1 of Legislative Council Complex
on Wednesday, 2 May 2012, 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 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
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Member absent:

Hon CHEUNG Man-kwong

Public Officers attending:

Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Mrs Ingrid YEUNG, JP	Deputy Secretary for the Civil Service (1)

Mr Joe WONG Chi-cho, JP	Deputy Secretary for Commerce and Economic Development (Communications and Technology)
Mr Jerry LIU Wing-leung	Head of Create Hong Kong, Commerce and Economic Development Bureau
Ms Gracie FOO Siu-wai, JP	Deputy Secretary for Development (Planning and Lands)1
Mr Laurie LO Chi-hong, JP	Head of Development Opportunities Office, Development Bureau
Mr Patrick HO, JP	Deputy Secretary for Financial Services and the Treasury (Financial Services)
Ms Annie CHOI, JP	Commissioner of Insurance, Financial Services and the Treasury Bureau
Mr Francis HO Suen-wai, JP	Permanent Secretary for Transport and Housing (Transport)
Mrs Sharon YIP LEE Hang-yee	Deputy Secretary for Transport and Housing (Transport)
Mr Adrian NG Kwok-kee, JP	Deputy Director of Civil Engineering and Development

Clerk in attendance:

Ms Connie SZETO	Chief Council Secretary (1)4
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Staff in attendance:

Mr Andy LAU	Assistant Secretary General 1
Miss Lilian MOK	Council Secretary (1)4
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Ms Clara LO	Legislative Assistant (1)10

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The Chairman drew members' attention to the information paper (ECI(2012-13)1) provided by the Administration setting out the latest changes in respect of the Administration's directorate establishment approved since 2002.

EC(2012-13)1 Proposed creation of one permanent post of Senior Principal Executive Officer (D2) in the Create Hong Kong of the Communications and Technology Branch of Commerce and Economic Development Bureau with immediate effect to enhance the Government's capacity in the formulation and delivery of support services to the creative industries

2. The Chairman advised that the Administration's paper sought to create a permanent post of Senior Principal Executive Officer (D2) to be designated as Assistant Head (1) (AH(1)) in the Create Hong Kong (CreateHK) of the Communications and Technology Branch of the Commerce and Economic Development Bureau (CEDB) with immediate effect to enhance the Government's capacity in the formulation and delivery of support services to the creative industries. The staffing proposal was discussed by the Panel on Information Technology and Broadcasting on 13 February 2012. Panel members supported the proposal in principle. Some members urged the Administration to strengthen promotion on the work of CreateHK in order to enhance its image to the public. They also called on the Administration to step up its efforts in matching the creative industries with the manufacturing industry so as to achieve synergy and create more employment opportunities for the design sector in bringing benefits to the economy of Hong Kong.

3. Ms LI Fung-ying acknowledged that the creative industries were one of the important economic drivers for Hong Kong and had contributed a lot in creating employment opportunities for the local workforce. As there would be a re-organization in the Government structure in the new term of the Government which might include creation of a new bureau to take charge of policies relating to communications and technology, Ms LI considered that this might have impact on the work of CreateHK. She expressed concern whether the proposed post would be agreeable to the new politically appointed officials to head the new bureau and whether the staffing proposal should be taken forward by the new Government.

4. The Deputy Secretary for Commerce and Economic Development (Communications and Technology) (DS(CT)) advised that at present there were two directorate posts in CreateHK, namely Head of CreateHK (H of CreateHK) (a D3 post) and Secretary-General of the Film Development Council cum Assistant Head of CreateHK (SG(FDC)/AH) (a D2-equivalent post). When the Administration submitted the proposal to establish CreateHK in 2009, it was envisaged that H of CreateHK would be underpinned by two directorate officers or equivalent, i.e. AH(1) and SG(FDC)/AH. In assisting H of CreateHK, SG(FDC)/AH would take up duties relating to the development of the film industry in Hong Kong while AH(1) would be in charge of the matters relating to the non-film sectors. For the post of AH(1), it was considered at that time it would be filled by internal

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re-deployment. However, this plan was not realized after reviewing the manpower situation of CEDB. As a result, H of CreateHK had been heavily involved in the daily management and operation of the various funding schemes for creative industries and other matters related to non-film sectors on top of his duties of managing the whole CreateHK and formulating strategies for the promotion and development of the creative industries in Hong Kong. Given that the basic framework of the various funding schemes had largely taken shape, the Administration saw a need to create the AH(1) post to handle daily operational matters of CreateHK such that H of CreateHK could better focus on more strategic issues. DS(CT) further highlighted that the creation of the AH(1) post had undergone stringent approval procedures to ensure that it would meet the operational needs of CreateHK in delivering support service to creative industries in Hong Kong. The creation of the new post was a separate matter independent of any proposal concerning the re-organization of the Government structure.

5. Ms LI Fung-ying reiterated that if a new bureau was to be created to take charge of the promotion of the creative industries, there might be changes in the operation of CreatHK and thus its establishment. DS(CT) assured members that there was a strong operational need to create the AH(1) post to share the existing heavy workload of H of CreateHK. Given that the creative industries was one of the six economic areas with high growth potential, it was expected that the work of CreateHK would continue even under the re-organized structure of the new Government, and the proposed post would still be necessary.

6. The Chairman remarked that it was of paramount importance to ensure smooth implementation of existing policies and programmes during transition of Government of different terms. She asked whether there had been discussion on the work of CreateHK with the Government of the next term. DS(CT) said that the Office of the Chief Executive-elect had been informed of the staffing proposal.

7. The item was voted on. Members agreed that the Subcommittee should recommend the item to the Finance Committee (FC) for approval.

EC(2012-13)2 Proposed creation of one permanent post of Administrative Officer Staff Grade C (D2) in the Planning and Lands Branch of Development Bureau with effect from 1 July 2012 upon the lapse of a supernumerary post of Administrative Officer Staff Grade B (D3) in Development Opportunities Office (DOO), to take over some duties and responsibilities of DOO upon its discontinuation and to take forward the policy initiatives relating to land administration

8. The Chairman advised that the Administration's paper sought to create a permanent post of Administrative Officer Staff Grade C (D2) in the Planning and Lands Branch of the Development Bureau (DevB) with effect from 1 July 2012 to take over some of the duties and responsibilities of the Development Opportunities Office (DOO) upon its discontinuation as well as to take forward the policy initiatives relating to land administration.

9. Prof Patrick LAU, Chairman of Panel on Development, reported that the Panel on Development had discussed the staffing proposal at its meeting on 16 January 2012. Panel members in general supported the proposal. A member considered that as the new post would take up some of the duties of DOO, the officer holding the new post should continue to provide one-stop consultation and co-ordination services for meritorious land development proposals so that the achievements of DOO could be continued.

10. Ir Dr Raymond HO expressed support for the staffing proposal. He praised the contribution of DOO since its establishment in 2009 in providing one-stop consultation and co-ordination service to proponents of small-scale land development projects in the initial stage. However, he noted that some project proponents still encountered difficulties with the cumbersome procedures of different bureaux/departments (B/Ds) during the course of taking forward their proposals. As such, Dr HO urged that the Administration should continue to provide comprehensive facilitation services to project proponents with creation of the new post.

11. Deputy Secretary for Development (Planning and Lands)¹ advised that relevant department and policy units in DevB had been offering policy support and assistance to project proponents. For instance, the Harbour Unit of DevB had been facilitating the implementation of meritorious harbourfront projects proposed by private sector proponents. Private sector proponents very often would consult the Harbourfront Commission in the process. Nevertheless, in pursuing their projects, proponents were still required to obtain necessary planning approval from the Town Planning Board as well as permissions from relevant B/Ds.

12. Head of DOO supplemented that when DOO was first established, the main focus of its work was to provide one-stop consultation and co-ordination service at the pre-planning stage for land development projects proposed by non-governmental organizations and private sector proponents, so as to encourage more land development projects. Nevertheless, as DOO gathered more operational experience, it noted that sometimes project proponents would continue to encounter difficulties in implementing their projects after they had obtained planning permissions, for example, owners might face difficulties in discharging some planning approval conditions straddling different policy areas and involving various B/Ds. DOO had therefore expanded the scope of its work to provide assistance in the implementation of these projects. Since development projects varied in their nature and scope, whether and how DOO might assist in the post-planning stage would depend on the actual circumstances of each case. In general, DOO would facilitate project implementation through co-ordinating with the relevant B/Ds on planning and other matters, but it would not be able to assist in land administration matters and negotiation of premium. He further said that upon cessation of DOO, the relevant B/Ds or policy units under DevB would continue to assist in meritorious land development projects under their respective purviews. DOO would share its experience with other B/Ds in facilitating land development projects with a view to enhancing their understanding of the land development process and the relevant issues so that they would be better prepared in facilitating private land development projects.

13. Ir Dr Raymond HO reiterated his concerns. He pointed out that a number of proponents of small scale land development projects had encountered difficulties in pursuing their proposals. In some cases, burdensome and unreasonable requirements of B/Ds had increased the burden on project proponents and delayed the implementation of the proposals. Dr HO stressed that the Administration must acknowledge the problem and devise concrete measures to tackle it. The Chairman urged the Administration to take note of Dr HO's concerns.

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

EC(2012-13)3 Proposed creation of one supernumerary post of Assistant Commissioner of Insurance (D2) in the Office of the Commissioner of Insurance under the Financial Services Branch of Financial Services and the Treasury Bureau for a period of 24 months with immediate effect for performing the new regulatory functions stipulated in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and the Mandatory Provident Fund Schemes (Amendment) (No. 2) Bill 2011

15. The Chairman advised that the Administration's paper sought to create a supernumerary directorate post of Assistant Commissioner of Insurance (D2) in the Office of the Commissioner of Insurance (OCI) of the Financial Services Branch under the Financial Services and the Treasury Bureau for a period of 24 months with immediate effect for the purpose of performing new regulatory functions stipulated in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and the Mandatory Provident Fund Schemes (Amendment) (No. 2) Bill 2011 (the MPF Bill which was under scrutiny by a Bills Committee). The Panel on Financial Affairs was consulted on the staffing proposal at the meeting on 6 February 2012 where members had given their support. Some Panel members had enquired about the arrangements for existing staff of OCI employed on contract terms and those occupying supernumerary posts upon establishment of an independent Insurance Authority in the future. The Administration had advised that it was holding internal discussions on the matter and OCI would continue to perform its regulatory functions until the establishment of the independent Insurance Authority.

16. Mr WONG Ting-kwong said that he was the Chairman of the Bills Committee on the MPF Bill. Taking into account the new duties of OCI to supervise registered MPF intermediaries and strengthen the anti-money laundering regulatory regime of the insurance sector, Mr WONG agreed that there was a pressing need to create the supernumerary post of Assistant Commissioner of Insurance and hence he supported the staffing proposal.

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

EC(2012-13)4 Proposed creation of three supernumerary posts of one Principal Government Engineer (D3), one Administrative Officer Staff Grade C (D2) and one Chief Engineer (D1) in the Transport Branch of Transport and Housing Bureau initially for a period of two years and nine months with effect from 1 July 2012 and an increase in the establishment ceiling in 2012-13 under Head 158 from \$68,868,000 by \$4,595,280 to \$73,463,280 for the establishment of the Airport Expansion Project Coordination Office

18. The Chairman advised that the purposes of the Administration's paper were two-fold. First, to create three supernumerary directorate posts, namely Principal Government Engineer, Administration officer Staff Grade C and Chief Engineer, in the Transport Branch of the Transport and Housing Bureau initially for a period of two years and nine months with effect from 1 July 2012 for establishing a dedicated Airport Expansion Project Coordination Office (AEPCO) to take forward the Hong Kong International Airport Master Plan 2030 (the Master Plan 2030). Secondly, to increase in the ceiling placed on the total notional annual mid-point salary (NAMS) value of all non-directorate posts in the permanent establishment of Head 158 from \$68,868,000 by \$4,595,280 to \$73,463,280 in 2012-13. She said that the staffing proposal was discussed by the Panel on Economic Development on 26 March 2012. Panel members supported the proposal in general while some members expressed concerns about the experience of and the relevant training to be provided for the post-holders whose duties included overseeing the environmental impact assessment work in relation to the Master Plan 2030, and the measures to be taken by the Administration to ensure the Airport Authority would invite internationally recognized professionals for undertaking the assessment work. The Panel had requested the Administration to include the views and concerns expressed by Panel members and the Administration's responses in its paper to be submitted to FC.

19. The Chairman enquired the reason for increasing the ceiling on the NAMS value of all non-directorate posts in the permanent establishment of Head 158. Permanent Secretary for Transport and Housing (Transport) (PS(T)) advised that apart from the three proposed supernumerary directorate posts, eight new non-directorate posts would need to be created for supporting the operation of AEPCO, and hence the ceiling placed on the total NAMS value of all non-directorate posts in the permanent establishment would have to be increased accordingly.

20. The Deputy Secretary for Financial Services and the Treasury (Treasury) 1 explained that the Estimates of Expenditures, including the NAMS ceiling for all non-directorate posts, were submitted annually to the

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Legislative Council for approval. Expenditure analysis were set out in the Controlling Officers' Reports. Where provision had not been included in the Estimates and a change in the Estimates was necessary, the changes would generally have to be approved by FC. If such change to the Estimates expenditure items involved a change to the NAMS ceiling, they would need to be submitted to the Subcommittee for consideration before the relevant changes were put forward to FC for approval.

21. Noting that Mr Francis HO Suen-wai, the incumbent PS(T) would retire from the civil service shortly, Mrs Regina IP proposed and members agreed to put on record a vote of thanks from the Subcommittee to Mr HO for his dedicated service in the Government.

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

23. There being no other business, the meeting ended at 9:05 am.

Council Business Division 1
Legislative Council Secretariat
24 May 2012