

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

### **Update on Overall Directorate Establishment Position**

#### **Introduction**

This paper updates Members on the overall directorate establishment position and informs Members of possible proposals for the creation and deletion of directorate posts in the 2013-14 legislative session.

#### **Continuous efforts to control the size of the civil service establishment**

2. The Administration has continued its efforts to control the size of the civil service by making more effective use of manpower resources, deleting existing posts where the functional need has ceased, and creating new posts only when fully justified. As at 31 August 2013, the civil service establishment (including judges and judicial officer (J&JO) posts in the Judiciary and all posts in the Independent Commission Against Corruption (ICAC)) stood at 170 121, made up of 1 612 directorate and 168 509 non-directorate posts. Compared with the position in January 2002, this represents a net reduction of six directorate posts. During the period, the number of directorate posts has been maintained at less than 1% of the total establishment of the civil service.

3. In November 2012, we submitted vide ECI(2012-13)6 a forecast on the likely creation and deletion of directorate posts for the 2012-13 legislative session. By the end of the session, the Establishment Subcommittee (ESC)/Finance Committee (FC) endorsed/approved the creation of 12 permanent directorate posts (including two J&JO posts) and eight new supernumerary directorate posts (including one post in ICAC) and the extension of nine supernumerary directorate posts. Meanwhile, eight supernumerary directorate posts, including six civil service directorate posts and two non-civil service positions at directorate level, lapsed without extension during the period. As a result, there was a net creation of 12 permanent directorate posts (including two J&JO posts) for the 2012-13 legislative session.

**/Forecast .....**

**Forecast of directorate post proposals likely to be submitted in the 2013-14 legislative session**

4. Based on the current assessment provided by bureaux, we forecast that in the 2013-14 legislative session the Administration may put forward the following proposals –

Encl. 1

(a) to create ten permanent directorate posts (excluding upgrading/downgrading among directorate ranks, transfer of posts, etc.) as set out in Enclosure 1; and

Encl. 2

(b) to create 19 supernumerary directorate posts and extend 13 supernumerary directorate posts as set out in Enclosure 2. Members may wish to note that five existing supernumerary directorate posts are expected to lapse during the period.

5. We wish to highlight that the above forecast is based on our current assessment only. Bureaux/departments may need to adjust their current plans on staffing requirements in the course of the 2013-14 legislative session as proposals are further refined or as unforeseeable circumstances arise.

Encl. 3

6. In addition, there are possible additional requirements at the directorate level which are under review by the bureaux/departments concerned which may result in submissions to ESC/FC in the 2013-14 legislative session. These are set out in Enclosure 3.

7. The Administration will continue to exercise prudence in monitoring and controlling the size of the directorate establishment. A rigorous system is in place to scrutinise proposals initiated by bureaux/departments and ensure that these proposals are fully justified before submission to ESC/FC.

**Financial implications**

8. The total financial implications of the directorate establishment, in terms of notional annual salary cost at mid-point, were around \$2,428.6 million in January 2002 and around \$2,803.9 million in August 2013. The increase in salary costs (i.e. around \$375.3 million), despite the net reduction of six directorate posts, is due to salary adjustment over the concerned period. The salary costs arising from

/the .....

the net increase of 12 permanent directorate posts for the 2012-13 legislative session amount to \$21.4 million. The detailed financial implications of the possible proposals for the creation of directorate posts in the 2013-14 legislative session will be set out in the respective ESC papers to be submitted in due course.

-----

Civil Service Bureau  
Financial Services and the Treasury Bureau  
November 2013

**Enclosure 1 to ECI(2013-14)6**

**Current Forecast of Possible Submissions on Creation/Deletion of Permanent Directorate Posts in the 2013-14 Legislative Session**

<b>Bureau/ Department/ Office</b>	<b>Purpose</b>	<b>Rank</b>	<b>Proposed Creation</b>	<b>Others (e.g. upgrading, downgrading, transfer)</b>
Buildings Department (BD)	To provide continued directorate support for heading the Mandatory Building Inspection Division to oversee the implementation of the Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme. (please also see the lapse of one supernumerary D2 post in BD in Enclosure 2)	Government Building Surveyor/Government Structural Engineer (bi-disciplinary) (D2)	+1	
Constitutional and Mainland Affairs Bureau	To head a new Hong Kong Economic and Trade Office to be set up in Wuhan, Hubei to enhance co-operation with the Central Region of the Mainland.	Administrative Officer Staff Grade C (D2)	+1	
Development Bureau (DEVB)	To implement a series of land supply initiatives under the multi-pronged approach set out in the 2013 Policy Address, with a view to increasing land supply in the short, medium and long term to meet the housing and other development needs of Hong Kong, and improve the living space of Hong Kong people. (please also see the creation of one supernumerary D2 post in DEVB and two supernumerary D1 posts in the Civil Engineering and Development Department in Enclosure 2)	Administrative Officer Staff Grade B (D3)	+1	
Food and Health Bureau	To enhance and rationalise the senior directorate structure in the Food Branch in order to cope with the increase in complexity and volume of work on management and regulation of food safety.	Administrative Officer Staff Grade B (D3)	+1	

Bureau/ Department/ Office	Purpose	Rank	Proposed Creation	Others (e.g. upgrading, downgrading, transfer)
Hong Kong Police Force	To serve as the District Commander of the Tseung Kwan O (TKO) Police District upon the upgrading of the TKO Police Division to a Police District.	Chief Superintendent of Police (PPS 55 or D1-equivalent)	+1	
Housing Department	To cope with the additional workload arising from the new public housing production targets, including in particular the need for better support in policy formulation, co-ordination and implementation of housing projects, the administration of related infrastructural development and overseeing the provision of structural engineering services for the housing projects.	Chief Architect (D1)	+1	
		Chief Engineer (D1)	+1	
		Chief Structural Engineer (D1)	+1	
Inland Revenue Department (IRD)	To provide directorate support to the Tax Treaty Section of the IRD for the implementation of a number of initiatives in relation to the expansion of the Comprehensive Double Taxation Agreement network of Hong Kong. (please also see the lapse of one supernumerary D1 post in IRD in Enclosure 2)	Chief Assessor (D1)	+1	
Innovation and Technology Commission (ITC)	To head the Secretariat, Hong Kong Council for Testing and Certification (HKCTC) on a long-term basis as the Government has accepted HKCTC's recommendation to continue with its current mode of operation as an advisory body to the Government. (please also see the lapse of one supernumerary D2 post in ITC in Enclosure 2)	Administrative Officer Staff Grade C (D2)	+1	

Bureau/ Department/ Office	Purpose	Rank	Proposed Creation	Others (e.g. upgrading, downgrading, transfer)
Highways Department (HyD)	To extend the redeployment of one permanent directorate post in the Hong Kong-Zhuhai-Macao Bridge (HZMB) Hong Kong Project Management Office to sustain the implementation of the HZMB and related highway infrastructure projects. (please also see the extension of one supernumerary D3 post and two supernumerary D1 posts in HyD in Enclosure 2)	Chief Engineer (D1)		+1
		Chief Engineer (D1)		-1
Leisure and Cultural Services Department	To upgrade the Departmental Secretary (DS) post to strengthen directorate support in human resource management and departmental administration to cope with the growth in the level of responsibilities and complexity of the DS's portfolio.	Senior Principal Executive Officer (D2)		+1
		Principal Executive Officer (D1)		-1
Social Welfare Department	To head the Information Systems and Technology Branch for formulating and implementing information technology policies, strategies, guidelines and initiatives to deliver the new welfare initiatives and tackle the increasing complex social problems.	Principal Social Work Officer (D1)		+1
		Principal Social Work Officer (D1)		-1
<b>Total</b>			<b>+10</b>	

-----

**Current Forecast of Possible Submissions on Creation/Extension of Supernumerary Directorate Posts in the 2013-14 Legislative Session**

Bureau/ Department/ Office	Purpose	Rank	Proposed Creation	Proposed Extension	Expected to Lapse
Commerce and Economic Development Bureau (CEDB)	To conduct a review of the Telecommunications Ordinance and the Broadcasting Ordinance and to complete the associated legislative exercise.	Administrative Officer Staff Grade B (D3)	+1		
		Administrative Officer Staff Grade C (D2)	+1		
Development Bureau (DEVB)  Civil Engineering and Development Department (CEDD)	To implement a series of land supply initiatives under the multi-pronged approach set out in the 2013 Policy Address, with a view to increasing land supply in the short, medium and long term to meet the housing and other development needs of Hong Kong, and improve the living space of Hong Kong people. (please also see the creation of one permanent D3 post in DEVB in Enclosure 1)	Government Engineer (D2)	+1		
		Chief Engineer (D1)	+2		
Environment Bureau  Department of Justice (DoJ)	To review the future regulatory framework for the electricity market after the expiry of the current Scheme of Control Agreements, including the co-ordination of public consultation and formulation of options and proposals on the way forward.	Administrative Officer Staff Grade C (D2)	+1		
		Assistant Principal Government Counsel (DL1)	+1		
Environmental Protection Department	To provide technical and professional support to the Steering Committee to Promote the Sustainable Development of the Recycling Industry chaired by the Chief Secretary for Administration and to implement the policies and initiatives formulated by the Steering Committee to support the sustainable development of the recycling industry in Hong Kong.	Assistant Director of Environmental Protection (D2)	+1		

Bureau/ Department/ Office	Purpose	Rank	Proposed Creation	Proposed Extension	Expected to Lapse
Financial Services and the Treasury Bureau (FSTB)	To lead the Asia-Pacific Economic Cooperation (APEC) Finance Ministers' Meeting's Co-ordination Team to develop and implement plans to organise the APEC Finance Ministers' Meeting in Hong Kong in September 2014.	Administrative Officer Staff Grade B (D3)	+1		
		Senior Principal Executive Officer (D2)	+1		
Home Affairs Bureau (HAB)	To lead a dedicated unit to supervise the detailed planning of the Kai Tak Multi-purpose Sports Complex and the comprehensive policy review on Private Recreational Leases.	Administrative Officer Staff Grade C (D2)	+1		
Housing Department	To cope with the increase in complexity and volume of work arising from the implementation of the recommendations of the Long Term Housing Strategy Review.	Administrative Officer Staff Grade C (D2)	+1		
Inland Revenue Department (IRD)	To provide directorate support to the Stamp Office of the IRD for the implementation of a number of policy initiatives in relation to stamp duty and tackling the strategic work of the Stamp Office.	Chief Assessor (D1)	+1		
Intellectual Property Department	To co-ordinate the implementation of the Original Grant Patent system to be launched in 2016-17 and to strengthen promotion of Hong Kong as an intellectual property trading hub.	Assistant Director of Intellectual Property (DL2)	+1		
Marine Department (MD)	To set up a Task Force on Reform in MD to take forward the recommendations made in the Report of the independent Commission of Inquiry into the Collision of Vessels near Lamma Island on 1 October 2012.	Administrative Officer Staff Grade B (D3)	+1		
		Assistant Director of Marine (D2)	+1		
		Senior Principal Executive Officer (D2)	+1		



Bureau/ Department/ Office	Purpose	Rank	Proposed Creation	Proposed Extension	Expected to Lapse
DoJ	To head a dedicated legal team as a joint task force led by the Transport and Housing Bureau in taking forward the marine-related legislative amendment exercise.	Deputy Principal Government Counsel (DL2)	+1		
Registration and Electoral Office	To oversee the preparation and conduct of the District Council election, Legislative Council election, Nominating Committee election and Chief Executive election from 2014-15 to 2017-18.	Principal Executive Officer (D1)	+1		
CEDD	To provide continued directorate support to oversee the administration, planning and implementation of Kai Tak Development.	Government Engineer/Government Architect (bi-disciplinary) (D2)		1	
		Chief Engineer (D1)		1	
	To provide continued directorate support to oversee the administration, planning and implementation of the Liantang/Heung Yuen Wai Boundary Control Point Project.	Chief Engineer (D1)		1	
CEDB	To oversee and co-ordinate the development of cruise tourism (including the Kai Tak Cruise Terminal project) and the continued development and operation of the Hong Kong Disneyland.	Administrative Officer Staff Grade C (D2)		1	
FSTB	To reinforce and expand offshore Renminbi business, advance financial co-operation with the Mainland by pursuing initiatives under the Closer Economic Partnership Arrangement and other co-operation platforms, and oversee policy matters and legislation concerning the implementation of Hong Kong's commitment to meet international standards such as the development of an effective resolution regime for financial institutions in times of financial crises, and handle other relevant international affairs relating to financial services.	Administrative Officer Staff Grade C (D2)		1	

Bureau/ Department/ Office	Purpose	Rank	Proposed Creation	Proposed Extension	Expected to Lapse
FSTB	To provide high-level policy steer for the corporate insolvency law improvement exercise, auditor regulatory reform as well as other relevant major legislative and market reform initiatives and policy reviews.	Administrative Officer Staff Grade B (D3)		1	
FSTB	To take forward the review of abscondee regime under the Bankruptcy Ordinance and oversee the relevant legislative work, as well as to ensure smooth commencement of the new Companies Ordinance, and take forward reviews on specific areas identified during the passage of the Companies Bill.	Administrative Officer Staff Grade C (D2)		1	
FSTB (Office of the Commissioner of Insurance) (OCI)	To continue to head the Anti-Money Laundering (AML) and Mandatory Provident Fund (MPF) Intermediaries Teams of the OCI for carrying out the regulatory duties under the AML and Counter-Terrorist Financing (Financial Institutions) Ordinance and MPF Schemes (Amendment) Ordinance 2012.	Assistant Commissioner of Insurance (D2)		1	
HAB	To lead the Community Care Fund (CCF) Secretariat to provide support to the CCF Task Force under the Commission on Poverty, and oversee and co-ordinate efforts to take forward the CCF initiative.	Administrative Officer Staff Grade C (D2)		1	
Highways Department (HyD)	To extend three supernumerary directorate posts in the Hong Kong-Zhuhai-Macao Bridge (HZMB) Hong Kong Project Management Office to sustain the implementation of the HZMB and related highway infrastructure projects. (please also see the extension of redeployment of one permanent D1 post in HyD in Enclosure 1)	Principal Government Engineer (D3)		1	
		Chief Engineer (D1)		2	

<b>Bureau/ Department/ Office</b>	<b>Purpose</b>	<b>Rank</b>	<b>Proposed Creation</b>	<b>Proposed Extension</b>	<b>Expected to Lapse</b>
Radio Television Hong Kong (RTHK)	To provide senior directorate support to ensure effective planning and implementation of RTHK's new services and projects.	Administrative Officer Staff Grade B (D3)		1	
Buildings Department (BD)	To allow a supernumerary D2 post to lapse upon the creation of one permanent D2 post in BD in Enclosure 1.	Government Building Surveyor/Government Structural Engineer (bi-disciplinary) (D2)			-1
Companies Registry	To allow a supernumerary DL2 post to lapse upon the implementation of the new Companies Ordinance.	Deputy Principal Solicitor (DL2)			-1
IRD	To allow a supernumerary D1 post to lapse upon the creation of one permanent D1 post in IRD in Enclosure 1.	Chief Assessor (D1)			-1
Innovation and Technology Commission (ITC)	To allow a supernumerary D2 post to lapse upon the creation of one permanent D2 post in ITC in Enclosure 1.	Administrative Officer Staff Grade C (D2)			-1
Planning Department (PD)	To allow a supernumerary D1 post created for overseeing the provision of professional planning support and secretariat services to the new pilot District Urban Renewal Forum by a non-directorate team at PD to lapse.	Chief Town Planner (D1)			-1
<b>Total</b>			<b>+19</b>	<b>13</b>	<b>-5</b>

-----

**Possible Additional Post Requirements at the Directorate Level which are under Review**

<b>Bureau/Department/Office</b>	<b>Purpose</b>
Labour and Welfare Bureau (LWB)	To provide continued directorate support for considering and taking forward poverty alleviation initiatives within the remit of LWB.
LWB	To review the Commissioner for Rehabilitation’s duties, responsibilities and ranking as well as the establishment and manpower of his or her team.

-----