

**立法會**  
***Legislative Council***

LC Paper No. ESC119/15-16

(These minutes have been  
seen by the Administration)

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**Establishment Subcommittee of the Finance Committee**

**Minutes of the 15<sup>th</sup> meeting  
held in Conference Room 1 of Legislative Council Complex  
on Tuesday, 31 May 2016, at 4:30 pm**

**Members present:**

Hon Mrs Regina IP LAU Suk-yee, GBS, JP (Chairman)

Hon WONG Kwok-kin, SBS (Deputy Chairman)

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon LEUNG Yiu-chung

Hon Emily LAU Wai-hing, JP

Hon TAM Yiu-chung, GBS, JP

Hon WONG Kwok-hing, BBS, MH

Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN

Hon WONG Ting-kwong, SBS, JP

Hon Starry LEE Wai-king, JP

Hon IP Kwok-him, GBS, JP

Hon Alan LEONG Kah-kit, SC

Hon Albert CHAN Wai-yip

Hon NG Leung-sing, SBS, JP

Hon Steven HO Chun-yin, BBS

Hon YIU Si-wing, BBS

Hon MA Fung-kwok, SBS, JP

Hon Charles Peter MOK, JP

Hon CHAN Chi-chuen

Dr Hon Kenneth CHAN Ka-lok

Hon Kenneth LEUNG

Hon KWOK Wai-keung

Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu, JP  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP  
Hon Alvin YEUNG Ngok-kiu

**Members absent:**

Hon Albert HO Chun-yan  
Hon CHAN Hak-kan, JP  
Hon LEUNG Kwok-hung  
Hon WU Chi-wai, MH  
Hon CHAN Han-pan, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Hon SIN Chung-kai, SBS, JP  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, JP  
Hon CHUNG Kwok-pan

**Public officers attending:**

Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Eddie MAK Tak-wai, JP	Deputy Secretary for the Civil Service (1)
Mr John LEE, PDSM, PMSM, JP	Under Secretary for Security
Ms Maggie WONG, JP	Deputy Secretary for Security 3
Mr Billy WOO	Principal Assistant Secretary for Security D
Mr LAW Chun-nam	Deputy Director of Immigration
Mr David CHIU, IDSM	Assistant Director of Immigration (Personal Documentation)
Ms KWAN Kwan Lin	Acting Assistant Director of Immigration (Information Systems)
Mr FUNG Pak-ho	Assistant Director of Immigration (Enforcement and Removal Assessment)

Mr HON Chi-keung, JP	Permanent Secretary for Development (Works)
Mr CHAN Chi-ming, JP	Deputy Secretary for Development (Works) 2
Mr John KWONG	Government Engineer, Development Bureau
Mr Joseph LAI, JP	Permanent Secretary for Transport and Housing (Transport)
Mr Wallace LAU	Deputy Secretary for Transport and Housing (Transport)4
Mr Simon LI, JP	Director-General of Civil Aviation

**Clerk in attendance:**

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

Mr Jason KONG	Council Secretary (1)4
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Ms Haley CHEUNG	Legislative Assistant (1)9
Miss Yannes HO	Legislative Assistant (1)6

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The Chairman drew members' attention to the information paper ECI(2016-17)3 which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the 11 items on the agenda. She then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interest relating to the funding proposals under discussion at the meeting before they spoke on the items. She also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

**EC(2016-17)2**      **Proposed creation of three supernumerary posts with immediate effect upon approval of the Finance Committee of one Administrative Officer Staff Grade C (D2) in the Security Bureau and one Assistant Director of Immigration (GDS(C)2) in the Immigration Department (ImmD) for about three years to March 2019 to steer and support the review as well as to step up relevant enforcement measures and expedite screening of non-refoulement claims meanwhile; and one Assistant Director of Immigration (GDS(C)2) in the ImmD for about two years to May 2018 to provide dedicated directorate steer for the Next Generation Smart Identity Card System project**

2.      The Chairman remarked that the Administration's proposal was to create a supernumerary Administrative Officer Staff Grade C post in the Security Bureau ("SB"), designated as Principal Assistant Secretary for Security (Review) ("PAS(S)Review"), and a supernumerary Assistant Director ("AD") post in the Immigration Department ("ImmD"), designated as Assistant Director (Removal Assessment and Litigation) ("AD(RAL)"), both for about three years to steer and support the comprehensive review of the strategy of handling non-refoulement claims, as well as step up relevant enforcement measures and expedite screening of non-refoulement claims in the meantime. The Administration also proposed creating another supernumerary AD post in ImmD, designated as Assistant Director (Identity Card) ("AD(ID)"), for about two years to provide steer for the Next Generation Smart Identity Card System project. She pointed out that discussion of the item was carried over from the meeting on 25 May 2016.

Comprehensive review of the strategy of handling non-refoulement claims

3.      Mr TAM Yiu-chung expressed support for the Administration's proposal. He pointed out that the time required for vetting and approving non-refoulement claims was getting longer, and the number of claimants staying in Hong Kong had caused serious public concern. He urged ImmD to expedite the screening of non-refoulement claims.

4.      Given that Hong Kong had experienced the Vietnamese boat people and refugee problems, Mr Albert CHAN opined that Government officials should be capable of and experienced in handling non-refoulement claims. He questioned why the Administration had failed to tackle the problem of non-refoulement claims properly, and requested the Administration to explain why the problem had deteriorated in recent years. Mr LEUNG Yiu-chung

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raised the same question and asked about the justifications for creating the proposed posts and changes in the legal bases for handling non-refoulement claims over the past few years.

5. Dr Fernando CHEUNG enquired whether the significant increase in the number of non-refoulement claims in recent years was attributable to the requirement for ImmD to handle referral cases from the United Nations High Commissioner for Refugees after implementation of the Unified Screening Mechanism ("USM"). He urged the Administration to review and improve USM.

6. Under Secretary for Security ("US for S") clarified that the Refugee Convention of the United Nations had never been applied to Hong Kong, and the Government would not accord refugee status to any person. He advised that the legal bases and procedures for the Government to handle non-refoulement claims were constantly evolving in light of local and overseas case law, leading to increases in acceptable grounds for lodging such claims and the number of claim cases. For instance, there were legal provisions providing that the Hong Kong Bill of Rights would have no bearing on the removal of illegal immigrants. Subsequently, court judgment on a case had ruled that illegal immigrants should enjoy the right to lodge claims under the Hong Kong Bill of Rights. For a period of time in the past, the Government only accepted torture claims lodged under the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. However, the judgment of the Court of Final Appeal ("CFA") on two cases had ruled that the Government should accept non-refoulement claims lodged on other grounds. In view of the judgment concerned, the Government had implemented USM to handle non-refoulement claims lodged by claimants on various grounds (including torture, inhuman or degrading treatment or punishment, persecution, etc.). Currently, there were over 11 000 non-refoulement claims pending screening by ImmD, which was about three times the number before implementation of USM. He clarified that, among the claims received by ImmD after implementation of the new mechanism, about 86% were newly lodged claims, whereas the number of cases referred by the United Nations High Commissioner for Refugees was relatively small. He explained that under the existing mechanism, if claimants sought extension in screening their claims, ImmD would have to carefully consider the requests regardless of the reasons concerned in order to meet the high standards of fairness. This was one of the reasons for the considerable time required for screening claims. As a result, the screening period for claims could be extended indefinitely, causing abuse of USM. The court's judgment had also pointed out that the mechanism had been abused by some claimants. He stressed that the Government had formulated the plan for the comprehensive review of the strategy of handling non-refoulement claims, and it would address

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the problems in four fronts, namely pre-arrival control, screening procedures, detention and enforcement. Regarding screening procedures, the Government would review the existing legislation and introduce amendments to plug loopholes and eradicate abuse of the procedures, so that ImmD could screen out unfounded claims as early as possible. Given the heavy workload concerned, the Government considered it necessary to create the proposed posts of PAS(S)Review and AD(RAL) to take forward the comprehensive review and expedite screening of claims.

7. Mr Kenneth LEUNG noted that the Administration would consider introducing amendments to the Immigration Ordinance (Cap. 115) to provide for the legal basis and procedures for USM. He enquired about details of the work in this regard, and urged that the Administration must uphold the principle of the high standards of fairness in the screening procedures when amending the legislation.

8. US for S pointed out that the judgment of CFA on a case had ruled that the Government had to ensure that the screening procedures of non-refoulement claims would meet the high standards of fairness. The elements of high standards of fairness included providing publicly-funded legal assistance to claimants, giving claimants an opportunity to make representations, establishing an appeal system, etc. He remarked that the Government would take the opportunity of the comprehensive review to consider stipulating the screening procedures of USM in the relevant legislation and tightening the time limit for screening to prevent continuous extension of the screening period and screen out unfounded claims as early as possible. When conducting the comprehensive review, the Government would make reference to the relevant legislation and requirements overseas, and would ensure that the legislative amendments would meet the high standards of fairness in conformity with legal requirements.

Combating illegal immigration

9. Mr Albert CHAN expressed dissatisfaction that more and more non-ethnic Chinese illegal immigrants were coming to Hong Kong via the Mainland. Noting that the Ministry of Public Security in the Mainland had launched special operations against illegal immigrants and the Administration had also conducted joint operations with the Mainland law enforcement agencies to combat illegal immigration, Mr CHAN Chi-chuen asked why the operations were not ongoing measures, and how the Administration would assess the effectiveness of such operations.

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10. Dr Fernando CHEUNG asked whether the Administration had conduct any analysis on the predominance of Vietnamese among the illegal immigrants who had lodged non-refoulement claims in recent years, and what measures had been put in place for combating Vietnamese smuggling syndicates.

11. US for S responded that the Government would make its best endeavours to combat human smuggling activities. That was a challenging task as illegal immigrants could be smuggled into Hong Kong via different routes due to Hong Kong's long coastline. Furthermore, smuggling illegal immigrants into Hong Kong was a lucrative business, which gave the smuggling syndicates a great incentive to engage in such illegal activities. The main reason for the surge in the number of non-ethnic Chinese illegal immigrants in recent years was that smuggling syndicates had misled illegal immigrants into believing that they could work in Hong Kong lawfully upon arrival. Vietnamese made up a major portion of the illegal immigrants because there were more ways to smuggle into Hong Kong from Vietnam. To tackle the problem, the Government had taken the initiative to combat human smuggling activities through enforcement and publicity, including imposing heavier penalties on smuggling syndicates; and stepping up publicity so that foreigners would be more aware of the fact that illegal immigrants could not lawfully work in Hong Kong and convicted illegal workers would face imprisonment. ImmD had also sent staff to Vietnam to discuss with the local government enforcement and publicity work in relation to human smuggling activities. In order to intercept illegal immigrants smuggling into Hong Kong via the Mainland, special operations had been launched by the Ministry of Public Security in the Mainland. In a recent operation, nearly 5 000 non-ethnic Chinese illegal immigrants had been arrested in Guangdong and Guangxi and most of them were Vietnamese. According to the current plan, the special operations would end in mid-2017. SB would discuss with the Ministry of Public Security in the Mainland whether the special operations should continue having regard to the circumstances.

Issues relating to discrimination against the ethnic minorities

12. Mr CHAN Chi-chuen and Dr Fernando CHEUNG were concerned that while many of the non-refoulement claimants staying in Hong Kong had genuine reasons for lodging their claims, the dramatization of the problem of "bogus refugees" in the society had led to discrimination against claimants and other ethnic minorities. Dr CHEUNG urged the Administration to expedite vetting and approval of the outstanding non-refoulement claims and ensure that claimants would receive fair treatment.

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13. US for S advised that in disseminating information on non-refoulement claims to the public, the Government would ensure that all such information was impartial, fair and accurate. He stressed that the Government would endeavour to protect the way of living and safety of the public. Creation of the proposed post would enable ImmD to complete screening of non-refoulement claims in a more timely manner and better protect the rights of claimants with genuine claims.

Materials of Smart Identity Card

14. Mr TAM Yiu-chung suggested that a better material should be used for the Next Generation Smart Identity Card so that the card would be more durable. Acting Assistant Director of Immigration (Information Systems) advised that a new polycarbonate material would be used for the Next Generation Smart Identity Card. Smart Identity Card made of this material would be more durable because the material was anti-wear, resistant to chemical and heat, and not easy to bend.

15. The Chairman put the item to vote. Members agreed that the Subcommittee should recommend the item to the Finance Committee ("FC") for approval. The Chairman asked members whether this item would require separate voting at the relevant FC meeting. No members raised the request.

**EC(2016-17)4      Proposed creation of one Government Engineer (D2) supernumerary post in the Works Branch of the Development Bureau for a period of around three years up to 31 March 2019 to head the Project Cost Management Office in drawing up and implementing construction cost control and cost reduction initiatives; and proposed regrading of two permanent posts of one Chief Engineer (CE) (D1) and one Chief Geotechnical Engineer (CGE) (D1) to be offset by the deletion of one CGE (D1) and one CE (D1) respectively in the light of changes in operational requirements with immediate effect upon approval of the Finance Committee**

16. The Chairman remarked that the Administration's proposal was to create a supernumerary Government Engineer ("GE") post, designated as Head of Project Cost Management Office, in the Works Branch of the Development Bureau of around three years to head the Project Cost Management Office ("PCMO") for drawing up and implementing construction cost control and cost reduction initiatives. The Administration also proposed regrading two



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permanent posts in the light of changes in operational requirements, including regarding the post of Chief Assistant Secretary (Works)<sup>1</sup> from Chief Geotechnical Engineer ("CGE") to Chief Engineer ("CE"); and regarding the post of Chief Assistant Secretary (Works)<sup>5</sup> from CE to CGE.

17. The Chairman remarked that the Panel on Development had discussed the establishment proposal on 15 March 2016. The majority of the members attending the meeting supported the Administration submitting the proposal to the Establishment Subcommittee ("ESC") for consideration. Some members enquired whether the duties of PCMO would overlap with those of officers responsible for cost control of individual public works projects. They also asked about the reason for assigning a GE instead of an officer from other professional grades to head PCMO. In addition, some members were concerned about how PCMO would take forward the indicative cost system proposed by the Administration earlier, and whether PCMO's ambit covered issues relating to cost overruns in public works projects, inaccurate project cost estimates, shortage of labour in the construction industry, etc. In response to members' request, the Administration had provided the following supplementary information after the meeting: (a) forecast annual expenditure on public works projects and construction expenditure of the private sector in the coming five years; (b) the Administration's response in respect of the submissions from The Hong Kong Institute of Architects, Buildings Department Local Building Surveyors' Association and The Hong Kong Institute of Surveyors; and (c) assessment on how the implementation of public works projects had been delayed by judicial review proceedings, and the impact of the delays on project costs. The supplementary information had been circulated to Members via LC Paper No. CB(1)816/15-16(01).

*(The Chairman left the meeting at 5:29 pm and the Deputy Chairman took the chair.)*

Justifications for creation of the proposed post and establishment of the Project Cost Management Office

18. Mr Albert CHAN and Dr Kenneth CHAN queried the need for establishing PCMO. They considered that cost control for public works projects was the responsibility of the Works Branch of the Development Bureau and the officers in charge of individual projects, and setting up PCMO would lead to a cumbersome bureaucracy and wastage of resources. The arrangement was not only cost-ineffective, but could also hinder implementation of cost control initiatives by the Bureau. They were concerned whether the ever-increasing project costs for public works projects were the result of lack of awareness of cost control on the part of the officers of the Development Bureau

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and other works departments. They asked the Administration to elaborate on the justifications for creating the proposed post.

19. Mr Albert CHAN further pointed out that costs of public works projects were unreasonably high in the past few years, and cost overruns had been a common phenomenon. These were mainly due to a large number of public works projects being taken forward by the Government concurrently. As the number of public works projects had peaked and project costs were expected to decline, the establishment of PCMO at this juncture would serve no practical purpose. In addition, given that the proposed post was pitched at the D2 level, he expressed concern about the capability of the post holder in overseeing works departments in their project designs work. He suggested that the review on the project cost management regime should be conducted by an intra-bureaux committee led by higher ranking officers, and external advice should be sought from the academia. Dr Kenneth CHAN opined that the Administration should deploy existing manpower to conduct the review on the current cost management regime in taking forward and enhancing the various initiatives referred to in paragraph 4 of the Administration's paper. He relayed the view of the industry that the Administration could achieve the objective of improving cost control simply by adding new elements to the current regime without the need to create a new office. Ms Emily LAU also expressed concern about whether there were sufficient justifications for establishing PCMO.

20. Permanent Secretary for Development (Works) ("PS(D)(Works)") pointed out that the tender prices for construction projects had increased by approximately 22% over the past three years, and the rate of increase was much higher than that of the Consumer Price Index which was about 14%, implying that there were rooms for cost reduction besides inflation. In order to strengthen cost control for public works projects, the Financial Secretary had set up a task force to examine the causes for escalating project costs and to formulate corresponding measures. The Development Bureau now proposed to establish PCMO under the Works Branch of the Bureau to strengthen cost control for public works projects through a three-pronged approach, namely (a) comprehensively reviewing the existing works policies and requirements; (b) closely scrutinizing project estimates; and (c) enhancing project management of public works projects. Regarding the review on the existing works policies and requirements, PCMO would adopt a "no frills" principle to rationalize design and contractual requirements with a view to streamlining procedures and simplifying requirements. Upon completion of the review, PCMO would issue new guidelines for works departments to follow. On strengthening project vetting, PCMO would review over 300 projects at the planning and design stage (the total cost estimate for which was over \$300

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billion) and strengthen the vetting of preliminary cost estimate, with a view to improving designs, lowering cost, and enabling the relevant bureaux and departments to formulate more pragmatic cost estimates before submission of the funding proposals to the Legislative Council ("LegCo"). Furthermore, PCMO would enhance works departments' skills and knowledge of project management and cost estimation. The Government would also strengthen training on project management to improve the management standard of public works projects. He added that according to the latest forecast of the Construction Industry Council, there would not be any significant decline in the expenditure of the construction programmes of the public and private sectors in the next 10 years. The Government had provided supplementary information to the Panel on Development (LC Paper No. CB(1)816/15-16(01)) to clearly explain the above.

21. PS(D)(Works) stressed that, given the heavy workload and complexity of the abovementioned duties, it was necessary to set up a multi-disciplinary PCMO to undertake the systematic review of the designs and cost estimates of public works projects, and implement new cost control initiatives. Therefore, setting up PCMO was by no means redundant. The proposed post of Head of PCMO would be filled by a GE (whose post was more senior than a CE) who would report to PS(D)(Works) direct. The Development Bureau would also report work progress to the Financial Secretary on a regular basis. PCMO would have adequate authority and high-level support to carry out the aforementioned duties in the next three years.

Responsibilities and effectiveness of the Project Cost Management Office

22. Ms Emily LAU requested the Administration to provide details of the duties described in paragraph 4(a) to (f) of the paper and elaborate on whether any new cost control measures had been devised. Regarding item (f), she was concerned that in maintaining the vested interests of the private sector, it might not fully support the new cost control and reduction measures devised by the Government.

23. PS(D)(Works) remarked that the new measures to be implemented by PCMO included establishing target unit costs for new government buildings projects, promoting the guiding principle of "design for buildability", etc. The purpose of the target unit costs was to contain the cost of government buildings projects to the effect that cost estimates of the projects must not exceed the limits unless there were reasonable justifications provided by the works departments. The objective of the principle of "design for buildability" was to encourage works departments to ensure that project designs were practicable without unnecessary embellishment in order to minimize project costs as far as

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possible. The preliminary idea of the Government was to formulate a scoring mechanism for determining whether a project design was in compliance with the criteria of "design for buildability". On improvement of procurement methods, the Government would make reference to international best practices and promote the use of New Engineering Contract ("NEC") form. NEC had incorporated a mechanism for collaborative management of risks by contracting parties, which could help reduce tender risk premiums and overall project costs. He pointed out that cost control and reduction measures would create a win-win situation, and hence it was expected that the private sector would be willing to support the new measures.

24. Mr TAM Yiu-chung concurred with the need to establish PCMO for strengthening project cost control. He looked forward to the effective operation of PCMO.

25. Mr CHAN Chi-chuen asked whether PCMO would be responsible for monitoring works project under construction to prevent cost overruns, and whether the Office had the authority to reprioritize various works projects.

26. The Deputy Chairman asked whether PCMO would review the correlation between the number of public works projects and the overall tender prices for such projects.

27. PS(D)(Works) explained that the major responsibility of PCMO was to reduce the overall cost of works projects fundamentally instead of preventing project cost overruns. PCMO would vet over 300 capital works projects still at the planning and design stage to achieve cost reduction for these projects. However, the ambit of PCMO would not cover works projects which had already acquired funding or were under construction. The Government would determine the priority of works projects in accordance with the existing mechanism, and PCMO might give advice in this regard. Given that the additional expenditure incurred by the establishment of PCMO was only around \$10 million per annum but the annual expenditure of the capital works programme would be more than \$70 billion, the Government considered that it would be cost-effective to establish PCMO for the purpose of reducing project costs. The Government would report to the relevant Panel of LegCo on the work effectiveness of PCMO.

28. Dr Kenneth CHAN requested the Administration to provide supplementary information on the estimated reduction in the costs of over 300 capital works projects mentioned above after PCMO had completed its review on those projects. PS(D)(Works) said that the Government would provide the

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supplementary information, but pointed out that it was difficult to quantify the effectiveness of the cost reduction measures at this stage.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 10 June 2016, vide LC Paper No. ESC114/15-16(01).]

29. Ir Dr LO Wai-kwok expressed support for the Administration's proposal. In view of the widespread public concerns on cost overruns of major works projects in the past few years, he considered it necessary to conduct a comprehensive review on the project cost management system. As the work involved was not an ongoing task, it would be appropriate to set up a dedicated office to take up the responsibility. He asked whether the work of PCMO would include promoting new construction techniques which could enhance productivity.

30. PS(D)(Works) remarked that increasing productivity was a key element in cost management, and one of the measures to reduce costs was to use prefabricated parts. For instance, the prefabrication yard for making steel reinforcing bars in Tsing Yi had commenced operation, which could increase the productivity in the cutting and bending works of reinforcing bars.

Voting on the item

31. The Deputy Chairman put the item EC(2016-17)4 to vote. At the request of Mr Albert CHAN, the Deputy Chairman ordered a division, and the division bell rang for five minutes. Nineteen members voted for and four voted against the item. The Deputy Chairman declared that the Subcommittee agreed to recommend the item to FC for approval. The votes of individual members were as follows:

*For*

Mr CHAN Kam-lam  
Mr TAM Yiu-chung  
Mr WONG Ting-kwong  
Mr IP Kwok-him  
Mr Steven HO  
Mr MA Fung-kwok  
Mr Christopher CHEUNG  
Mr POON Siu-ping  
Dr CHIANG Lai-wan  
Mr Christopher CHUNG  
(19 members)

Ms Emily LAU  
Mr WONG Kwok-hing  
Ms Starry LEE  
Mr NG Leung-sing  
Mr YIU Si-wing  
Mr KWOK Wai-keung  
Mr Martin LIAO  
Mr TANG Ka-piu  
Ir Dr LO Wai-kwok

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*Against*

Mr Albert CHAN  
Dr Kenneth CHAN  
(4 members)

Mr CHAN Chi-chuen  
Dr Fernando CHEUNG

32. Mr Albert CHAN requested separate voting on the item at the relevant FC meeting.

**EC(2016-17)3      Proposed creation of one supernumerary Administrative Officer Staff Grade B (D3) post in the Civil Aviation Department (CAD) for about three years up to 31 March 2019 with immediate effect upon approval of the Finance Committee to strengthen the capacity of CAD's senior management in taking forward various key projects as well as enhancing the overall administrative control and management of the department**

33. The Deputy Chairman remarked that the Administration's proposal was to create a supernumerary Administrative Officer Staff Grade B post in the Civil Aviation Department ("CAD"), designated as Deputy Director-General of Civil Aviation (2) ("DDGCA(2)"), to strengthen the capacity of CAD's senior management in taking forward various key projects as well as enhancing the overall administrative control and management of the Department.

34. The Deputy Chairman remarked that the Panel on Economic Development had discussed the proposal on 26 January 2016. Panel members generally supported the Administration submitting the proposal to ESC for consideration. Members expressed concern as whether an Administrative Officer without professional background would be capable for the proposed post, particularly because the post holder would have to provide support for the replacement of the Air Traffic Control ("ATC") system. The Administration responded that replacement of the ATC system was a professional and technical project which would be taken forward by the professional staff of CAD under the leadership of Director-General of Civil Aviation ("DGCA") and the existing Deputy Director-General of Civil Aviation. Nonetheless, to ensure smooth running of the new system, CAD would also need to handle substantial coordination and administrative work, such as resources and manpower deployment for the operation of the system and reporting work progress to LegCo and the Transport and Housing Bureau. The proposed post would be responsible for such duties. In addition, some members asked if it would be

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more appropriate for the post to be created on a permanent basis. The Administration advised that in light of the current situation, it was expected that the post holder could complete the relevant tasks in three years. The Government would review the manpower needs and the organization structure of CAD before expiry of the three-year period.

Duties of the proposed post and manpower of the Civil Aviation Department

35. Mr POON Siu-ping asked if the duties of the proposed post, such as the review of the regulatory regime for unmanned aircraft systems ("UASs"), could be completed within the three-year period, and whether CAD would consider further strengthening its manpower apart from the four new non-directorate staff who would underpin the proposed post.

36. Permanent Secretary for Transport and Housing (Transport) advised that CAD reviewed the legislation governing aviation activities from time to time, and was responsible for relevant work relating to legislative amendments. For instance, given the increasing popularity of UASs and in order to ensure their safe operation, CAD had been proactively studying measures to enhance the regulatory regime for UASs with reference to overseas experience, with a view to ensuring aviation safety on the one hand and catering to users' needs on the other.

37. DGCA remarked that, apart from the above legislative amendment exercise, the commissioning of the new ATC system and the implementation of the Three-Runway System Project would also bring additional workload to CAD. CAD expected that additional manpower would be required in the long run to cope with the increased workload. In this connection, DDGCA(2) would be responsible for reviewing the overall manpower requirements of CAD, formulating long-term manpower planning and soliciting additional resources.

38. The Deputy Chairman said that the Subcommittee would continue discussion on this item at the next meeting.

39. The meeting ended at 6:28 pm.