

## **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 2015-16 legislative session.

#### **CONTINUOUS EFFORTS TO CONTROL THE SIZE OF THE CIVIL SERVICE ESTABLISHMENT**

2. The Government 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 30 September 2015, 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 174 031, made up of 1 646 directorate and 172 385 non-directorate posts. The number of directorate posts is maintained at less than 1% of the total establishment of the civil service.

3. In November 2014, we submitted vide ECI(2014-15)7 a forecast on the likely creation and deletion of directorate posts for the 2014-15 legislative session. By the end of the session, the Establishment Subcommittee (ESC)/Finance Committee (FC) endorsed/approved the creation of 14 permanent directorate posts (including seven J&JO posts) and two new supernumerary directorate posts, and the re-creation/extension of nine supernumerary directorate posts. Meanwhile, eight supernumerary directorate posts lapsed without extension during the period. As a result, there was a net creation of 14 permanent directorate posts and a net deletion of six supernumerary directorate posts for the 2014-15 legislative session.

**/FORECAST .....**

**FORECAST OF DIRECTORATE POST PROPOSALS LIKELY TO BE SUBMITTED IN THE 2015-16 LEGISLATIVE SESSION**

4. Based on the current assessment provided by bureaux, we forecast that in the 2015-16 legislative session the Government may put forward the following proposals –

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

Encl. 1

(b) to create five supernumerary directorate posts, re-create four supernumerary directorate posts and extend 11 supernumerary directorate posts as set out in Enclosure 2. Members may wish to note that four existing supernumerary directorate posts are expected to lapse during the period.

Encl. 2

Encls. 3 & 4 Enclosures 3 and 4 set out further information on each of the above items.

5. 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 2015-16 legislative session as proposals are further refined, or as unforeseeable circumstances arise.

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 2015-16 legislative session.

7. The Government 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 .....**

**FINANCIAL IMPLICATIONS**

8. The total financial implications of the directorate establishment, in terms of notional annual salary cost at mid-point, were around \$3,239 million in September 2015. The salary costs arising from the net increase of 14 permanent directorate posts and the net deletion of six supernumerary directorate posts for the 2014-15 legislative session amount to \$18.4 million. The detailed financial implications of the possible proposals for the creation of directorate posts in the 2015-16 legislative session will be set out in the respective ESC papers to be submitted in due course.

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Civil Service Bureau  
Financial Services and the Treasury Bureau  
November 2015

## Current Forecast of Possible Submissions on Creation/Deletion of Permanent Directorate Posts in the 2015-16 Legislative Session

Bureau/ Department/ Organisation	Purpose	Rank	Proposed Creation	Others (e.g. upgrading, downgrading, transfer)
Constitutional and Mainland Affairs Bureau (CMAB)	<p>To continue to take forward work in relation to stepping up co-operation between Hong Kong and the Mainland.</p> <p>(please also see the lapse of one supernumerary D2 post in CMAB in Enclosure 2)</p>	Administrative Officer Staff Grade C (D2)	+1	
Financial Services and the Treasury Bureau (FSTB)	<p>To continue to promote offshore Renminbi (RMB) business in order to reinforce Hong Kong's role as a global offshore RMB hub, to advance financial co-operation with the Mainland by pursuing initiatives under the Mainland and Hong Kong Closer Economic Partnership Arrangement and other regional co-operation platforms, and to oversee policy matters and legislation concerning the implementation of Hong Kong's commitment to meet international standards including the establishment of an effective resolution regime for financial institutions.</p> <p>(please also see the lapse of one supernumerary D2 post in FSTB in Enclosure 2)</p>	Administrative Officer Staff Grade C (D2)	+1	

<b>Bureau/ Department/ Organisation</b>	<b>Purpose</b>	<b>Rank</b>	<b>Proposed Creation</b>	<b>Others (e.g. upgrading, downgrading, transfer)</b>
Government Flying Service (GFS)	To strengthen the management of GFS and to enhance flight safety.	Chief Pilot (GDS(C)1 or D1-equivalent)	+1	
Hong Kong Police Force	To command the new Cyber Security and Technology Crime Bureau in the Crime Wing to enhance the Force's capability in addressing the ever-increasing cyber threat and cyber crime challenges.	Chief Superintendent of Police (PPS 55 or D1-equivalent)	+1	
Housing Department (HD)	To meet the new public housing supply target as pledged in the Policy Address.	Chief Estate Surveyor (D1)	+1	
HD	To provide tenancy/property management and maintenance services for domestic and non-domestic properties.	Chief Housing Manager (D1)	+1	
Offices of the Chief Secretary for Administration and the Financial Secretary (CSO) - Economic Analysis and Business Facilitation Unit (EABFU)	To cope with the expansion in the scope and complexity of work portfolio of EABFU.	Deputy Government Economist (D3) <i>(new rank)</i>	+1	

<b>Bureau/ Department/ Organisation</b>	<b>Purpose</b>	<b>Rank</b>	<b>Proposed Creation</b>	<b>Others (e.g. upgrading, downgrading, transfer)</b>
Architectural Services Department	To convert/regrade multi-disciplinary directorates posts to meet operational requirements.	Chief Architect (single-disciplinary) (D1)		+3
		Chief Building Services Engineer (single-disciplinary) (D1)		+1
		Chief Maintenance Surveyor (single-disciplinary) (D1)		+1
		Chief Quantity Surveyor (single-disciplinary) (D1)		+1
		Chief Structural Engineer (single-disciplinary) (D1)		+1
		Chief Architect (multi-disciplinary) (D1)		-7
Commerce and Economic Development Bureau	To provide directorate support to head a new Hong Kong Economic and Trade Office in Jakarta.	Administrative Officer Staff Grade B (D3)		+1
		Administrative Officer Staff Grade B1 (D4)		-1
CSO - EABFU	To cope with the expansion in the scope and complexity of work portfolio of EABFU.	Government Economist (D5)		+1
		Government Economist (D4)		-1

<b>Bureau/ Department/ Organisation</b>	<b>Purpose</b>	<b>Rank</b>	<b>Proposed Creation</b>	<b>Others (e.g. upgrading, downgrading, transfer)</b>
CSO - Protocol Division	To regrade the post of Director of Protocol to a Senior Principal Executive Officer post on a long-term basis.	Senior Principal Executive Officer (D2)		+1
		Director of Protocol (D2)		-1
Fire Services Department	To upgrade the Departmental Secretary post to cope with the increased complexity of work and to strengthen the administrative support provided to the senior management.	Senior Principal Executive Officer (D2)		+1
		Principal Executive Officer (D1)		-1
Office of the Communications Authority	To regrade a Telecommunications Engineer grade post to Regulatory Affairs Manager grade post.	Chief Regulatory Affairs Manager (D1)		+1
		Chief Telecommunications Engineer (D1)		-1
<b>Total</b>			<b>+7</b>	

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**Current Forecast of Possible Submissions on Creation/Re-creation/Extension of Supernumerary Directorate Posts in the 2015-16 Legislative Session**

<b>Bureau/ Department/ Organisation</b>	<b>Purpose</b>	<b>Rank</b>	<b>Proposed Creation</b>	<b>Proposed Re- creation</b>	<b>Proposed Extension</b>	<b>Expected to Lapse<sup>Note</sup></b>
Commerce and Economic Development Bureau	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			
Department of Health	To support the legislative review exercise through setting up a new Private Healthcare Facilities Branch in overseeing the regulation of private healthcare facilities.	Consultant (D4/D3/D2)	+1			
		Principal Medical and Health Officer (D1)	+1			
Immigration Department	To oversee the development and implementation of the Next Generation Smart Identity Card System as recommended in the third Information Systems Strategy Review.	Assistant Director of Immigration (GDS(C)2 or D2-equivalent)	+1			

<sup>Note</sup> Submission to the Establishment Subcommittee is not required for lapse of supernumerary directorate posts.



<b>Bureau/ Department/ Organisation</b>	<b>Purpose</b>	<b>Rank</b>	<b>Proposed Creation</b>	<b>Proposed Re- creation</b>	<b>Proposed Extension</b>	<b>Expected to Lapse<sup>Note</sup></b>
Highways Department (HyD)	To re-create one supernumerary directorate post in the Railway Development Office to continue to provide dedicated support to and monitor the completion of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project by the MTR Corporation Limited.	Chief Engineer (D1)		+1		
Transport and Housing Bureau	To re-create three supernumerary directorate posts to monitor the work of the Airport Authority Hong Kong and co-ordinate efforts of relevant parties in the implementation of the Three-runway System project at the Hong Kong International Airport.	Principal Government Engineer (D3)		+1		
		Administrative Officer Staff Grade C (D2)		+1		
		Chief Engineer (D1)		+1		
Environment Bureau	To take forward the outcome of the public consultation on the future development of the electricity market.	Administrative Officer Staff Grade C (D2)			1	
Department of Justice (DoJ)		Assistant Principal Government Counsel (DL1)			1	

<b>Bureau/ Department/ Organisation</b>	<b>Purpose</b>	<b>Rank</b>	<b>Proposed Creation</b>	<b>Proposed Re- creation</b>	<b>Proposed Extension</b>	<b>Expected to Lapse<sup>Note</sup></b>
Financial Services and the Treasury Bureau (FSTB)	To provide high-level policy steer for the corporate insolvency law improvement exercise, introduction of a statutory corporate rescue procedure, reform of the regulatory regime for listed entity auditors, review of the Money Lenders Ordinance (Cap. 163), as well as other relevant legislative and market reform initiatives.	Administrative Officer Staff Grade B (D3)			1	
FSTB	To take forward the review of the Money Lenders Ordinance and the Companies Ordinance, and also to provide policy support to the Steering Group on Financial Technologies, Hong Kong's participation in the Asian Infrastructure Investment Bank and initiatives related to aerospace financing.	Administrative Officer Staff Grade C (D2)			1	
Home Affairs Bureau	To continue to supervise the detailed planning of the Kai Tak Multi-purpose Sports Complex.	Administrative Officer Staff Grade C (D2)			1	

Bureau/ Department/ Organisation	Purpose	Rank	Proposed Creation	Proposed Re- creation	Proposed Extension	Expected to Lapse <sup>Note</sup>
HyD	To extend one supernumerary directorate post in the Railway Development Office to continue with the implementation of the East-West Line of the Shatin to Central Link and the Kwun Tong Line Extension.	Chief Engineer (D1)			1	
Marine Department (MD)	To continue to take forward marine-related legislative amendments and systemic reform of MD to enhance maritime safety.	Administrative Officer Staff Grade B (D3)			1	
		Senior Principal Executive Officer (D2)			1	
		Assistant Director of Marine (D2)			1	
DoJ	To lead a dedicated legal team to provide continued legal support to the joint task force led by Transport and Housing Bureau in taking forward the marine-related legislative amendment exercises.	Deputy Principal Government Counsel (DL2)			1	

<b>Bureau/ Department/ Organisation</b>	<b>Purpose</b>	<b>Rank</b>	<b>Proposed Creation</b>	<b>Proposed Re- creation</b>	<b>Proposed Extension</b>	<b>Expected to Lapse<sup>Note</sup></b>
Offices of the Chief Secretary for Administration and the Financial Secretary - Economic Analysis and Business Facilitation Unit	To continue enhancing the economic research capacity in support of the Government's work in areas of population, poverty, welfare and retirement protection.	Principal Economist (D2)			1	
Constitutional and Mainland Affairs Bureau (CMAB)	To allow a supernumerary D2 post to lapse upon the creation of one permanent D2 post in CMAB in Enclosure 1.	Administrative Officer Staff Grade C (D2)				-1
FSTB	To allow a supernumerary D2 post to lapse upon the creation of one permanent D2 post in FSTB in Enclosure 1.	Administrative Officer Staff Grade C (D2)				-1
Housing Department	To allow a supernumerary D2 post created for the implementation of recommendations arising from the Long Term Housing Strategy review to lapse.	Administrative Officer Staff Grade C (D2)				-1

<b>Bureau/ Department/ Organisation</b>	<b>Purpose</b>	<b>Rank</b>	<b>Proposed Creation</b>	<b>Proposed Re- creation</b>	<b>Proposed Extension</b>	<b>Expected to Lapse<sup>Note</sup></b>
Labour and Welfare Bureau	To allow a supernumerary D2 post created for taking forward the implementation of the Low-income Working Family Allowance Scheme to lapse.	Senior Principal Executive Officer (D2)				-1
<b>Total</b>			<b>+5</b>	<b>+4</b>	<b>11</b>	<b>-4</b>

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**Forecast of Possible Submissions on Creation/Deletion of Permanent Directorate Posts in the 2015-16 Legislative Session**

**Bureau/Department/Organisation**

Constitutional and Mainland Affairs Bureau

**Post(s) proposed to be created/deleted**

Creation of one permanent post of Administrative Officer Staff Grade C (AOSGC) (D2)

**Purpose and justification**

The current supernumerary post of AOSGC (D2) was created for three years upon approval by the Finance Committee of Legislative Council (LegCo) in June 2013, for coordinating the implementation of initiatives to step up cooperation between Hong Kong and the Mainland. These include providing better support to Hong Kong enterprises and residents in the Mainland, enhancing Government-to-Government cooperation, enhancing functions and strengthening network of the Mainland Offices of the HKSAR Government, as well as deepening regional cooperation between Hong Kong and the Mainland. As the work concerned requires continual coordination and promotion, it is necessary to make permanent the current supernumerary post of AOSGC to implement these on-going initiatives.

**Panel consultation**

We plan to consult the LegCo Panel on Commerce and Industry in late 2015/early 2016.

**Bureau/Department/Organisation**

Financial Services and the Treasury Bureau

**Post(s) proposed to be created/deleted**

Creation of one permanent post of Administrative Officer Staff Grade C (D2)

**Purpose and justification**

We propose to create a permanent civil service directorate post of Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) (International and Mainland Affairs) (PAS(FS)IMA) in order to –

- (a) continue to promote offshore Renminbi (RMB) business in order to reinforce Hong Kong's role as a global offshore RMB hub;
- (b) advance financial co-operation with the Mainland by pursuing initiatives under the Mainland and Hong Kong Closer Economic Partnership Arrangement and other regional co-operation platforms; and
- (c) oversee policy matters and legislation concerning the implementation of Hong Kong's commitment to meet international standards including the establishment of an effective resolution regime for financial institutions.

In view of the long-term commitment of these initiatives, a permanent post of PAS(FS)IMA is required to lead a dedicated team in order to provide sufficient support and policy input to the initiatives and tasks mentioned above and to ensure satisfactory delivery of the tasks.

**Panel consultation**

We plan to consult the LegCo Panel on Financial Affairs in late 2015/early 2016.

**Bureau/Department/Organisation**

Government Flying Service (GFS)

**Post(s) proposed to be created/deleted**

Creation of one permanent post of Chief Pilot (GDS(C)1 or D1-equivalent)

**Purpose and justification**

Over the past years, the demand for GFS's emergency services has increased significantly. New and more stringent statutory and regulatory requirements on flight safety have been introduced. The purpose of creating the new post is to help address the challenges to flight safety arising from the increase in service demand, better fulfill the statutory and regulatory requirements on flight safety and strengthen the overall management of the department. The proposed Chief Pilot post will lead a dedicated and independent team to assist the Controller of the GFS in planning, implementing and reviewing the aviation safety matters of the department.

**Panel consultation**

We plan to consult the LegCo Panel on Security in early 2016.



**Bureau/Department/Organisation**

Hong Kong Police Force (HKPF)

**Post(s) proposed to be created/deleted**

Creation of one permanent post of Chief Superintendent of Police (CSP) (PPS 55 or D1-equivalent)

**Purpose and justification**

Dedicated attention and strategic planning to tackle the fast growing technology crime trend have become a key operational priority of the HKPF. Given the rapid advancement in information technology as well as the transnational nature of technology crime, there is a pressing need to strengthen the overall capability of the HKPF in combating technology crime and cyber security incidents. A new Cyber Security and Technology Crime Bureau (CSTCB) was established in the Crime Wing of the HKPF in January 2015 to address the drastic growth of technology crimes and cyber security incidents. The CSTCB supports a wide range of functions, with a view to enhancing HKPF's capability in combating technology crime and handling cyber security incidents.

In view of the scope and complexity of work, it is imperative that a dedicated officer at CSP rank possessing the necessary professional police knowledge, exposure and vision to serve as the commander of the CSTCB to formulate long-term objectives and strategies and to give dedicated attention to commanding the operation of the CSTCB in meeting the challenges related to technology crimes and cyber security incidents.

**Panel consultation**

We consulted the LegCo Panel on Security on 3 June 2014.

**Bureau/Department/Organisation**

Housing Department

**Post(s) proposed to be created/deleted**

Creation of two permanent posts of one Chief Estate Surveyor (CES) (D1) and one Chief Housing Manager (CHM) (D1)

**Purpose and justification**

The proposed CES post is required to oversee the new Green Form Subsidised Home Ownership Pilot Scheme and the expanding Home Ownership Scheme (HOS) sale programmes, supervise other subsidised housing schemes including the on-going sale of Tenants Purchase Scheme flats, provide steer to related post-sale policy and land administration matters, administer the loan scheme and HOS secondary market, etc.

The proposed CHM post is required to oversee the tenancy/property management and maintenance services of a proposed new management region, to cope with the additional workload as a result of the completion of new public rental housing flats, stocking of ageing housing properties, implementation of various new estate management initiatives and the tightening of tenancy control measures as pledged in the 2013 Policy Address.

**Panel consultation**

We plan to consult the LegCo Panel on Housing in early 2016.

## **Bureau/Department/Organisation**

Offices of the Chief Secretary for Administration and the Financial Secretary - Economic Analysis and Business Facilitation Unit (EABFU)

## **Post(s) proposed to be created/deleted**

Creation of one permanent post of Government Economist (G Econ) (D5) to be offset by the deletion of one permanent G Econ (D4) post; and creation of one permanent post of Deputy Government Economist (Deputy G Econ) (D3)

## **Purpose and justification**

In face of the fast changing international economic landscape, these days the Government needs to devote dedicated efforts in devising appropriate strategies and measures to help foster the economic potential of Hong Kong whilst forestalling the macro vulnerabilities and risks. In this process, the work of EABFU has expanded significantly in scope, volume and complexity to cater for the ever increasing demand for in-depth and timely economic analyses of the rapidly changing external environment.

Moreover, EABFU faces a mounting and enormous demand to provide analysis and quantitative assessments to enable evidence-based deliberations at high-level committees. As a consequence, the involvement of G Econ in the policy formulation process is much greater than before.

Considering the notable expansion in the scope and complexity of work portfolio, the changing role of the G Econ, and the level of significance of the key policy areas for which staunch support from G Econ is required, the post of G Econ needs to be upgraded.

Moreover, to further strengthen the capacity of Economic Analysis Division (EAD) at the directorate level, and to enable G Econ to focus on the most crucial issues in support of the senior Government officials, the creation of a Deputy G Econ post on a permanent basis to assist G Econ is also deemed necessary. The Deputy G Econ will be responsible for leading the five Sections in EAD, sharing part of G Econ's workload in strengthening the dialogue with the international ranking institutes, and providing direction of research and ensuring the quality of output. He/she will also take over the staff administration and resource management duties of EABFU.

## **Panel consultation**

We plan to consult the LegCo Panel on Public Service in late 2015/early 2016.

## **Bureau/Department/Organisation**

Architectural Services Department (ArchSD)

## **Post(s) proposed to be created/deleted**

Conversion of seven permanent multi-disciplinary (MD) Chief Architect (CA) (D1) posts to designated single disciplinary grade directorate (D1) posts of three CAs, one Chief Building Services Engineer, one Chief Maintenance Surveyor, one Chief Quantity Surveyor and one Chief Structural Engineer

## **Purpose and justification**

The conversion and regrading proposal is to rationalise the existing designation of seven directorate (D1) posts in ArchSD from MD posts (posts created in the CA grade while being open to other professional grades) to designated grade (i.e. single disciplinary) posts to facilitate better utilisation of human resources and more effective staff planning in meeting operational needs.

Over the years, ArchSD has adopted various measures to enhance the project management capability of professional grades in all disciplines and enriched their understanding of the common and critical success factors of project implementation. It also established the Knowledge Management Portal and the ArchSD Academy in 2011 and 2013 respectively, capturing corporate knowledge for sharing. ArchSD has already built up a pool of suitable potential candidates for project management duties at different levels in different disciplines. It is considered an opportune time to convert the seven MD CA posts created in 20 to 30 years ago, at the time the experience in project management of the grades concerned was limited, to designated single disciplinary grade posts.

## **Panel consultation**

We consulted the LegCo Panel on Development on 26 May 2015.

**Bureau/Department/Organisation**

Commerce and Economic Development Bureau

**Post(s) proposed to be created/deleted**

Creation of one permanent post of Administrative Officer Staff Grade B (AOSGB) (D3) to be offset by the deletion of one permanent post of Administrative Officer Staff Grade B1 (AOSGB1) (D4)

**Purpose and justification**

To tap the new business opportunities arising from the economic development in the Asian region, in particular the rise of the economies under the Association of Southeast Asian Nations (ASEAN), a new Hong Kong Economic and Trade Office (ETO) will be set up in Jakarta, Indonesia in 2016.

The holder of the proposed AOSGB post will head the new Jakarta ETO and be designated as “Director-General, Hong Kong Economic and Trade Affairs, Jakarta” (DGJ). The DGJ will undertake the role of the HKSAR’s principal representative in the ASEAN and be responsible for enhancing our bilateral trade and economic relations with the region as well as following up on the negotiations of the Hong Kong-ASEAN Free Trade Agreement.

The proposed creation of the AOSGB post will be offset by the deletion of the Director-General, Hong Kong Economic and Trade Affairs, Washington post at AOSGB1 level.

**Panel consultation**

We plan to consult the LegCo Panel on Commerce and Industry in the first half of 2016.

**Bureau/Department/Organisation**

Offices of the Chief Secretary for Administration and the Financial Secretary – Protocol Division (PD)

**Post(s) proposed to be created/deleted**

Regrading the permanent post of Director of Protocol (D of P) (D2) to Senior Principal Executive Officer (SPEO) (D2)

**Purpose and justification**

The D2 D of P post, created in February 1998, was an open directorate departmental post, which may be filled by potential officers in any field of the civil service. In March 1998, a supernumerary SPEO post held against the vacant D of P post was created to accommodate an SPEO deployed to fill the D of P post. Since then, the D of P post has been filled by SPEOs by means of this mechanism.

In September 2013, a review was conducted on the long term arrangement for filling the D of P post. With the expanded roles and responsibilities of the PD since 1997, the new range of services that PD has undertaken includes the administering of the honours and awards system, administering and servicing the Consular Corps, planning and co-ordination of visit programmes for overseas dignitaries and national leaders and management of the Government VIP Lounge facilities at the airport. Many of the duties are administrative and executive in nature. These duties are considered suitable for carrying out by Executive Grade members. It is considered that continuing the current arrangement of deploying SPEOs to fill the D of P post is reasonable and appropriate. It is recommended that the D of P post should be formally regraded as a permanent SPEO post.

**Panel consultation**

We consulted the LegCo Panel on Public Service on 20 July 2015.

## **Bureau/Department/Organisation**

Fire Services Department (FSD)

## **Post(s) proposed to be created/deleted**

Creation of one permanent post of Senior Principal Executive Officer (SPEO) (D2) to be offset by deletion of one permanent post of Principal Executive Officer (PEO) (D1)

## **Purpose and justification**

The proposed upgrading of the Departmental Secretary (DS) post from PEO to SPEO is to cope with the increasing complexity of work and to strengthen the administrative support provided to the senior management of FSD.

The DS is required to give advice to the senior management of the Department on the whole range of human resources management (HRM) and departmental administration functions, including manpower planning, directorate succession planning, appointment, discipline, conditions of service, staff relations and financial management etc. The total establishment of FSD has increased by 11% from 9 185 in October 2005 to 10 190 in October 2015. The Department now ranks the third among the over 80 bureaux and departments in terms of establishment. The management of staff complement of such a large size, involving different disciplined and civilian grades, has become increasingly complicated. The DS is also heavily engaged in reviewing and formulating departmental procedures and guidelines to strengthen the management of these HRM and administrative functions. In addition, the DS plays a significant role in advising and supporting the senior management of the Department in corporate management, including the handling of major management and policy issues with significant staff or resource implications.

To cope with the growth in the responsibilities of the DS post in terms of scope and complexity, a more senior officer with strong organisational capabilities and profound administrative experience is required to support the senior management. FSD therefore proposes to upgrade the DS post to SPEO level, which will also bring the ranking of DS in FSD on par with that of other departments having similar establishment size.

## **Panel consultation**

We plan to consult the LegCo Panel on Security in the second quarter of 2016.

**Bureau/Department/Organisation**

Office of the Communications Authority

**Post(s) proposed to be created/deleted**

Regrading one permanent post from Chief Telecommunications Engineer (CTE) (D1) to Chief Regulatory Affairs Manager (CRAM) (D1)

**Purpose and justification**

The purpose of the proposed re-grading of a CTE (D1) permanent post to a CRAM (D1) permanent post is to implement the recommendations of the Telecommunications Engineer Grade Review completed in 2013 to re-grade identified Telecommunications Engineer grade posts to Regulatory Affairs Manager grade posts.

**Panel consultation**

We plan to consult the LegCo Panel on Information Technology and Broadcasting in early 2016.

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**Forecast of Possible Submissions on Creation/Re-creation/Extension of  
Supernumerary Directorate Posts in the 2015-16 Legislative Session**

**Bureau/Department/Organisation**

Commerce and Economic Development Bureau

**Post(s) proposed to be created/re-created/extended**

Creation of two supernumerary posts of one Administrative Officer Staff Grade B (D3) and one Administrative Officer Staff Grade C (D2) for around three years

**Purpose and justification**

The purpose of creating the proposed supernumerary D3 and D2 posts is to lead a new team to conduct a review of the Telecommunications Ordinance and the Broadcasting Ordinance. The two directorate posts are required to provide high-level policy steer and strategic input for the review and legislative work. Having regard to the scale and the complexity of the review, we consider that there is a genuine need to set up a dedicated team in the Communications and Creative Industries Branch immediately after the Finance Committee (FC)'s approval for around three years to conduct the review.

**Panel consultation**

We consulted the Legislative Council (LegCo) Panel on Information Technology and Broadcasting on 9 November 2015.

### **Bureau/Department/Organisation**

Department of Health (DH)

### **Post(s) proposed to be created/re-created/extended**

Creation of two supernumerary posts of one Consultant (D4/D3/D2) and one Principal Medical and Health Officer (PMO) (D1) for three years

### **Purpose and justification**

DH plans to set up a new Private Healthcare Facilities Branch to enhance the capacity of the Department to support the legislative review exercise with a view to revamping the regulatory regime of private healthcare facilities (PHFs) and to support private hospital development. The proposed Consultant will lead the new Branch with two distinct divisions supported by the proposed PMO and one existing PMO.

The proposed Consultant will support the Food and Health Bureau in revamping the regulation of PHFs, take care of research and development of regulatory standards and measures, surveillance and risk communication on safety and quality of private healthcare facilities and provide professional advice to the Bureau on private healthcare development from public health perspectives. The proposed PMO will lead the new PHF Planning and Development Division in supporting the legislative review and private hospital development, while the existing PMO will head the new PHF Licensing Division to enforce the Hospital, Nursing Homes and Maternity Homes Registration Ordinance (Cap. 165), the Medical Clinics Ordinance (Cap. 343) and to oversee quality and patient safety of private hospitals before the two ordinances are replaced by the new regulatory regime.

### **Panel consultation**

We plan to consult the LegCo Panel on Health Services in late 2015/early 2016.

### **Bureau/Department/Organisation**

Immigration Department (ImmD)

### **Post(s) proposed to be created/re-created/extended**

Creation of one supernumerary post of Assistant Director of Immigration (GDS(C)2 or D2-equivalent) for two years and three months

### **Purpose and justification**

The Next Generation Smart Identity Card System (SMARTICS-2) is a mega project that aims at replacing the existing Smart Identity Card System (SMARTICS), renewing the business workflow for processing Registration of Persons related services with introduction of new business initiatives, launching new smart Hong Kong Identity Cards (HKICs) and a territory-wide identity card replacement exercise in which around nine million new smart HKICs will be issued for Hong Kong residents. The new system does not only support the business functions of ImmD, but also provides relevant information to other bureaux/departments in conducting their respective functions as allowed by the law.

Having regard to the magnitude and complexity of the project, public expectation and concern on the use of new smart HKIC, particularly on personal data privacy protection and possible card interference with other smart cards, it must be carefully planned and monitored so as to ensure its smooth execution. It is necessary for the project to be led by a directorate officer to deal with matters on project management, development and implementation of SMARTICS-2, planning and implementation of the four-year territory-wide identity card replacement exercise, as well as liaison with different stakeholders, legislators, mass media and other bureaux and departments. Failing to timely taking forward the implementation of the new system and replacement exercise will cause disruption to public services (e.g. immigration clearance at e-Channels), bring serious impacts to ImmD's statutory function, and affect the image of the Government.

### **Panel consultation**

We plan to consult the LegCo Panel on Security in the first quarter of 2016.

## **Bureau/Department/Organisation**

Highways Department (HyD)

## **Post(s) proposed to be created/re-created/extended**

Re-creation of one supernumerary post of Chief Engineer (CE) (D1) for around four years

## **Purpose and justification**

The supernumerary post concerned was approved by the LegCo FC (via EC(2008-09)8) with effect from 7 July 2008 for a period of seven years up to 6 July 2015. According to the latest assessment by MTR Corporation Limited's (MTRCL) submitted on 30 June 2015, the commissioning of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) would have to be delayed further from end of 2017 to the third quarter of 2018, which includes a six-month contingency period. HyD, with the help of its monitoring and verification consultant, has initially completed the review. HyD is seeking MTRCL's clarifications on certain matters.

Prior to the railway operation, intensive negotiation with the Mainland authorities, MTRCL and relevant departments on the interoperability of the entire XRL as well as discussion on the associated operational and financial models will require day-to-day steering at directorate level. Moreover, infrastructure project of this scale and complexity will often receive a considerable number of contractual claims, the settlement of which will not only take time but also call for negotiation and decisions at high levels.

The CE post concerned will continue to lead the XRL project division of HyD and oversee the implementation of the XRL project entrusted to the MTRCL for delivery. To ensure smooth implementation within the revised project programme, he has to carry out intensive monitoring works and take full charge of all professional, technical, contractual and interface issues, administer the entrustment agreements with MTRCL and related consultancy services, steer the timely resolution of matters concerning project implementation and financial control.

The CE post concerned is a key member of various high-level meetings, including the Project Supervision Committee chaired by the Director of Highways and the Project Coordination Meeting, which serve as the formal communication platforms with MTRCL for supervision and monitoring of the XRL project delivery, as well as resolving all major issues regarding the entrustment activities. To prepare for the commissioning of XRL, the CE post will play an important role in overseeing and coordinating with relevant authorities on the overall testing and commissioning programme, as well as in the discussion with MTRCL on the details of the

pre-operation arrangement and the service concession agreement, which contains sensitive financial, commercial and operational information.

In view of the scale, complexity and strategic importance of the XRL project, the frequent high-level contacts with MTRCL and various authorities, as well as the need of constant steering on various project matters and entrustment activities, we consider it essential to create the dedicated division head of XRL project team at D1 level until end 2019 when the XRL has been commissioned and that the majority of the contractual claims should have been settled.

### **Panel consultation**

We consulted the LegCo Panel on Transport on 16 January 2015.

**Bureau/Department/Organisation**

Transport and Housing Bureau

**Post(s) proposed to be created/re-created/extended**

Re-creation of three supernumerary posts of one Principal Government Engineer (D3), one Administrative Officer Staff Grade C (D2) and one Chief Engineer (D1) for around two years and four months

**Purpose and justification**

The Airport Authority Hong Kong (AAHK) is a statutory body established under the Airport Authority Ordinance (Cap. 483) to operate, develop and maintain the Hong Kong International Airport (HKIA) in accordance with the objective of maintaining Hong Kong's status as a centre of international and regional aviation. In the light of the imminent saturation of the existing two-runway system at HKIA and rising competition from neighbouring airports, AAHK has proposed to expand the HKIA into a Three-runway System (3RS) to meet the long-term air traffic demand of HKIA. With the affirmation of the Executive Council of the need for the 3RS project given on 17 March 2015, AAHK, as the project proponent, is actively taking forward the implementation of the 3RS project.

While AAHK will be responsible for the implementation of the 3RS project, the Government has a key and clear stake in ensuring the smooth and proper implementation of the 3RS project, which is crucial to keeping HKIA's global and regional aviation hub status, as well as the long-term economic and sustainable development of Hong Kong. Further, given the immense investment involved and the tight timeframe for the commissioning of 3RS, it is in the interest of the Government to ensure a proper and timely implementation of the 3RS project with due regard to cost-effectiveness. The public will also expect the Government to closely monitor and scrutinise AAHK's implementation of the project in view of its scale, cost and complexity. Separately, the Government has pledged that the implementation of the 3RS project will be subject to scrutiny of the LegCo. A dedicated Airport Expansion Project Coordination Office (AEPCO) with the necessary directorate support is therefore required to work in close partnership with AAHK and to oversee, assist and support AAHK's implementation of the project. It will also assist in co-ordinating any interface issue between various bureaux/departments and AAHK in connection with the delivery of the 3RS project. As well, AEPCO will also have to attend/support the discussion/meetings at LegCo regarding the implementation of the 3RS project.

**Panel consultation**

We consulted the LegCo Panel on Economic Development on 23 March 2015.

### **Bureau/Department/Organisation**

Environment Bureau (ENB)

### **Post(s) proposed to be created/re-created/extended**

Extension of one supernumerary post of Administrative Officer Staff Grade C (D2) for three years

### **Purpose and justification**

In connection with the Scheme of Control Agreements (SCAs) made between the Government and the power companies, which are to expire in 2018, the above supernumerary post was created for two years from 10 February 2014 to head a dedicated team in ENB to undertake a review of the electricity market. Following the review and completion of a public consultation on the future development of the electricity market, the Government plans to negotiate with the power companies a new set of SCAs with improved terms to take effect after expiry of the current SCAs.

The proposed improvements would have considerable financial implications for the power companies and are likely to entail changes to some of their operation. We expect that the ensuing discussion with the power companies will be lengthy and intensive. Given the range of issues involved and their interconnectedness, the negotiation process is also expected to be complex and will call for analyses of various options from the financial, technical and regulatory perspectives. A dedicated negotiating team, to be headed by the proposed supernumerary directorate post, is necessary to ensure that Government's proposals would be pursued effectively to better enhance consumers' interests.

### **Panel consultation**

We plan to consult the LegCo Panel on Economic Development on 23 November 2015.



## **Bureau/Department/Organisation**

Department of Justice (DoJ)

## **Post(s) proposed to be created/re-created/extended**

Extension of one supernumerary post of Assistant Principal Government Counsel (APGC) (DL1) for three years

## **Purpose and justification**

In connection with the Scheme of Control Agreements (SCAs) made between the Government and the power companies, which are to expire in 2018, the above supernumerary post was created for two years from 10 February 2014 to head a dedicated team in DoJ to undertake a review of the electricity market. Following the review and completion of a public consultation on the future development of the electricity market, the Government plans to negotiate with the power companies a new set of SCAs with improved terms to take effect after expiry of the current SCAs. The extension of the proposed APGC post for three years is to tally closely with the expiry dates of the current SCAs.

The proposed improvements to the terms of the SCAs would have considerable financial implications for the power companies. The discussion with the power companies is expected to be lengthy, intensive and highly complex, and will involve analysis of various options from the financial, technical and regulatory perspectives. If agreement can be reached with the power companies, given the profound impact the new SCAs would have on electricity supply, the new SCAs have to be carefully crafted to ensure that they clearly reflect the terms and conditions agreed by the parties. Extensive legal support and advice would be required from DoJ.

Duties of the proposed APGC post include leading a dedicated team in DoJ to provide legal support for taking forward the outcome of the review and the related public consultation; providing legal advice on more complex matters relating to such implementation; advising on legislative proposals that may be required; advising on legal issues arising from any transitional arrangements of the electricity market from the current regulatory period to the next; attending meetings and negotiations with the power companies and other stakeholders, etc.

## **Panel consultation**

We plan to consult the LegCo Panel on Economic Development on 23 November 2015.

### **Bureau/Department/Organisation**

Financial Services and the Treasury Bureau

### **Post(s) proposed to be created/re-created/extended**

Extension of two supernumerary posts of one Administrative Officer Staff Grade B (AOSGB) (D3) and one Administrative Officer Staff Grade C (AOSGC) (D2) for two years

### **Purpose and justification**

The Financial Services Branch of the Financial Services and the Treasury Bureau (FSB) is, inter alia, taking forward the corporate insolvency law improvement exercise, preparing legislations for reforming the auditor regulatory regime to enhance its independence from the audit profession and for introducing a statutory corporate rescue procedure, as well as reviewing the Money Lenders Ordinance (MLO) and implementation of the new Companies Ordinance (CO), and following up on other relevant legislative initiatives.

At present, one AOSGB supernumerary post in FSB is responsible for overseeing and providing high-level policy steer on the aforementioned exercises which are highly complex and technical, and some of which are also politically sensitive. The post is supported by, among others, one supernumerary AOSGC post in FSB which is responsible for taking forward the review of the MLO and of the implementation of the new CO, and also for providing policy support to the Steering Group on Financial Technologies, Hong Kong's participation in the Asian Infrastructure Investment Bank and initiatives related to aerospace financing.

The supernumerary AOSGB and AOSGC posts will lapse on 31 December 2016. Based on current projections, a number of these initiatives will reach their major milestones in the second half of 2018. If the target timetables for these exercises can be met, we should be able to complete the relevant legislative exercises and other necessary preparatory work for full implementation by end 2018. Based on the above assessment, we propose to extend the duration of the two supernumerary directorate posts by 24 months to 31 December 2018.

### **Panel consultation**

We plan to consult the LegCo Panel on Financial Affairs in the first half of 2016.

## **Bureau/Department/Organisation**

Home Affairs Bureau

## **Post(s) proposed to be created/re-created/extended**

Extension of one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2) for around one year and seven months

## **Purpose and justification**

The FC of the LegCo approved on 6 June 2014, vide EC(2013-14)26, the creation of a supernumerary AOSGC post for a period of two years from 6 June 2014 to 5 June 2016 to take forward the planning and implementation of the Multi-purpose Sports Complex (MPSC) project at Kai Tak and oversee the comprehensive review of the policy on Private Recreational Leases.

In light of the latest development of the MPSC project, we have reviewed the operational needs of the MPSC project and consider it necessary to extend the supernumerary AOSGC post so as to oversee the planning stage and ensure good progress of the project. With the support of external consultants, we aim to complete the pre-construction works and review of the project procurement approach in the latter half of 2016 and commence the preparation of the operational and technical requirements of the project in late 2016. We aim to seek FC's funding approval by the end of 2017 for the main works of the project. To provide continued oversight of the project, we propose to extend the AOSGC post from mid-2016 to the end of 2017. Specifically, the officer will continue to provide strong policy input and analysis in relation to the detailed planning and development of the project including the development of detailed master planning and design interface with other projects at the Kai Tak Development as well as oversee the consultants' works for the preparation of the tender requirements. He/she will continue to head a multi-disciplinary team comprising administrative officer, architects, surveyors, engineers, etc, which will provide steer to the consultants. A sufficiently senior officer with administrative and management experience, versatility, political acumen and leadership capability is essential to head the project team and steer the work of the team and consultants.

## **Panel consultation**

We plan to consult the LegCo Panel on Home Affairs in late 2015/early 2016.

**Bureau/Department/Organisation**

Highways Department (HyD)

**Post(s) proposed to be created/re-created/extended**

Extension of one supernumerary post of Chief Engineer (CE) (D1) for six years

**Purpose and justification**

The supernumerary post concerned was approved by the LegCo FC (via EC(2008-09)16 with effect from 1 April 2009 for a period of seven years up to 31 March 2016, for the planning and implementation of the East-West Line (EWL) of the Shatin to Central Link (SCL) and the Kwun Tong Line Extension (KTE).

The SCL project is implemented under the ‘concession approach’ and the Government will own the railway. The Government entrusted to the MTR Corporation Limited (MTRCL) for the construction, testing and commissioning of SCL. According to the Entrustment Agreement, the target commissioning date for EWL is December 2018. As a result of the archaeological works and discoveries at To Kwa Wan Station under SCL in 2014, MTRCL advised that the date for commencement of the operation of the EWL of SCL would have to be deferred to 2019.

The KTE project is implemented under the ‘ownership approach’. MTRCL is responsible for the financing, design, construction, operation and maintenance of KTE, and will own the railway. Owing to the difficult ground conditions, limited working space and restricted working hours encountered during the construction of Whampoa Station of KTE, MTRCL advised that the date for commencement of the operation of KTE would have to be deferred from August 2015 to the third or fourth quarter of 2016.

The CE post concerned will continue to closely oversee the implementation of both EWL of SCL and KTE projects. To ensure smooth implementation within the revised project programme, he has to carry out intensive monitoring works and take full charge of all professional, technical, contractual and interface issues, administer the Entrustment Agreements with MTRCL on SCL in respect of EWL and related consultancy services, steer the timely resolution of matters concerning project implementation and financial control. The SCL, a project with considerable scale and complexity, will often receive a considerable number of contractual claims, the settlement of which will not only take time but also call for negotiation and decisions at high level.

The CE post concerned is a key member of various high-level meetings for SCL project, including the Project Supervision Committee chaired by the Director of Highways and the Project Coordination Meeting, which serve as the formal communication platforms with MTRCL for supervision and monitoring of the project delivery, as well as resolving all major issues regarding the entrustment activities. For KTE, the CE post concerned leads a dedicated team to co-ordinate and monitor the progress of the project. The team holds monthly progress meetings with MTRCL and conducts site inspections to keep abreast of the progress of various works contracts, and to review the actual implementation progress of KTE.

To prepare for the commissioning of KTE and the EWL of SCL scheduled for 2016 and 2019 respectively, the CE post concerned will play an important role in overseeing and coordinating with relevant authorities on the overall testing and commissioning programme, as well as in the discussion with MTRCL on the details of the pre-operation arrangement and the service concession agreement for the EWL of SCL project, which contains sensitive financial, commercial and operational information.

In view of the scale and complexity of the EWL of SCL project, the frequent high-level contacts with MTRCL and various authorities, as well as the need of constant steering on various project matters and entrustment activities, we consider it essential to extend the CE post concerned on a full-time basis until end 2022. By then the EWL of SCL has already been commissioned and the majority of the contractual claims should have been settled.

### **Panel consultation**

We plan to consult the LegCo Panel on Transport in late 2015/early 2016.

## **Bureau/Department/Organisation**

Marine Department (MD)

## **Post(s) proposed to be created/re-created/extended**

Extension of one supernumerary post of Administrative Officer Staff Grade B (AOSGB) (D3) for one year and six months, and two supernumerary posts of one Senior Principal Executive Officer (SPEO) (D2) and one Assistant Director of Marine (AD of M) (D2) for three years

## **Purpose and justification**

The Steering Committee on Systemic Reform of the MD, chaired by the Secretary for Transport and Housing, was set up in early May 2013 to advise and steer the MD to conduct a comprehensive departmental review and reform. A dedicated Task Force on Reform was also set up in MD to service and support the work of the Steering Committee, and assist the Director of Marine in following up and taking forward the deliberations and recommendations of the Steering Committee and in overseeing their implementation. Three supernumerary posts of one AOSGB, underpinned by one SPEO and one AD of M were created in February 2014 for the Task Force to take forward the reform, and the posts will end on 31 May 2016.

Having reviewed the work progress of the Task Force, the MD considered that there are substantial work to be carried out by the Task Force in 2016 to 2019 in the areas of enhancing marine safety, organisational review, and manpower and training of the professional grades in the MD. We therefore propose that the three supernumerary directorate posts be extended to provide continued support to the systemic reform of the MD.

## **Panel consultation**

We plan to consult the LegCo Panel on Economic Development in early 2016.

**Bureau/Department/Organisation**

Department of Justice (DoJ)

**Post(s) proposed to be created/re-created/extended**

Extension of one supernumerary post of Deputy Principal Government Counsel (DPGC) (DL2) for three years

**Purpose and justification**

The post was created on 7 February 2014 on a time-limited basis up to 31 May 2016. The incumbent of the post is to lead a dedicated legal team in DoJ to provide necessary legal support to the joint task force led by the Transport and Housing Bureau (THB) in taking forward the outstanding marine-related legislative amendment exercise.

In early 2015, the Marine Department (MD) and DoJ have conducted a review on the work progress of the Task Force and the legal team and considered that both have to be extended for a period of three more years to continue the work in enhancing maritime safety, complying with international convention, strengthening internal governance, implementing the recommendations of the Steering Committee on Systemic Reform of the MD, and providing legal support to the outstanding marine-related legislative amendment exercises.

Duties of the post proposed to be extended include leading the legal team to assist THB in steering legislation required for the marine-related project through the legislative process, advising THB and MD on the drafting instructions for the legislative proposals; drafting the more complex legislation; supervising and vetting the drafting work and co-ordinating the advisory work of non-directorate counsel of the team, and liaising with the directorate counsel in other divisions of DoJ as regards the vetting of the advices; assisting in the preparation of various papers required in the legislative process (including Executive Council (ExCo) Memoranda and LegCo brief); attending the meetings of the ExCo and the LegCo committees in connection with the project; and drafting and vetting amendments to legislation for consideration and adoption by the LegCo.

To cope with the immense workload related to the amendment of the outstanding legislation and taking into account the complexity of the subjects involved, the post, together with the legal team, have to be extended for three more years from 1 June 2016 to continue to provide the support to THB and MD in taking forward the relevant legislative amendment exercises.

**Panel consultation**

We plan to consult the LegCo Panel on Economic Development in early 2016. Members of the LegCo Panel on Administration of Justice and Legal Services will be invited to join the meeting for consultation on DOJ's staffing proposal.



**Bureau/Department/Organisation**

Offices of the Chief Secretary for Administration and the Financial Secretary - Economic Analysis and Business Facilitation Unit (EABFU)

**Post(s) proposed to be created/re-created/extended**

Extension of one supernumerary post of Principal Economist (Pr Econ) (D2) for three years

**Purpose and justification**

A supernumerary Pr Econ post was created in April 2013 for three years to lead a new section (Section V) in the Economic Analysis Division of EABFU to strengthen analytical support to the Government in areas of population, poverty, welfare and retirement protection.

Since its establishment in 2013, Section V has been overwhelmed with pressing demand for timely, high-quality research and analyses to support two high-level committees including the Commission on Poverty (CoP) and the Steering Committee on Population Policy (SCPP).

Apart from developing the analytical framework on poverty line for CoP, Section V is required to provide analytical support to relevant bureaux to facilitate formulation of new poverty alleviation measures. Besides, Section V has also provided economic assessments on the impacts of various policy options of retirement protection. At the same time, to support the SCPP, Section V has provided in-depth analysis on different policy options in tackling the issues of ageing population and inadequate manpower supply.

In view that the work demand is anticipated to continue to increase substantially in the coming few years, it is operationally necessary to extend the supernumerary Pr Econ post for three years to continue the economic analysis and research work in the areas of population, poverty, welfare and retirement protection.

**Panel consultation**

We plan to consult the LegCo Panel on Public Service in late 2015/early 2016.

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