

立法會

Legislative Council

LC Paper No. CB(4)456/17-18
(These minutes have been seen
by the Administration)

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Panel on Public Service

**Minutes of meeting held on
Monday, 20 November 2017, at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon POON Siu-ping, BBS, MH (Chairman)
Hon Jeremy TAM Man-ho (Deputy Chairman)
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon KWOK Wai-keung, JP
Hon IP Kin-yuen
Hon Martin LIAO Cheung-kong, SBS, JP
Dr Hon CHIANG Lai-wan, JP
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Hon HO Kai-ming
Hon SHIU Ka-fai
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN

Members attending : Hon SHIU Ka-chun

Members absent : Hon Charles Peter MOK, JP
Dr Hon Elizabeth QUAT, BBS, JP
Hon CHUNG Kwok-pan
Hon LAM Cheuk-ting

Public Officers attending : Agenda item III

Mr Andrew AU, JP
Acting Government Economist

Mr Benny LUI
Principal Economist(3)
Economic Analysis and Business Facilitation
Unit,
Financial Secretary's Office

Mr Eric SHUM
Senior Economist(6A)
Economic Analysis and Business Facilitation
Unit,
Financial Secretary's Office

Agenda item IV

Mr Laurie LO, JP
Head, Task Force on Central Policy Unit
Re-organisation
Central Policy Unit

Mr Wilson KWONG
Senior Administrative Officer(3)
Central Policy Unit

Clerk in attendance : Mr Anthony CHU
Chief Council Secretary (4)1

Staff in attendance : Ms Wendy JAN
Senior Council Secretary (4)7

Ms Maggie CHUNG
Council Secretary (4)1

Mr Griffin FUNG
Legislative Assistant (4)8

Mr Terry HON
Clerical Assistant (4)1

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I. Information papers issued since the last regular meeting on 16 October 2017

(LC Paper No. CB(4)68/17-18(01) -- Submission from the HK Fire Services Department Ambulancemen's Union (Chinese version only)

LC Paper No. CB(4)184/17-18(01) -- Letter dated 31 October 2017 from the Administration regarding the grade structure review for Marine Officer and Surveyor of Ships grades of Marine Department

LC Paper No. CB(4)184/17-18(02) -- Hong Kong Standing Commission on Civil Service Salaries and Conditions of Service Report No. 57: Grade Structure Review for Marine Officer and Surveyor of Ships Grades

LC Paper No. CB(4)234/17-18(01) -- Administration's response to the letter from Hon HO Kai-ming and submissions from the Hong Kong Government Lifeguards General Union

LC Paper Nos. CB(4)234/17-18(02)-(04) -- Submissions from the Hong Kong Government Lifeguards General Union (Chinese version only))

Members noted that the above papers had been issued since the last meeting.

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II. Date of next meeting and items for discussion

(LC Paper No. CB(4)212/17-18(01) -- List of outstanding items for discussion

LC Paper No. CB(4)212/17-18(02) -- List of follow-up actions)

2. Members agreed that the next regular Panel meeting would be held on 18 December 2017 to discuss the following items proposed by the Administration:

- (a) Update on extension of the service of civil servants; and
- (b) Employment of ethnic minorities in the civil service

(Post-meeting note: The regular meeting scheduled for 18 December 2017 was subsequently rescheduled to 22 December 2017 to avoid clashing with the anticipated continuation of the Council meeting of 13 December 2017. Notice of rescheduling of meeting was issued to members on 12 December 2017 vide LC Paper No. CB(4)364/17-18.)

3. Members also noted that members of the Panel on Economic Development would be invited to join the discussion of item (b) above.

4. The Chairman informed members that at the work plan meeting on 1 November 2017, he and the Deputy Chairman had conveyed members' proposed items for discussion by the Panel raised at the Panel meeting on 12 October 2017 to the Secretary for the Civil Service.

5. Referring to item 7 of the "List of outstanding items for discussion" ("the List") on the medical and dental benefits for civil servants, pensioners and eligible dependants ("CSEPs"), Dr CHIANG Lai-wan proposed that members should also be briefed on the progress of providing traditional Chinese medicine service for CSEPs under this item.

6. In reply to Dr CHIANG Lai-wan's enquiry about the suggestion of the HK Fire Services Department Ambulancemen's Union that the Panel should continue to follow up issues relating to meal break arrangement for the Ambulanceman Grade in the Fire Services Department (item 15 of the List), the Chairman confirmed that this item was still on the List.

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7. As regards item 16 of the List regarding the application of the findings of the Pay Level Survey to Government-funded public bodies, the Chairman informed members that the Civil Service Bureau had previously advised that these public bodies were outside its policy purview, and as the remuneration and subvention policies for individual subvented organizations might be different, it might be more appropriate for the respective subject panels to follow them up. At the Panel meeting on 18 October 2016, Dr Pierre CHAN expressed concern about the remuneration of doctors working in public hospitals and proposed that this item should be discussed as early as possible. The Administration had recently suggested that this item on matters relating to the Hospital Authority be followed up by the Panel on Health Services. Members noted that Dr CHAN was informed accordingly and this item would be deleted from the List.

8. Dr CHIANG Lai-wan referred to item 17 of the List concerning the grade structure review ("GSR") of disciplined services and proposed that the Panel should discuss this item as early as possible so as to understand whether and when the Administration would conduct the GSR of disciplined services. Mrs Regina IP also expressed concern about this issue. She suggested that before the Administration decided to conduct a GSR of disciplined services, it could implement measures to enhance the fringe benefits of the relevant staff, such as addressing the shortfall in departmental quarters. The Chairman instructed that Dr CHIANG's letter dated 10 October 2017 on the GSR of disciplined services would be forwarded to the Administration for response, and the Panel would consider the way forward after receiving the Administration's response.

(Post-meeting note: The Administration's written response to Dr CHIANG's letter was circulated to members vide LC Paper No. CB(4)344/17-18(01) on 7 December 2017.)

9. Regarding Mr HO Kai-ming's proposal in item 20 of the List on the issues relating to the lifeguards of the Leisure and Cultural Services Department, members noted that the Administration had provided a written response to Mr HO's letter (LC Paper No. CB(4)234/17-18(01)).

III. Creation of a Principal Economist Post in the Economic Analysis and Business Facilitation Unit, Financial Secretary's Office

(LC Paper No. CB(4)212/17-18(03) -- Administration's paper

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on creation of one permanent Principal Economist Post in the Economic Analysis and Business Facilitation Unit, Financial Secretary's Office)

10. The Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subject under discussion at the meeting before they spoke on the subjects.

11. At the invitation of the Chairman, Acting Government Economist ("G Econ(Atg)") briefed members on the proposed creation of one permanent Principal Economist Post in the Economic Analysis and Business Facilitation Unit ("EABFU"), Financial Secretary's Office, as set out in the Administration's paper (LC Paper No. CB(4)212/17-18(03)).

Work of EABFU

12. While acknowledging the need to step up research efforts on international competitiveness by the Administration, Mrs Regina IP expressed strong resentment about the Administration's view that "if Hong Kong were to lose its leading position in the international competitiveness rankings, its international image as a global financial and business centre would inevitably be dented" as stated in paragraph 4 of the Administration's paper (LC Paper No. CB(4)212/17-18(03)). She strongly disagreed that Hong Kong's international competitiveness was solely determined by the competitiveness rankings of international ranking institutes.

13. Mr KWOK Wai-keung concurred with Mrs Regina IP's viewpoint, and called on the Administration to focus on adopting concrete measures to strengthen the overall competitiveness of Hong Kong in order to get better international rankings, instead of strengthening professional dialogues with international ranking institutes to identify key factors to stay in the top rankings.

14. G Econ(Atg) noted members' views, and acknowledged that the tone of the word "inevitably" used in the sentence might be too strong. As regards the researches and assessments by major international ranking

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institutes, he explained that they were performed in a rigorous manner and their findings could lend to the Administration's investigation into the strengths and weaknesses of Hong Kong relative to Hong Kong's competitors. As an illustration, in its World Competitiveness Yearbook, the International Institute for Management Development benchmarked the performance of 63 economies based on 4 factors with 261 criteria measuring different facets of competitiveness. By analyzing their findings in detail, supplemented by further researches on the economic structures and policies of Hong Kong's competitors, the works of EABFU's newly established section would assist the Administration's policy deliberation on augmenting Hong Kong's competitiveness.

15. In reply to Dr CHIANG Lai-wan's enquiry about the staffing of EABFU, G Econ(Atg) advised that out of more than 90 establishments in EABFU, 44 were in the Economist grade, including two Senior Economists and three Economists in the newly established Section VI.

16. Noting that the proposed new post was created to lead the new Section VI of EABFU which was responsible for local and international competitiveness and new economic growth drivers, Dr CHIANG Lai-wan said that the work areas of the new section were similar and interrelated to some of the work areas of Section I on monitoring the macroeconomic environment as well as those of Section III on monitoring and analysis on free trade agreements and researches on the Mainland's macroeconomic development. All these areas should be studied holistically to avoid duplication of work. In this connection, she queried whether the Administration might consider strengthening the manpower of Sections I and III to take up the work of Section VI instead of establishing a new section.

17. G Econ(Atg) responded that the works of these three sections were distinct from a research point of view. While Section VI was responsible for the research work on developing international competitiveness and new economic growth drivers of Hong Kong, Section I was mainly responsible for monitoring the cyclical changes in the macroeconomic environment in the short and medium terms. On the other hand, Section III was mainly responsible for the analyzes of trade policies and the Mainland's macroeconomic development.

18. Noting that one of the work areas of Section IV of EABFU was the monitoring of labour market situation, Dr CHIANG Lai-wan requested the Administration to make forecasts on the manpower demand arising from different industries under the new economy of Hong Kong,

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so as to provide the students with more information when they considered what programmes to pursue for their higher studies.

19. G Econ(Atg) replied that there was a certain degree of difficulty in compiling labour demand forecasts with a detailed breakdown. But according to his understanding, the Labour and Welfare Bureau ("LWB") compiled manpower projection reports from time to time and the next report would be released in 2019. Dr CHIANG Lai-wan commented that the manpower projection conducted by LWB was categorized by different economic sectors without a detailed breakdown into individual industries. As such, she called on EABFU to conduct more detailed manpower forecasts.

Recruitment of the proposed Principal Economist post

20. Given that the LegCo had already approved the upgrading of the permanent post of Government Economist from the D4 to D5 rank as well as the creation of a new rank and permanent post of Deputy Government Economist (D3) in EABFU in May 2016, Mrs Regina IP queried the necessity of creating a new Principal Economist post (D2) in EABFU. She pointed out that major international ranking institutes, such as the World Economic Forum, had already conducted extensive researches on Hong Kong's international competitiveness, and plenty of books had been published on economic policies in developing and developed economic entities, such as China and Taiwan, or analyzing the pros and cons of various policy options. As such, it might not be necessary for EABFU to create this post to lead the newly established section to conduct more in-depth researches on such areas.

21. Mrs Regina IP further said that, in order to enhance the professional work of EABFU, the Administration should hire an economic expert with higher education qualifications from the private sector to take up this new post so as to strengthen the research efforts on new economic growth drivers with innovative and diverse perspectives. If the new post was to be filled by a serving civil servant with limited market experience, she would not support this staffing proposal as the Administration should not create positions just for the sake of increasing promotion opportunities for serving civil servants without enhancing the professional work of EABFU. In this connection, she said that she would raise a motion on the subject.

22. The Deputy Chairman opined that priority should be given to identifying suitable candidate with market experience from the private sector to take up this new post. He further suggested that the

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Administration should also raise the entry salary of the Economist grade instead of creating more directorate Economist grade posts with a view to attracting more economic talents to join the Government at junior level.

23. Mr KWOK Wai-keung further enquired about the measures to be implemented by the Administration to maximize the effectiveness of the proposed post in support of the Government's new vision in driving economic development, in particular whether the Administration would consider Mrs Regina IP's request for the Administration to hire economic expert from the private sector to take up this new post.

24. G Econ(Atg) reiterated that there was a genuine need to create this new post to spearhead the research work of the new Section VI to strengthen professional dialogues with international ranking institutes, step up high-powered research on international competitiveness and devote greater research effort on new economic growth drivers. For instance, in support of the Government's policy on promoting innovation and technology, the new Section VI had already initiated the study on related ranking reports, such as the World Intellectual Property Organization's Global Innovation Index and IMD's World Digital Competitiveness Ranking.

25. G Econ(Atg) further advised that the qualifications and experience of the existing staff in EABFU were sound, with over 80% of existing Economist grade staff in EABFU having postgraduate degrees, and many of them also possessed substantial research and private sector experiences. Since the Principal Economist rank was a promotion rank, EABFU would need to follow the established procedures of the Civil Service to conduct a promotion exercise to select the most suitable officer among the eligible candidates to fill the new post. Nonetheless, if no suitable candidate could be identified for promotion, other filling arrangements would be considered in accordance with the established mechanism, such as open recruitment.

26. Dr Pierre CHAN asked whether there were examples of economic experts with higher education qualifications from the private sector joining the Civil Service. Mrs Regina IP recalled that the Administration had appointed Mr KWOK Kwok-chuen as Government Economist in 2004. Mr KWOK was the Chief Regional Economist of a major bank before he was appointed to the post. He left after serving the post for four years, and a civil servant was promoted to succeed Mr KWOK as Government Economist.

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Staff deployment

27. Mrs Regina IP noted from paragraph 31 of the Administration's paper on the review and revamp of the Central Policy Unit ("CPU") (LC Paper No. CB(4)212/17-18(04)) for Agenda Item IV that the Administration proposed to create four D2 posts that might be filled by any combination of D2 officers from five selected grades, including Economist grade, in the new Policy Innovation and Co-ordination Office ("PICO"). In this connection, Mrs IP was concerned whether there was a possibility that one of the Principal Economists in EABFU, including the new recruit who would fill the proposed new Principal Economist post, would be transferred to PICO to take up one of the D2 posts. She opined that the Administration should not create a new Principal Economist post in EABFU who might be transferred to PICO for posting.

28. G Econ(Atg) responded that the proposed new Principal Economist post, similar to the five existing Principal Economist posts, would be under the organizational structure of EABFU, not affected by the proposed open grade in PICO. As for the staffing issue, if PICO sought assistance from EABFU on the provision of manpower in supporting policy research, EABFU would make its best effort to provide support having due regard to its own manpower resource situation.

Motion proposed by members

Motion proposed by Mrs Regina IP

29. The Chairman said that Mrs Regina IP had indicated intention to move the following motion under the agenda item:

"鑒於政府建議在財政司司長辦公室轄下的經濟分析及方便營商處增設一個首席經濟主任(首長級薪級第2點)的常額職位，其主要目標是加強香港的國際競爭力及加強有關新經濟增長點的研究力度；因此，本委員會促請政府儘快在政府以外聘請有較高深學歷的經濟專才領導經濟分析及方便營商處，及擔任政府建議新設的職位，及同時加大力度在私人市場聘請經濟優才，以加強相關的政策研究及經濟分析。"

(Translation)

"Given that the Government's proposed addition of a permanent Principal Economist (D2) post in the Economic Analysis and Business Facilitation Unit under the Financial Secretary's Office

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is mainly to enhance Hong Kong's international competitiveness and strengthen the research effort on new economic growth drivers, this Panel therefore urges the Government to expeditiously hire from outside the Government an economic professional with higher education qualifications to lead the Economic Analysis and Business Facilitation Unit and take up the Government's proposed new post, and at the same time strengthen its effort to hire economic talents from the private sector for the enhancement of relevant policy research and economic analysis."

30. The Chairman ruled that the motion was directly related to the agenda item under discussion. Members agreed that this motion should be proceeded with at the meeting.

31. At the request of members, the Chairman ordered a division. Six members voted for, no member voted against it and no member abstained from voting. The votes of individual members were as follows:

For:

Mr Jeremy TAM
Mr KWOK Wai-keung
Ms YUNG Hoi-yan
(6 members)

Mrs Regina IP
Dr CHIANG Lai-wan
Dr Pierre CHAN

32. The Chairman declared that the motion was carried.

Motion proposed by Dr CHIANG Lai-wan

33. The Chairman advised that Dr CHIANG Lai-wan had indicated intention to move the following motion under the agenda item:

"政府在經濟分析及方便營商處("營商處")開設一個首席經濟主任常額職位後，本委員會促請營商處應從宏觀層面制定及推算香港在新經濟下不同行業的詳細人力需求預測。"

(Translation)

"After the Government's creation of a permanent Principal Economist post in the Economic Analysis and Business Facilitation Unit ("EABFU"), this Panel urges EABFU to formulate and project at a macro level the detailed forecasts on

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manpower demand arising from different industries under the new economy of Hong Kong."

34. The Chairman ruled that the motion was directly related to the agenda item under discussion. Members agreed that this motion should be proceeded with at the meeting.

35. The Chairman put the motion to vote. All members present voted for the motion, no member voted against it and no member abstained from voting. The Chairman declared that the motion was carried.

36. The Chairman directed that the Administration be requested to provide a written response to the two motions passed by the Panel.

(Post-meeting note: The Administration's response to the motions was circulated to members vide LC Paper No. CB(4)359/17-18(01) on 12 December 2017.)

Conclusion

37. Members agreed that the Administration should consult the appropriate LegCo panel on the policy issues relating to the staffing proposal before submitting the proposal to the Establishment Subcommittee for endorsement.

IV. Central Policy Unit Re-organization

(LC Paper No. CB(4)212/17-18(04) -- Administration's paper on review and revamp of the Central Policy Unit

LC Paper No. CB(4)212/17-18(05) -- Paper on Central Policy Unit Re-organization prepared by the Legislative Council Secretariat (background brief))

38. At the invitation of the Chairman, Head, Task Force on Central Policy Unit Re-organisation ("Head/Task Force") briefed members on the functions and organization structure of the Policy Innovation and

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Co-ordination Office ("PICO") to be formed after revamp of CPU, details of which were set out in the Administration's paper (LC Paper No. CB(4)212/17-18(04)).

Functions of the Policy Innovation and Co-ordination Office

39. The Deputy Chairman enquired whether the Administration had identified any operational problems in CPU, and hence decided to undertake the review and implement the revamp. Head/Task Force said that every term of Government had its policy foci and the role and functions of CPU might be modified correspondingly. As the Chief Executive ("CE") pledged in her Election Manifesto that the new term of Government would take up a new "facilitator" role and would adopt a new style of governance, including an evidence-based and innovative approach to policy formulation, strengthened co-ordination and co-operation across government bureaux and departments, and provision of "one-stop" consultation and advisory services to innovative projects, it was necessary to revamp the organizational structure and manpower arrangement of CPU to provide the necessary support to the Government in achieving these objectives.

40. Mrs Regina IP considered that the Government had been stuck to the old rut in policy making since the Reunification, hence she was supportive of the innovative approach adopted by the current term of Government. Citing that Singapore had convened the Committee on the Future Economy ("CFE") to make recommendations in areas such as innovation and future growth industries and markets to set directions for Singapore's future development, Mrs IP asked whether the Administration had made reference to CFE in setting the roles and functions of PICO. Mr IP Kin-yuen welcomed the revamp of CPU to put more emphasis on policy innovation.

41. Head/Task Force replied that as stated in the Administration's paper, a new, high-level strategic forum, namely, CE's Council of Advisers on Innovation and Strategic Development ("the Council") would be set up. Similar to CFE, the Council would give advice to CE on Hong Kong's strategic positioning in the global and regional contexts and direction of economic development in the future. The Council would also provide steer on evidence-based researches and studies on specific issues to be conducted by PICO, and advise on stakeholder engagement and public participation in the policy formulation and consensus building process.

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42. Noting that PICO would provide "first-stop and one-stop" project co-ordination and consultation services to non-profit organizations or private sector proponents, Mrs Regina IP asked whether PICO would consider providing inter-departmental co-ordination services to Departments, such as the operation of the Joint Offices for Investigation of Water Seepage Complaints by the Buildings Department and the Food and Environmental Hygiene Department ("FEHD") as FEHD staff had complained to her regarding the division of work in the Joint Offices.

43. Head/Task Force explained that it was not the intention for PICO to take over all cross-bureaux co-ordination work. Instead, PICO would focus on co-ordinating major cross-bureaux policies selected by CE and the Secretaries of Departments. Besides, with a view to maximizing benefits to the society, PICO would also provide "one-stop" co-ordination and advisory services to innovative projects with broader economic and social merits initiated by non-profit organizations or private sector proponents.

44. In response to Ms YUNG Hoi-yan's question about how PICO could help the Administration take up the role as a "facilitator", Head/Task Force advised that PICO would, from an early stage of the policy research and co-ordination process, collaborate with relevant B/Ds in defining problems, selecting research topics, collecting information, developing policy options and implementation plans and evaluating results.

45. Ms YUNG Hoi-yan stressed that the Administration should, besides putting efforts in conducting policy researches, endeavour to follow through the implementation of cross-bureaux policies, otherwise the policies would become "empty talks".

Establishment of the Policy Innovation and Co-ordination Office

46. Mrs Regina IP queried why the Head/PICO post was also open to civil servants, given that in most cases experienced academics or experts with international perspectives were engaged as non-civil service appointees to fill the Head/CPU post since its establishment in 1989. She was of the view that the Administration was trying to make all directorate positions in PICO to be filled up by civil servants.

47. Head/Task Force clarified that having regard to the importance placed on the cross-bureaux co-ordination functions of PICO and the need for in-depth knowledge of and practical experience in the public

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service, the Administration proposed to widen the field of candidates for the Head/PICO position to cover both non-civil service appointees and civil servants at Administrative Officer Staff Grade A1 rank.

48. Mrs Regina IP believed that as only people recruited outside the Government would have an innovative spirit to lead PICO to take on its new roles, she called on the Administration to continue to engage a talent outside the Government, such as an experienced academic or policy research professional with international perspectives, to take up the duties of Head/PICO. On the other hand, civil servants with practical experience in co-ordinating implementation of government policies and programmes were more suited to fill other directorate posts to support Head/PICO in this regard. Echoing Mrs IP's views, Mr IP Kin-yuen considered that professional outside the Government of high standing and broad perspectives should be given priority to fill the post of Head/PICO to help strengthen PICO's capability of innovation.

49. Mrs Regina IP further pointed out that according to the Administration's paper and media reports, the recruitment exercise for Policy and Project Co-ordination Officers ("PPCOs") and Senior PPCOs of PICO, with monthly salaries ranging from \$30,000 to \$95,000, was already in progress. She queried what benchmarks the Administration had used in setting the remuneration levels, given that the posts only required two to five years' relevant working experience. She criticized that even large think tanks would only recruit retired civil servants with substantial experience or well-known business figures at the above salary levels.

50. Head/Task Force explained that when setting the salary levels for Senior PPCOs and PPCOs of PICO, the Administration had taken into account the duties and responsibilities of the posts. Reference had also been made to the prevailing remuneration packages for similar posts in the Government, the LegCo, think tanks and private sector organizations. He added that two years of relevant post-degree working experience was the minimum requirement for the post of PPCOs, and five years for Senior PPCOs, and only candidates with extensive experience in leading and conducting policy research and project management would be offered a higher wage. The Administration also considered that the above salary arrangements would help attract persons of suitable calibre to take up the new jobs with expanded responsibilities in policy research as well as co-ordination of policies and projects across various government bureaux and departments.

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51. The Deputy Chairman said that the primary consideration of retired civil servants joining think tanks might be due to their interests and sense of mission instead of monetary awards. With a view to dovetailing with the Government's new style of governance, he suggested that the Administration should also target to recruit young people who wish to join PICO to serve the community.

52. In reply to Dr CHIANG Lai-wan's enquiry about a comparison on the establishment between PICO and CPU, Head/Task Force said that the number of directorate posts would be reduced from nine in CPU to eight in PICO. For the non-directorate positions, the number and composition of civil service posts were similar to CPU; only two Senior Economist and one Senior Town Planner posts would be added, while the number of Non-Civil Service Contract ("NCSC") and Post-retirement Service Contract positions would, depending on the recruitment results, be increased to around 31. He pointed out that the existing NCSC researchers in CPU were currently responsible mainly for policy research, but in PICO, mixed teams comprising NCSC staff and civil servants with different specialties, in particular those civil servants with knowledge of Government's operations and experience in policy research and co-ordination, would support the relevant bureaux in policy research as well as policy and project co-ordination to achieve policy objectives.

53. In response to the Deputy Chairman's enquiry on whether the arrangement of appointing Part-time Members would be continued after the revamp, Head/Task Force said that these Part-time Members were not part of CPU's establishment and their terms of appointments had already expired. This original arrangement aimed to engage relevant stakeholders to collect their opinions on specific policy issues, and the Administration would continue to consider the best arrangements to involve people with expert knowledge in various sectors and the general public early in the public policy formulation process.

Administration of two public policy research funding schemes

54. Mr IP Kin-yuen recalled that the Public Policy Research Funding Scheme ("PPRFS") was originally administered by the Research Grants Council ("RGC") to promote public policy research in higher education institutions. However, in 2013-2014, CPU's taking over from RGC the administration of PPRFS, including the operation of the scheme and assessment of research proposals, had aroused great controversy. Some tertiary institutions had questioned the necessity to introduce the above arrangement and whether PPRFS had become a government-driven scheme.

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55. Head/Task Force explained that before 2013-2014, PPRFS was limited to the eight institutions funded by the University Grants Committee ("UGC") only. Aiming to encourage and support more academics and researchers to conduct public policy research and foster a culture of public policy research in a wider context, CPU took up the administration of PPRFS from 2013-2014 and opened up PPRFS to other degree-awarding institutions, visiting academics and local public policy research think tanks in addition to the UGC-funded institutions. To ensure the quality and objectivity of the research studies, an assessment panel comprising experienced academics would conduct assessments of research proposals.

56. Mr IP Kin-yuen did not subscribe to the Administration's explanation on the reasons for changing the operation mode of PPRFS. He commented that research grants could be provided for think tanks and non UGC-funded degree-awarding institutions through other means. With a view to reducing the possibility of intervention in academic research, thereby enhancing credibility of PPRFS, he urged the Administration to consider taking the chance of revamping CPU to return the administration of PPRFS to RGC.

57. At the Deputy Chairman's request, Head/Task Force undertook to provide after the meeting details of the approved projects under PPRFS and the Strategic Public Policy Research Funding Scheme ("SPPRFS") in the past five years. He supplemented that from 2013-2014 to November 2017, a total of 387 applications were received by CPU under PPRFS, 120 applications had been approved involving around \$63 million of funding, while around 40 applications were being processed. As for SPPRFS which was aimed at supporting projects with the duration of three to five years and funding ranging from \$3 million to \$5 million, 65 applications were received since April 2016, three applications had been approved involving around \$10 million, while 19 applications were being processed. In gist, over 85% of the approved applications of the above Schemes were submitted by the eight institutions funded by UGC, the remaining were from other local degree-awarding institutions and local think tanks.

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(4)358/17-18(01) on 12 December 2017.)

(At 12:34 pm, the Chairman extended the meeting for 15 minutes beyond the appointed ending time to allow sufficient time for discussion.)

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Selection of cross-bureaux policies

58. Noting that PICO would co-ordinate policies selected by CE and the Secretaries of Departments, the Deputy Chairman remarked that it would impose constraints on the autonomy and innovation of PICO, in particular on the young people who aspired to participate in policy research and formulation. Concerning that many cross-bureaux policies were already on the drawing board, Ms YUNG Hoi-yan asked whether policy priorities would be selected by senior echelon in the Government without making reference to public views, and whether targets would be set for the policies to be implemented in each year/term of Government. Dr CHIANG Lai-wan enquired whether PICO would accord high priority to tackle those policy issues that had been outstanding for a long time.

59. Head/Task Force advised that PICO could work with other policy bureaux in deciding on the topics for policy research and would also initiate its own. With regard to co-ordination of major policies across bureaux, since it would have implications on the work of the relevant bureaux and should reflect the priorities of the Government, it would focus on the major cross-bureaux policies selected by CE and other senior leadership in the Government to ensure that they were in line with the policy objectives and priorities of the current term of Government.

Motions proposed by members

60. Members noted that there were five motions to be moved by members under this agenda item. The Chairman ruled that these motions were directly related to the agenda item. Members agreed that these motions should be proceeded with at the meeting.

61. Mrs Regina IP moved two motions as follows:

Motion 1

"鑒於政府建議將中央政策組改組為"政策創新與統籌辦事處"("創新辦")以有助探討和制訂香港未來創新及策略發展的方向；因此，本委員會促請政府繼續延聘在政府以外的優才，例如有國際視野的資深學者或政策研究專才，以擔任創新辦總監(即改組前中央政策組首席顧問，首長級薪級第8點的非公務員職位)的職務領導創新辦。"

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(Translation)

"Given that the Government proposes revamping the Central Policy Unit as the "Policy Innovation and Co-ordination Office" ("PICO") so as to help explore and map out the direction for innovation and strategic development of Hong Kong in the future, this Panel therefore urges the Government to continue to engage a talent outside the Government, such as an experienced academic or policy research professional with international perspectives, to take up the duties of Head/PICO (i.e. Head of the Central Policy Unit before the revamp, a non-civil service post at D8 level) to lead PICO."

62. The Chairman put the motion to vote. At Mrs Regina IP's request, the Chairman ordered a division. All six members present voted for the motion and no member voted against it or abstained. The votes of individual members were as follows:

For:

Mr Jeremy TAM

Mr IP Kin-yuen

Mr HO Kai-ming

(6 members)

Mrs Regina IP

Dr CHIANG Lai-wan

Ms YUNG Hoi-yan

63. The Chairman declared that the motion was carried.

Motion 2

"鑒於政府建議改組中央政策組其中一個目標為提供更多機會給青年人直接參與制訂公共政策，而政府只開設20至30個"政策及項目統籌主任"職位，未能製造更廣泛機會予有志政策研究的青年人參與；因此，政府在改組中央政策組及開設職位之餘，同時為達到政府在CB(4)212/17-18(04)號文件第17段所指的目標："創新辦會致力加強公共政策研究能力，培養香港的公共政策研究群體"，以及"加強與學術界、研究機構和智庫的聯繫，促進有關公共政策研究的理性辯論和協作"，本委員會促請政府設立"政策研究券"提供財政資助予智庫、政黨和其他政策研究組職，以聘用青年人為他們提供政策研究培訓，並為他們在政策研究相關職業提供更多參與機會和出路。"

(Translation)

Action

"Given that one of the objectives of the Government's proposed revamp of the Central Policy Unit ("CPU") is to provide more opportunities for direct participation of young people in public policy formulation, and yet the Government has only created 20 to 30 Policy and Project Co-ordinator posts, failing to create a wider range of opportunities for participation of young people aspiring to pursue policy research; therefore, while the Government revamps CPU and creates the posts and at the same time achieves the objective mentioned in paragraph 17 of LC Paper No. CB(4)212/17-18(04): *"PICO will endeavour to strengthen the public policy research capacity and foster a public policy research community in Hong Kong"* and *"step up liaison with the academia, research institutes and think tanks and facilitate rational public policy debates and collaboration in public policy research"*, this Panel urges the Government to introduce "policy research vouchers" to provide think tanks, political parties and other policy research organizations with financial subsidies for the employment of young people to provide them with training on policy research and to offer them more opportunities and prospects for participation in careers relating to policy research."

64. The Chairman put the motion to vote. At Mrs Regina IP's request, the Chairman ordered a division. Four members voted for the motion, two members voted against it and no member abstained from voting. The votes of individual members were as follows:

For:

Mrs Regina IP

Mr HO Kai-ming

(4 members)

Dr CHIANG Lai-wan

Ms YUNG Hoi-yan

Against:

Mr Jeremy TAM

(2 members)

Mr IP Kin-yuen

65. The Chairman declared that the motion was carried.

66. Mr IP Kin-yuen moved the following motion:

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"本委員會促請政府將"公共政策研究資助計劃"交還研究資助局管理，以減少行政介入學術研究的風險，提高此計劃的公信力。"

(Translation)

"This Panel urges the Government to return the administration of the "Public Policy Research Funding Scheme" to the Research Grants Council so as to reduce the risks of administrative intervention in academic research, thereby enhancing the credibility of the Scheme."

67. The Chairman put the motion to vote. Five members voted for the motion, no member voted against it or abstained from voting. The Chairman declared that the motion was carried.

68. Dr CHIANG Lai-wan moved two motions as follows:

Motion 1

"政府將中央政策組改組為"政策創新與統籌辦事處"("創新辦")，其中一個主要職能是為"行政長官創新及策略發展顧問團"提供秘書處支援服務，按照顧問團的指引進行政策研究；擬備文件，以協助顧問團深入討論課題；並跟進顧問團的建議和為可帶來較廣泛公眾利益的具創新意念的發展項目，提供"首站和一站式"諮詢和統籌服務。有見年青人置業困難，港人缺乏完善的退休保障，本委員會促請改組後的創新辦研究政府與家長雙方供款的嬰兒基金的可行性。"

(Translation)

"One of the main functions of the "Policy Innovation and Co-ordination Office" ("PICO") as revamped from the Central Policy Unit by the Government is to provide secretariat support to the Chief Executive's Council of Advisers on Innovation and Strategic Development, including conducting policy research in support of the Council's steer, preparing papers to facilitate its deliberations and following up on its recommendations, as well as to provide "first-stop and one-stop" consultation and coordination services for innovative development projects that would bring broader public benefits. In view of young people's difficulty in purchasing residential properties coupled with the

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absence of sound retirement protection for the people of Hong Kong, this Panel urges the revamped PICO to study the feasibility of establishing a baby fund to which both the Government and parents will make contributions together."

69. The Chairman put the motion to vote. Three members voted for the motion, no member voted against it and two members abstained from voting. The Chairman declared that the motion was carried.

Motion 2

"政府將中央政策組改組為"政策創新與統籌辦事處"("創新辦"), 其中一個主要職能是為統籌由行政長官和各司長選定的重要跨局政策, 以達成政策目標。鑒於教育的目的是為社會儲備人力資源, 培訓未來人才, 令學生學有所用, 本委員會促請改組後的創新辦研究未來教育新方向, 為市場提供所需的人才。"

(Translation)

"One of the main functions of the "Policy Innovation and Co-ordination Office" ("PICO") as revamped from the Central Policy Unit by the Government is to coordinate major cross-bureaux policies selected by the Chief Executive and the Secretaries of Departments to help achieve policy objectives. Given that the objective of education is to stockpile manpower resources for the society, train talents for the future and enable students to apply what they have learnt, this Panel urges the revamped PICO to study a new direction for education in the future so as to provide the market with the required talents."

70. The Chairman put the motion to vote. Four members voted for the motion, no member voted against it and one member abstained from voting. The Chairman declared that the motion was carried.

71. The Chairman directed that the Administration be requested to provide a written response to the motions passed by the Panel.

(Post-meeting note: The Administration's response to the motions passed at the meeting was issued to members vide LC Paper No. CB(4)359/17-18(02) on 12 December 2017.)

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Conclusion

72. The Chairman concluded that members had no objection in principle to the Administration's proposal of revamping CPU as PICO.

73. The Chairman, Mrs Regina IP and Mr HO Kai-ming asked whether endorsement from the Establishment Subcommittee and approval from the Finance Committee was required for the proposal. Head/Task Force replied that the establishment changes arising from the proposed revamp of CPU into PICO would not have additional funding implications. However, as the proposal involved changes in the directorate establishment, the Government would, after consulting the Standing Committee on Directorate Salaries and Conditions of Service and relevant B/Ds, seek endorsement from LegCo as appropriate.

V. Any other business

74. There being no other business, the meeting ended at 12:56 pm.

Council Business Division 4
Legislative Council Secretariat
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