

**For Discussion
on 3 November 2020**

Legislative Council Panel on Security

**Rationalisation of Directorate Support
for the Administration and Human Resource Development Branch in
Customs and Excise Department**

PURPOSE

The paper seeks Members' views on a proposal to rationalise the directorate support for the Administration and Human Resource Development Branch ("AD Branch") in the Customs and Excise Department ("C&ED") by creating one permanent Assistant Commissioner of Customs and Excise ("AC of C&E") (GDS(C)2 or D2-equivalent) post, designated as Assistant Commissioner (Administration and Human Resource Development) ("AC(AD)"), to be offset by deleting one permanent Customs Civil Secretary ("CCS") post ranked at Administrative Officer Staff Grade C ("AOSGC") (D2) to ensure continued provision of pertinent professional support for C&ED to cope with the increasingly complex duties and heavy workload.

JUSTIFICATIONS

Organisation of C&ED

2. C&ED is headed by the Commissioner of Customs and Excise (GDS(C)4 or D6-equivalent) who is underpinned by one Deputy Commissioner (GDS(C)3 or D3-equivalent) and five directorate officers (GDS(C)2 or D2-equivalent), each overseeing five different branches, namely the AD Branch¹, the Boundary and Ports Branch, the Excise and Strategic Support Branch, the Intelligence and Investigation Branch, and the Trade Controls Branch. The organisational chart of C&ED is at

¹ AD Branch is currently headed by an AC of C&E, a supernumerary post first created in 2006, held against a vacant CCS post.

Enclosure 1.

3. C&ED oversees a wide range of duties, including protection of the Hong Kong Special Administrative Region (“HKSAR”) against smuggling; protection and collection of Government revenue on dutiable goods; detection and deterrence of narcotics trafficking and abuse of controlled drugs; protection of intellectual property rights; protection of consumer interests; regulation of money service operators; protection and facilitation of legitimate trade and upholding of HKSAR’s trading integrity. The present division of responsibilities among the aforesaid five directorate officers under their respective branches ensures an optimal organisational structure to support effective operation of C&ED.

Diversifying Duties and Increasing Workload of C&ED

4. Over the years, the range of duties performed by C&ED has become more diversified and sophisticated. Apart from the more traditional duties of conducting customs clearance of passengers and goods, preventing smuggling and protecting revenue, etc., C&ED has shouldered numerous other responsibilities. Some recent examples include taking up enforcement work against false trade descriptions and unfair trade practice in respect of both goods and services; implementing trade facilitation measures such as the Trade Single Window; contributing to efforts on anti-money laundering and counter-terrorist financing, etc. There has also been commissioning of new boundary control points in recent years, viz the West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port and the Heung Yuen Wai Boundary Control Point. As a result, the workload of C&ED has increased and diversified significantly. To cope with the increasing responsibilities, the establishment of C&ED increased from about 5 000 in August 2006 to over 7 300 in November 2020, representing an increase of 46%. C&ED’s annual expenditure surged from \$1,853 million in 2006-07 to \$4,559 million in 2019-20, representing an increase of 146%.

5. We foresee that the responsibilities of C&ED will further expand in the future and bring more demands and pressure to the services of C&ED on various fronts. For instance, the Greater Bay Area Development and the Belt and Road Initiative will necessitate closer and heavier cross-boundary traffic, trade, liaison and co-operation with the Mainland and overseas regions; the widespread concerns on consumer rights and protection will call for enhanced law enforcement and intervention.

Roles of the Head of AD Branch

6. The AD Branch is currently headed by AC(AD). The AD Branch performs the following functions –

- (a) general administration and financial management;
- (b) human resource management (including dealing with career posting, succession, conduct and discipline matters) and central administration support;
- (c) training and recruitment;
- (d) formulation and review of legislation, orders and procedures as well as systems with departmental-wide implications;
- (e) prosecution of Customs offence-related cases; and
- (f) investigation of public and/or staff complaints.

The job description of the AC(AD) post is at **Enclosure 2**.

7. The above functions, in particular those related to human resources, training and recruitment, administration and financial management, are inter-related and have Customs and Excise (C&E) Service-wide implications. They are placed under the AD Branch to achieve synergy and effective co-ordination. Other functions such as prosecution of Customs offence-related cases, investigation of complaints and review of legislation, orders and procedures are placed in the AD Branch separate from other operational Branches so as to allow suitable checks and balances.

8. In order to carry out the above functions effectively, the AD Branch necessitates the steer of a directorate officer with strong professional knowledge and rich experience in Customs work to understand the operational needs and intricacy. Failing that, some of the AD Branch's functions, such as prosecution of Customs offence-related cases, review of legislation, orders and systems would have to be taken up by other ACs of C&E who are already fully occupied with their respective schedules.

Need for a Permanent AC of C&E Post

9. With C&ED's more diversified and sophisticated portfolio over the years and to meet the development and challenges of C&ED, the organisational structure and functions among the Branches have been streamlined, enhanced and rationalised. The role of the AD Branch in providing both administrative and C&E Service support has become more important, and there is a need to rationalise the directorate support for the AD Branch. Given the functions set out in paragraphs 6 to 8 above, the

effective discharge of duties in the AD Branch requires the steer from a directorate officer with the requisite Customs knowledge and experience. The practical experience in performing Customs duties and resolving related problems of the proposed directorate officer is also essential for better underpinning the senior management of C&ED in setting organisational goals, planning for future development as well as defining policies and strategies. Therefore, it is proposed to create a permanent AC of C&E post, to be offset by deleting the CCS post, to head the AD Branch. This will ensure the continued professional support to other senior directorate officers of C&ED and the optimal distribution of duties among the different Branch heads.

NON-DIRECTORATE SUPPORT

10. In addition to the proposed permanent AC of C&E post, there are 487 non-directorate posts under the AD Branch, including 432 permanent posts and 55 time-limited posts. These non-directorate posts support the daily operation of the AD Branch.

ALTERNATIVES CONSIDERED

11. We have critically examined whether the duties of the proposed directorate post could be absorbed by the existing ACs of C&E. It is considered operationally unviable as the other ACs of C&E are already fully occupied with their respective schedules and would not be able to absorb duties without compromising the delivery of their existing duties.

12. We have also critically examined the option of retaining the CCS post. In view of the continuous need for an AC of C&E to render professional and C&E Service support to the C&ED senior management to cope with present and future challenges, we consider the proposal to rationalise the AC(AD) post the most desirable option.

FINANCIAL IMPLICATIONS

13. The proposed creation of one permanent AC of C&E post to be offset by the deletion of one permanent AOSGC post (i.e. the CCS post) will involve no change on notional annual salary cost at mid-point. The additional full annual average staff cost of the proposal, including salaries

and staff on-cost, is about \$114,180. C&ED will absorb the cost of the AC of C&E post from its own resources.

ESTABLISHMENT CHANGES

14. The establishment changes in the C&ED for the past three years are as follows –

Establishment (Note)	Number of Posts			
	Existing (as at 1 November 2020)	As at 1 April 2020	As at 1 April 2019	As at 1 April 2018
A	9+(1)	9+(1)	9+(1)	9+(1)
B	1 209	1 177	1 151	1 096
C	6 152	6 131	5 853	5 211
Total	7 370 +(1)	7 317+(1)	7 013+(1)	6 316+(1)

Note:

A - ranks in the directorate pay scale or equivalent

B - non-directorate ranks, the maximum pay point of which is above MPS Point 33 or equivalent

C - non-directorate ranks, the maximum pay point of which is at or below MPS Point 33 or equivalent

() - number of supernumerary directorate post

COMMENTS FROM THE CIVIL SERVICE BUREAU

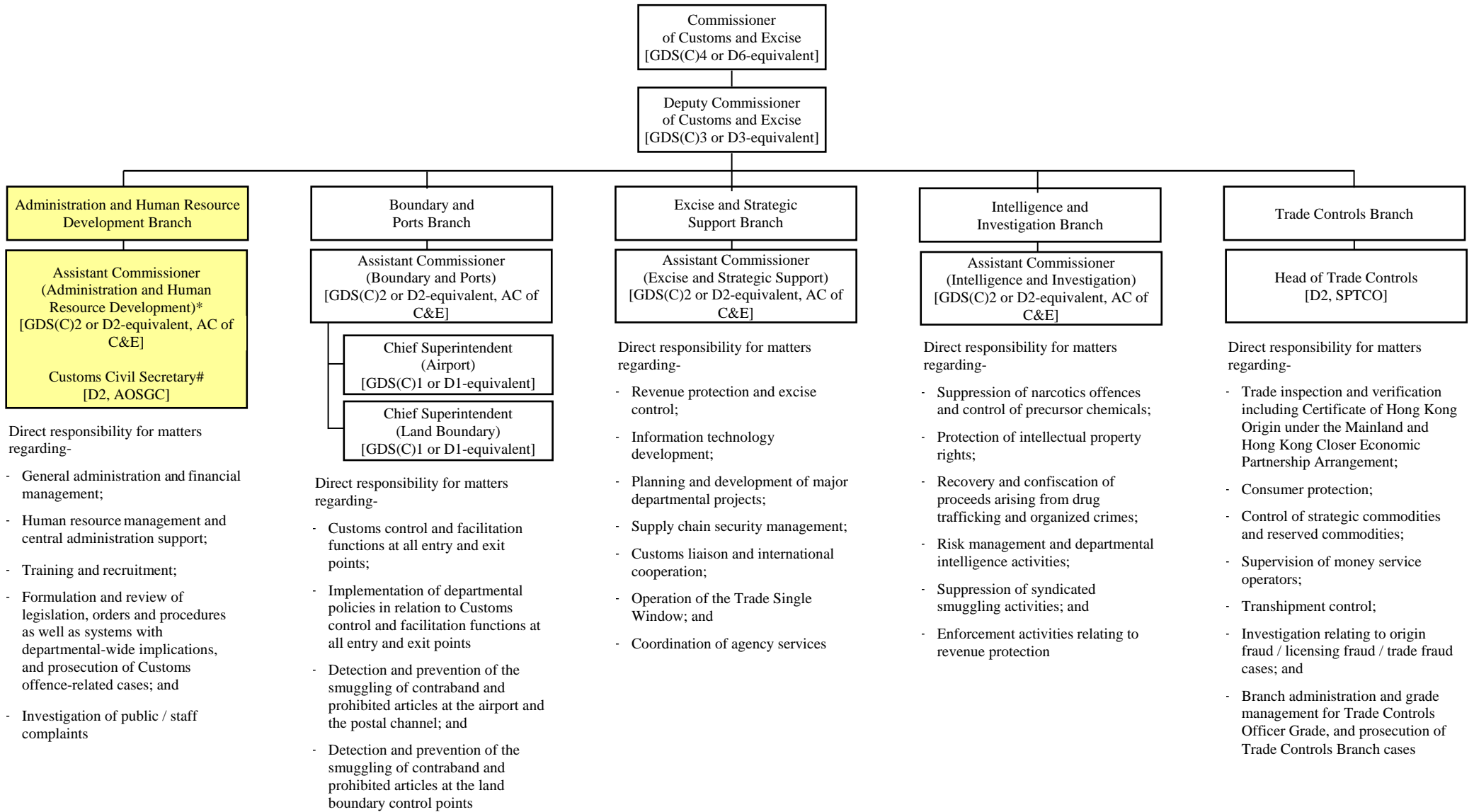
15. The Civil Service Bureau supports the creation of one permanent AC of C&E (GDS(C)2 or D2-equivalent) post to be offset by deleting one permanent AOSGC (D2) post in C&ED. The grading and ranking of the proposed post are considered appropriate having regard to the level and scope of responsibilities.

ADVICE SOUGHT

16. Members are invited to give their views and indicate support for the proposal above. Subject to Members' support, the proposal will be submitted to the Legislative Council for approval.

Security Bureau
Customs and Excise Department
October 2020

Existing and Proposed Organisation Chart of the Customs and Excise Department



Legend:

- GDS(C) : General Disciplined Services (Commander)
- AC of C&E : Assistant Commissioner of Customs and Excise
- AOSGC : Administrative Officer Staff Grade C
- SPTCO : Senior Principal Trade Controls Officer
- * : Permanent post proposed for creation
- # : Permanent post proposed for deletion

**Job Description for the Post of
Assistant Commissioner (Administration and Human Resource Development),
Customs and Excise Department**

Rank : Assistant Commissioner of Customs and Excise (GDS(C)2, D2-equivalent)

Responsible to : Deputy Commissioner of Customs and Excise (GDS(C)3, D3-equivalent)

Major Duties and Responsibilities

1. To supervise the day-to-day operation of the Office of Departmental Administration, the Office of Financial Administration, the Office of Service Administration, the Office of Training and Development, the Office of Prosecution and Management Support, and the Complaints Investigation Group; and to formulate work plans for these offices.
2. To direct and supervise activities in relation to departmental administration, financial management and human resource management of the Department.
3. To oversee all departmental training and recruitment policies, including staff development and training need analysis.
4. To oversee matters relating to formulation and review of legislation, orders and procedures, as well as systems with departmental-wide implications; and prosecution of Customs offence-related cases.
5. To oversee the handling and investigation of all public complaints against the Department.
6. To review administrative and financial practices in the Department with a view to streamlining procedures across major formations, e.g. vetting of resource bids, tender of seizure transportation service, as well as payment of overtime and job-related allowances, etc.
7. To co-ordinate departmental returns for the Legislative Council Special Finance Committee meetings.