

**For discussion
on 21 April 1999**

EC(1999-2000)1

**ITEM FOR ESTABLISHMENT
SUBCOMMITTEE
OF FINANCE COMMITTEE**

**HEAD 142 - GOVERNMENT SECRETARIAT : OFFICES OF THE
CHIEF SECRETARY FOR ADMINISTRATION AND THE
FINANCIAL SECRETARY**

Subhead 001 Salaries

Members are invited to recommend to Finance Committee the creation of the following permanent post in the Offices of the Chief Secretary for Administration and the Financial Secretary, Government Secretariat -

1 Assistant Director of Management Services
(D2) (\$116,650 - \$123,850)

to be offset by the deletion of -

1 Principal Management Services Officer
(D1) (\$98,250 - \$104,250)

PROBLEM

The Principal Management Services Officer (PMSO) (D1) post in the Business and Services Promotion Unit (BSPU) is under-ranked.

/PROPOSAL

PROPOSAL

2. The Director of Administration proposes to upgrade the PMSO post to Assistant Director of Management Services (ADMS) (D2) to better reflect its level of responsibility.

JUSTIFICATION

3. The BSPU is headed by an Administrative Officer Staff Grade B1 (D4) who is responsible to the Financial Secretary (FS) for devising and implementing the Services Promotion and Helping Business Programmes. It comprises two teams each responsible for one of these Programmes. While the Services Promotion Team is led by an Administrative Officer Staff Grade C (D2), the head of the Helping Business Team is only a PMSO.

4. The PMSO post was created on a supernumerary basis under delegated authority in January 1997 when we set up the Helping Business Team. In May that year, we obtained the approval of the Finance Committee to make the post permanent so as to take the Helping Business Programme forward. At that stage it was thought that the work on the Helping Business Programme would be more operational in nature, and hence its supervision by a D1 officer would suffice. Experience in the past two years, however, has shown that the post holder has had to take on a range of duties not originally envisaged and it is clear that the post is under-ranked.

5. The significant changes since 1997 have had a dramatic impact on the work of the PMSO. During the transitional period arising from the reunification, not only did we have to maintain a stable environment to facilitate and retain business operations, we also had to look ahead by creating policies and programmes necessary to attract business investments. The work on this front has become more important following the regional economic turmoil which began in mid 1997. To ensure that Hong Kong remains a leading business centre in Asia, we have to react quickly to changes and to provide every assistance to the business sector to enable them to compete successfully with their competitors in other economies. All this work required detailed coordination of the various efforts as well as careful balance of the interest of various parties. The post holder of the head of the Helping Business Team has had to maintain close contact with a wide spectrum of the business community, including top business leaders, operators of small and medium enterprises and many major trade associations so as to gauge their views and to generate new ideas to facilitate their operations.

6. While the work on the external front intensifies, changes to the internal system to complement our external efforts is equally important. Recognising that the success of new work processes relies on the people who carry them out, BSPU sees the need to induce a wholesale cultural change throughout the civil service. As head of the Helping Business Team, the PMSO has to draw up and implement a comprehensive programme to achieve the right mindset at all levels of the civil service. The programme includes -

- (a) a series of symposiums for policy secretaries, heads of department, deputy secretaries, deputy heads and other directorate officers at D2 level and above; and
- (b) preparation of publicity and educational materials for civil servants at all levels, including articles in the civil service newsletter, liaison with the Civil Service Training and Development Institute and conducting a service wide helping business competition.

7. To ensure that the programmes and initiatives introduced can achieve the target results, we need an officer of sufficient seniority who is able to coordinate the various efforts and to steer the programmes to ensure their effectiveness.

8. In creating the PMSO post to head the Helping Business Team, we said that we would review the position as the Helping Business Programme progressed. In the light of the nature of work experienced in the past two years, the level of contacts required, as well as the additional responsibilities undertaken, it is now clear that pitching the head of the Helping Business Team at D1 level is insufficient. The post clearly demands a level of input from an officer at the ADMS level. The job description for the proposed ADMS post is at Enclosure 1.

Encl. 1

FINANCIAL IMPLICATIONS

9. The additional notional annual salary cost of the proposal at MID-POINT is -

	\$	No. of Post
New permanent post	1,443,000	1
Less Permanent post deleted	1,213,200	1
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Additional cost	229,800	0

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10. The additional full annual average staff costs of the proposal, including salaries and staff on-cost, is \$406,356.

11. In addition, the proposal will necessitate the creation of one Personal Secretary I post (MPS 16-21), offset by the deletion of one Personal Secretary II post (MPS 4-15), at an additional notional annual mid-point salary cost of \$109,920 and an additional full annual average staff cost of \$148,164.

12. We have included the necessary provision in the 1999-2000 Estimates to meet the cost of this proposal.

BACKGROUND INFORMATION

13. In May 1997, we established BSPU as a dedicated organisation to support and reinforce the Services Promotion Programme and the Helping Business Programme which were first initiated by FS in 1995 and 1996 respectively.

14. While the Services Promotion Programme works on policies and programmes to support and promote Hong Kong as a major global and regional services centre, the Helping Business Programme aims to make the Government genuinely business friendly and to provide the best possible environment for businesses to flourish. The work of the Helping Business Programme includes monitoring and coordinating implementation of helping business studies, and identifying new areas for consideration as potential helping business initiatives. In practice, the Programme mainly comprises the following four components -

- (a) cutting Government red tape/deregulating Government services;
- (b) assessing and reducing the cost of compliance with Government regulations/requirements;
- (c) introducing new and improved Government services in support of the business sector; and
- (d) transferring Government services to the private sector where appropriate market conditions prevail.

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Encls. 2&3 15. An outline of projects completed over the last two years is at Enclosure 2. A list of projects in hand is at Enclosure 3. The Helping Business Programme is compiled on a rolling basis. The Helping Business Team generates new ideas for projects by maintaining close contact with the business community, monitoring the media for reports of problem areas and new opportunities, and by a continuous programme of visits to heads of department and their senior directorate. Once the Business Advisory Group chaired by FS or its relevant sub-group has prioritised items for action, the Team works with the concerned agency, providing funding support for consultancies, additional staffing and other assistance to take projects forward.

Encl. 4 16. A chart showing the organisation of BSPU is at Enclosure 4.

CIVIL SERVICE BUREAU COMMENTS

17. Civil Service Bureau agrees that the proposed upgrading of the post to ADMS level is appropriate, having regard to the complexity of its duties and responsibilities.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

18. The Standing Committee on Directorate Salaries and Conditions of Service has advised that the grading proposed for the post would be appropriate if the post were to be created.

**Job Description for the post of
Assistant Director of Management Services
in the Business and Services Promotion Unit
of the Offices of the Chief Secretary for Administration
and the Financial Secretary**

Rank : Assistant Director of Management Services

Post Title : Assistant Director (Business Promotion)
Business and Services Promotion Unit

Main Duties and Responsibilities :

Assist and support the Director, Business and Services Promotion Unit in -

1. servicing the Business Advisory Group chaired by the Financial Secretary, and its various sub-groups;
2. formulation, development and implementation of the Helping Business Programme;
3. identifying new helping business initiatives;
4. liaising with parties within and outside the Government with a view to furthering the above purposes;
5. overseeing and co-ordinating the conduct of business studies;
6. formulation, development and implementation of a programme to cultivate a helping business mindset throughout the civil service; and
7. undertaking such other duties as may be assigned by the Director.

**Helping Business Programme
Projects/Studies Completed**

	Project/Study	Achievements
(a)	Departmental business study in the Marine Department	Department has become more business-friendly, with simpler and speedier licensing arrangements and other improvements.
(b)	Departmental business study in the Trade Department	Department has become more business-friendly, with enhanced performance pledges for processing transactions and other improvements.
(c)	Introduction of "Hong Kong Background Information"	A user-friendly information kit for government officials and top businessmen.
(d)	Public forms on Internet	Over 650 public forms are now available via Internet, which provides the community with a better and more efficient service on the issue and availability of public forms.
(e)	Establishment of a Business Licence Information Centre	Information on all business licences is available at a single location, which provides an efficient and effective service on licence information to the business sector.
(f)	Review of lease modification and land exchange procedures	The processing of land exchanges and lease modifications has been speeded up by 30%.
(g)	Review of government payment and collection procedures	Payment has been made faster, and collection more convenient through electronic means.
(h)	Booklet on excavation permits	An easy-to-use guide on procedures for applicants. The procedures have become more transparent.
(i)	Review of application procedures for cross-boundary permits for private cars	Procedures have been streamlined, with less supporting documents required.
(j)	Development of a Regulatory Impact Assessment framework	A ready-to-use tool for comprehensive assessment of impacts of regulatory proposals.
(k)	Utilities connection and run-ins to completed developments	Developers have been given better control of building programmes enabling earlier completion.
(l)	Stocktaking of business related regulatory activities	A useful benchmark has been established to form a basis for future cutting red tape exercises.

(m)	Review of Buildings Regulations regarding prescribed windows for bathrooms	The requirement has been made flexible to accord with modern practice in other countries.
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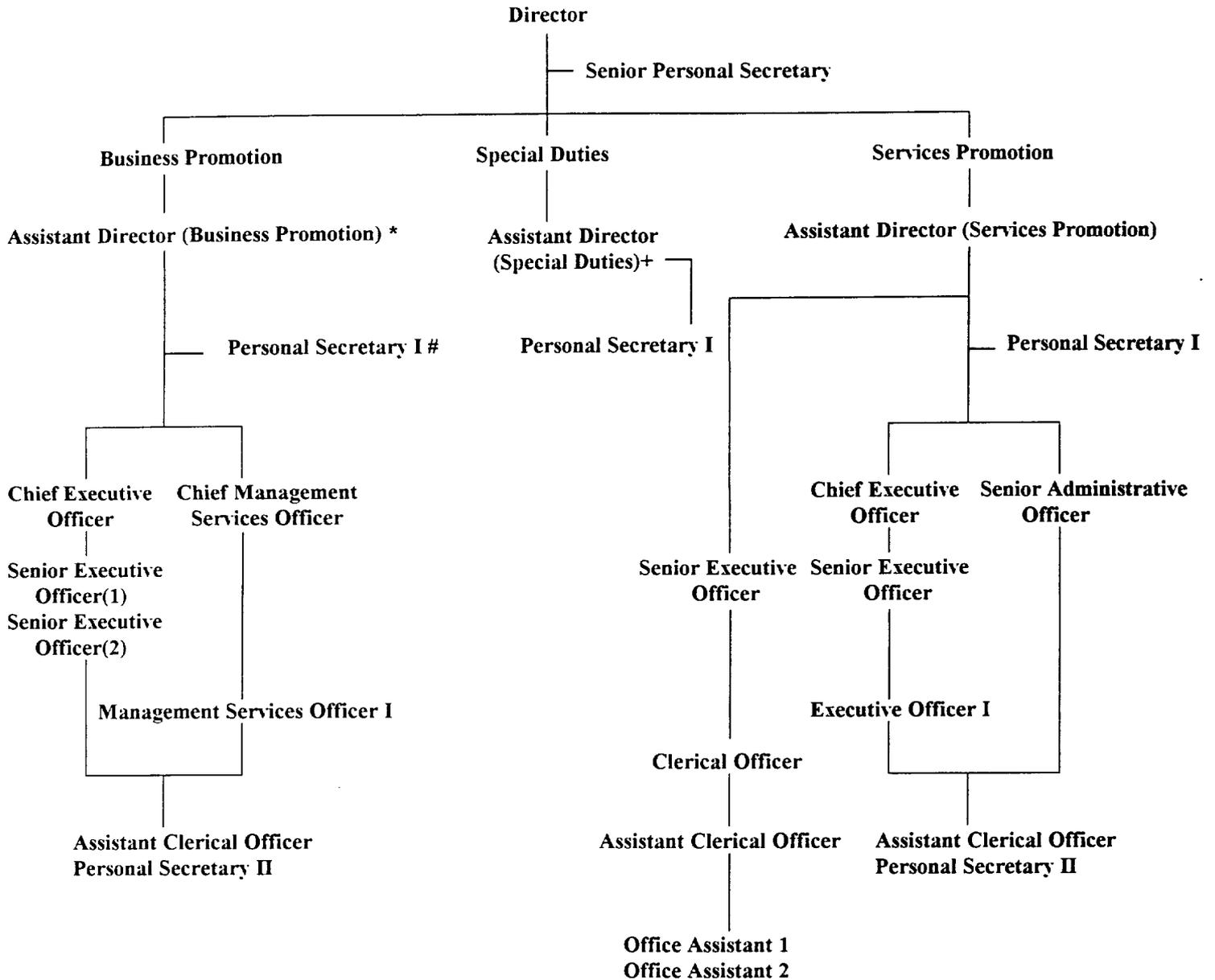
	Project/Study	Achievements
(n)	Review of hotel and guesthouse licensing	The licensing procedures are to become more business-friendly, with the licensing procedures streamlined.
(o)	Review of application for consent to sales of uncompleted buildings	Procedures for processing such applications have been speeded up by 30%.
(p)	Review of entertainment licensing for amusement games centres, public dance halls, dancing schools and mah-jong/Tin Kau establishments	One licence (<i>dancing schools</i>) is to be dropped, procedures for other licences to be simplified.
(q)	Review of management of public cargo working areas	The fee structure is being simplified; and physical access and landside management are being improved.
(r)	Review of licensing of local vessels	The fee structure is being simplified and relevant procedures streamlined.
(s)	Identification of activities in the Intellectual Property Department appropriate for transfer to the private sector	Non-core activities identified for contracting out to the private sector.
(t)	Research on overseas practices in the licensing and testing of vehicles and drivers	Options for private sector participation have been identified.
(u)	Review of application procedures for short-term waivers of land grant conditions	Opportunities to streamline relevant procedures have been identified.
(v)	Licensed hotels/guesthouses on Internet	The new service was launched in June 1998 to publicise licenced hotels and guesthouses in Hong Kong.
(w)	Extension of provisional licensing to food premises other than restaurants	Operators may start to do business pending the issue of a full licence.
(x)	Stocktaking of government contracting out activities	Useful benchmark was established to form a basis for future privatisation efforts.
(y)	Stocktaking of public forms	Administration-wide update serves to identify possible target areas for cutting red tape.

(z)	Review of entertainment licensing for lotteries, tombola, amusements with prizes and trade promotion competition	Opportunities to streamline relevant procedures have been identified.
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Helping Business Projects in hand

1. Review of restaurant licensing
2. Feasibility study on private sector participation in water supply services
3. Departmental business study of Planning Department
4. Departmental business study of Transport Department
5. Development of Employers' practical guide and sample employment contract
6. Contracting out of the driver and vehicle licensing functions
7. Review of the licensing requirements for massage establishments
8. Extension of private sector participation in providing utility connections and building run-ins to territory-wide implementation

**Organisation Chart
Business and Services Promotion Unit
Offices of the Chief Secretary for Administration
and the Financial Secretary**



- Note :**
- * proposed new post, offset by deletion of the Principal Management Services Officer post.
 - # consequential upgrading of personal secretary post.
 - + supernumerary post proposed under a separate submission to be retained for further three years from 30.4.1999.