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**Establishment Subcommittee of the Finance Committee
of the Legislative Council**

**Minutes of the 5th meeting
held at the Legislative Council Chamber
on Wednesday, 8 December 1999, at 10:50 am**

Members present:

Dr Hon Philip WONG Yu-hong (Chairman)
Hon NG Leung-sing (Deputy Chairman)
Hon Michael HO Mun-ka
Ir Dr Hon Raymond HO Chung-tai, JP
Dr Hon David LI Kwok-po, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon MA Fung-kwok
Hon CHEUNG Man-kwong
Hon CHAN Kwok-keung
Hon CHAN Wing-chan
Dr Hon LEONG Che-hung, JP
Hon Andrew WONG Wang-fat, JP
Hon Jasper TSANG Yok-sing, JP
Hon YEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon SZETO Wah

Member attending:

Hon Fred LI Wah-ming, JP

Members absent:

Hon Bernard CHAN

Hon Howard YOUNG, JP

Public officers attending:

Mrs Carrie LAM, JP	Deputy Secretary for the Treasury
Mr D W PESCOD, JP	Deputy Secretary for the Civil Service
Mr K K LAM	Principal Executive Officer (General), Finance Bureau
Mr Brian LO	Principal Assistant Secretary for Transport
Mr KAM Wai-yip, JP	Deputy Commissioner for Transport
Mrs Lily YAM, JP	Head, Task Force on Re-organization of Municipal Services
Mrs Maureen CHAN, JP	Deputy Head, Task Force on Re-organization of Municipal Services
Mr David H T LAN, JP	Secretary for Home Affairs
Mr Peter P T CHEUNG, JP	Deputy Secretary for Home Affairs
Miss Elizabeth LEE	Senior Principal Executive Officer (Task Force), Home Affairs Bureau
Mr Kim SALKELD, JP	Deputy Secretary for Planning, Environment and Lands
Mrs Rita LAU, JP	Director of Urban Services
Mrs Annie LEUNG	Principal Executive Officer, Urban Services Department
Mrs Helen YU, JP	Director of Regional Services
Mr Edward LAW, JP	Departmental Secretary, Regional Services Department
Dr K K LIU	Assistant Director of Agriculture and Fisheries
Dr Constance CHAN	Assistant Director of Health
Mr Benedict LAI	Deputy Law Officer (Civil Law)
Mr Peter H K CHEUNG, JP	Deputy Director (Administration), Department of Justice

Clerk in attendance:

Miss Polly YEUNG	Chief Assistant Secretary (1)3
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Staff in attendance:

Ms Pauline NG	Assistant Secretary General 1
Ms Sarah YUEN	Senior Assistant Secretary (1)4

EC(1999-2000)25

Proposed retention of one supernumerary post of Chief Engineer (D1) in the Transport Department for a period of six months with effect from 1 January 2000 to complete the outstanding tasks associated with the Feasibility Study on Electronic Road Pricing

Regarding the financial implications of lengthening the Feasibility Study on Electronic Road Pricing (ERP) by one year, the Deputy Commissioner for Transport (DC(T)) confirmed that extension of the Study would not require seeking additional funding as agreement had been reached with the consultants concerned to allow more flexible staff deployment to obviate such a need.

2. Miss Emily LAU enquired about how the Study would accommodate the uncertainty of future development highlighted in paragraph 3 of the paper, particularly in respect of the growth of private vehicle and goods vehicle fleets. In reply, DC(T) said that in recognition of such uncertainty and the social, political and economic changes in Hong Kong since finalisation of the Study's scope in 1996, additional tests would be conducted to cover more scenarios on the basis of different assumptions about the economic growth so as to enable the Administration to ascertain the need for and timing of implementing the ERP and other traffic control measures.

3. Mrs Selina CHOW stated that Members of the Liberal Party (LP) had not supported the funding for the Feasibility Study of ERP. Their reservation was based on the lack of alternative routes in Hong Kong to allow road users to have the choice of not using the roads with ERP. However, they would support the present proposal in recognition of the need for continual dedicated directorate support to widely brief and consult relevant parties and to consolidate findings efficiently thereafter. She reiterated that the support of Members of LP for the present proposal did not necessarily mean that they were in support of ERP.

4. The item was endorsed by the Subcommittee.

EC(1999-2000)26

Proposed setting up of a new institutional framework for the delivery of municipal services with effect from 1 January 2000 following the passage of the Provision of Municipal Services (Reorganization) Bill

5. Members questioned the small number of directorate posts to be deleted as a result of the reorganisation of municipal services. Mr Fred LI pointed out that the proposal had failed to streamline the existing structure for

delivering municipal services. Miss Emily LAU queried if it was due to the current high unemployment rate.

6. In response, the Head, Task Force on Re-organisation of Municipal Services (H,TFRMS) clarified that the number of directorate posts in the proposed structure had in fact been reduced by two from the existing 43 to 41. The proposed structure had already kept the number of directorate posts to the minimum as directorate support was essential to improving food safety and ensuring the quality of municipal services. H,TFRMS quoted the example of the need to improve co-ordination of the management of food incidents, environmental hygiene and veterinary public health presently under the two Provisional Municipal Councils (PMCs) and the Agriculture and Fisheries Department (AFD). Adequate directorate support was also required in the proposed Environment and Food Bureau (EFB) to provide leadership to review and update legislation and regulatory standards, and to undertake the co-ordinating functions.

7. H,TFRMS also emphasised that streamlining the organisational structure was only one of many objectives of the reorganisation. The most important objective was to strengthen work in the control of food safety and the handling of food incidents. She assured members that delineation of responsibilities based on functions, as in the proposed framework, instead of geographical regions would help avoid duplication of responsibilities. For example, instead of having a DL2 legal adviser post each in the Provisional Urban Council and the Provisional Regional Council, there would only be one legal adviser at this level under the proposed structure. In addition, after the return of over 100 staff presently seconded to both PMCs to their parent departments upon reorganisation, the paper proposed creation of only 38 posts to take up their work. As a result, the reduction of posts in total establishment within the first year would amount to 1,367.

8. On the establishment figures reported in Enclosures 6 and 8 to the paper, H,TFRMS and the Deputy Secretary for the Treasury (DS(Tsy)) clarified that Enclosure 6 was a comparison between the existing and the proposed establishments while Enclosure 8 was a comparison of the staff costs involved. They also confirmed that the reduction of more than 700 posts surplus to requirement would not take effect immediately on 1 January 2000 when the new framework was in place, pending the redeployment of the staff concerned.

9. Miss Emily LAU considered that the role of the proposed Secretary for the Environment and Food in the promotion of sustainable development as reflected in his job description was insignificant and fragmented. In response, H,TFRMS stressed that the Administration attached great importance to sustainable development. The 18 posts of the existing Environment (E) Division of the Planning, Environment and Lands Bureau would all be transferred to Division B of EFB. In this connection, members noted that a consultation

exercise on the findings of the Study on Sustainable Development for the 21st Century was underway in the light of which a decision would be made on details of a Sustainable Development unit to be set up for the purpose.

10. Referring to environmental problems, Miss Emily LAU cast doubt on the adequacy of staffing support for environmental protection and conservation in the future EFB. She noticed that the Deputy Secretary (DS) responsible for this aspect of work was only of the rank of Administrative Officer Staff Grade B (AOSGB)(D3) while the DS overseeing food and environmental hygiene was ranked at AOSGB1(D4). Besides, the staffing support for food safety had far exceeded that for environmental protection. She further opined that EFB should be renamed as "Food and Environment Bureau" to reflect its greater emphasis on food control.

11. In response, H,TFRMS stressed that to step up control for the delivery of food safety and environmental hygiene services, there was a need to designate an officer of sufficiently high ranking to steer an overhaul of the existing policy, standards and service delivery. The establishment of the EFB per se represented the Government's recognition that the two areas of food safety and environmental protection were inter-related and important. However, due to resource constraints, there was difficulty in pitching both DS posts at D4 level. She further pointed out that the bureau staff in Division A, which was responsible for food safety, outnumbered that of Division B because the former Division would also be responsible for bureau administration and resource management. She reiterated that both areas of work would be regarded with the same level of importance as reflected in the name of the new bureau which had been approved by LegCo in the passage of the relevant Bill.

12. Dr LEONG Che-hung raised concern about the staffing implications on the Department of Health (DH) as a result of the planned secondment of its staff to the Food and Public Health Branch (FPHB) of the Food and Environmental Hygiene Department (FEHD). H,TFRMS pointed out that staff of DH had all along been engaged in food and public health work although they reported to the two PMCs under the existing structure. Moreover, since only 33 new posts for food safety would be created and close liaison would be maintained with DH on the proposed secondment arrangement, the arrangement would not pose problems on DH's manpower resources. DS(Tsy) further clarified out that under the new arrangement, salary costs of DH staff seconded to FEHD would be absorbed by the new Department upon its establishment instead of by DH as in the present practice. This would reflect more realistically the resources allocation.

13. On the secondment arrangement, H,TFRMS advised that under the new structure, posts in the FPHB would mainly be filled by DH and AFD staff presently responsible for food safety. The staff included doctors, 89 officers in AFD responsible for veterinary public health, and municipal grade staff such as

health inspectors now seconded to DH for food safety, as well as some chemists from the Government Laboratory. This arrangement would ensure better control of all stages of food production and preparation. She further informed members that although officers of various grades would be on secondment to FEHD, their posting and promotion would be taken care of by their own departments.

14. Dr LEONG Che-hung expressed concern about the control of health food which, under the existing control structure, was a grey area. In reply, H,TFRMS pointed out that due to difficulties in determining whether certain health food was food or drug, the FPHB would still need to work closely with DH. She however added that as most FPHB staff would be seconded from DH, there should not be any difficulty in communication between the two. Moreover, EFB would also set up an inter-departmental liaison group comprising representatives from DH, the Health and Welfare Bureau (HWB), FEHD, AFD and the Environmental Protection Department to improve co-ordination and co-operation among all relevant bureaux/departments. The Chairman and Dr LEONG remarked that it was important for health food to be put under proper control.

15. In response to queries from Mr Michael HO, H,TFRMS clarified that the proposed post of Deputy Director (Food and Public Health) post would be on FEHD's establishment and be designated as "Deputy Director of Food and Environmental Hygiene (Food and Public Health)". The post would be filled by a Deputy Director of Health (DD of Health) on secondment from DH.

16. Mr HO considered the secondment of high-ranking directorate officers inappropriate since the experience so gained by the DD of Health from FEHD would not be effectively utilized upon his return to DH. In response, H,TFRMS explained that food safety and health were inter-related and work in both areas would provide enrichment of experience to the officer(s) concerned. Moreover, secondment arrangements would also benefit the staff and the department in terms of career development and wider exposure. Notwithstanding, H,TFRMS did not preclude the possibility of changes to the above arrangement in the light of operational experience and assured members that staff concerned would be consulted where changes were contemplated.

17. In consideration that food safety and health, though closely related, would still be under the separate purview of EFB and the HWB in the proposed framework, Miss Emily LAU was concerned that the existing problems of insufficient co-ordination and unclear demarcation of responsibilities would remain. In response, H,TFRMS pointed out that reference had been made to overseas experience but there was no perfect solution to cater for all needs. She however stressed that the proposed framework was a substantial improvement over the existing one in terms of better co-ordination and a more streamlined regulatory framework.

18. Mr MA Fung-kwok asked why the proposed Artistic Director would only oversee the Hong Kong Repertory Theatre (HKRT). The Director of Regional Services (DRS) explained that the performing companies currently under the Provisional Urban Council were of very different nature and as such, each would need to have its own Artistic Director. She further clarified that the paper only covered the Artistic Director for HKRT mainly because this was the only Artistic Director position pitched at the directorate level.

19. Noting that the proposed post of Deputy Director (Cultural Services) would also be responsible for developing the strategy for corporatising and contracting out of services, Mrs Selina CHOW enquired about the possibility of filling certain posts in the Cultural Services Branch by open recruitment so as to bring in more outside expertise. In response, the Deputy Secretary for Home Affairs (DS(HA)) explained that this would have to tie in with the direction of civil service reform. However, as the relevant posts were already filled, open recruitment at this stage might not be appropriate. Mrs CHOW however pointed out that more outside professionals and experts should be recruited to improve service quality as soon as practicable. In this connection, DS(HA) advised that where cultural services were concerned, in particular the management of large facilities and performances, existing staff in the two municipal services departments were already very experienced and specialised.

20. Mr NG Leung-sing referred to Enclosure 4 to the paper and questioned the great difference in the number of staff in the Leisure Services Branch and the Cultural Services Branch while their annual expenditures were more or less the same. In response, DS(HA) advised that the two types of services provided by the two Branches differed greatly and as such, no strict comparison could be made. Where the provision of leisure services was concerned, the bulk of the duties involved management of facilities serving a great clientele, while in the delivery of cultural services, most duties related to the development of culture and the arts, and rendering assistance to various cultural and arts organisations. H,TFRMS and DRS also pointed out that the complexity of duties involved might not necessarily be reflected by the number of staff required to perform them. Although the number of sports facilities totalled 2,010 and their management called for professional input, the work involved was relatively less complicated than that in the liaison with artists, arts groups, and the management of major cultural venues. DS(Tsy) also clarified that the annual expenditures referred to in the Enclosure were the respective total expenditure of the Cultural Services and Leisure Services Branches, rather than just staff costs.

21. As regards the non-directorate posts to be created under Heads 74 and 115, namely, the Information Services Department and the Official Languages Agency, H,TFRMS advised that these were professional posts required to provide supporting services to the two new departments to be set up under the proposed structure.

22. Mr Andrew WONG stated his support for the proposal. Referring to Enclosures 3(f) and 4(h) to the paper on the organisation of the Environmental Hygiene Branch (EHB) of FEHD and that of the Leisure Services Branch (LSB) of the Leisure and Cultural Services Department, he questioned why the establishment of the former should be greater. He also opined that to save costs, EHB's organisation should be further streamlined by pooling the various districts served into just two broad groups of Hong Kong and Kowloon, and the New Territories and Islands. In particular, he questioned the grouping of Wanchai and the Islands together, and the placement of the Transport Management Section under EHB's Operations Division 1 instead of its Headquarters Division. He cast doubt on whether the proposed arrangements were for the purpose of retaining more positions in the new structure.

23. In response, H,TFRMS highlighted the wide scope of duties involved in environmental hygiene and the impact on the staff if too many changes were made within a short time. Moreover, as municipal services directly affected the public, great care had to be exercised in the reorganisation so as not to compromise service quality. Changes therefore had to be introduced gradually instead of drastically, especially as some 15,000 staff in the Environmental Hygiene Branch alone were involved. Nevertheless, she took note of Mr WONG's concern and undertook to consider Mr WONG's comments in future reviews. In response to Mr WONG, she also confirmed that the section heads of EHB, who were mostly Senior Superintendents, and those of LSB, who were mainly Principal Amenities Officers, were of the same ranking.

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24. On the need to create non-directorate posts on a supernumerary basis in FEHD to accommodate the 206 staff who would be on pre-retirement leave, the Deputy Secretary for the Civil Service confirmed that such temporary arrangement was necessary to allow the substantive posts to be filled while officers were on pre-retirement leave. He pointed out the supernumerary posts would be deleted upon retirement of the officers concerned..

25. Mr Fred LI stated that Members of the Democratic Party would vote against the proposal as they had all along objected to the dissolution of the two PMCs.

26. The item was put to vote. 11 members voted for the item, three voted against and one abstained.

For:

Dr Raymond HO Chung-tai
Mrs Selina CHOW LIANG Shuk-ye
Mr CHAN Kwok-keung
Dr LEONG Che-hung
Mr Jasper TSANG Yok-sing

Mr NG Leung-sing
Mr MA Fung-kwok
Mr CHAN Wing-chan
Mr Andrew WONG Wang-fat
Mr YEUNG Yiu-chung

Miss CHOY So-yuk
(11 members)

Against:

Mr Michael HO Mun-ka
Mr CHEUNG Man-kwong
Mr SZETO Wah
(3 members)

Abstention:

Miss Emily LAU Wai-hing
(1 member)

27. The item was endorsed by the Subcommittee.
28. The Subcommittee was adjourned at 12:10 pm.

Legislative Council Secretariat
16 December 1999