

立法會
Legislative Council

LC Paper No. ESC42/99-00
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Ref : CB1/F/3/2

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

**Minutes of the 9th meeting
held at the Legislative Council Chamber
on Wednesday, 23 February 2000, at 10:45 am**

Members present:

Dr Hon Philip WONG Yu-hong (Chairman)
Hon NG Leung-sing (Deputy Chairman)
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
Hon Andrew WONG Wang-fat, JP
Hon Jasper TSANG Yok-sing, JP
Hon Howard YOUNG, JP
Hon YEUNG Yiu-chung
Hon CHOY So-yuk

Members absent:

Hon Michael HO Mun-ka
Hon Bernard CHAN
Dr Hon LEONG Che-hung, JP
Hon Emily LAU Wai-hing, JP
Hon SZETO Wah

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
Ms Mimi LEE	Principal Assistant Secretary for Security
Mr S C LEUNG	Assistant Government Chemist, Government Laboratory
Mr K S SO	Principal Assistant Secretary for Security
Mr P T CHOY, JP	Deputy Director of Immigration
Miss Yvonne CHOI, JP	Deputy Secretary for Trade and Industry

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)38

Proposed creation of one permanent post of Senior Principal Executive Officer (D2) in the Civil Service Bureau of Government Secretariat with effect from 1 April 2000 to head the new Secretariat on Civil Service Discipline

While agreeing with the need for a senior officer to head the Disciplinary Secretariat on Civil Service Discipline (the disciplinary secretariat), Mr CHEUNG Man-kwong compared the establishment and workload of the disciplinary secretariat with those of the Complaints Division of the Legislative Council (LegCo) Secretariat which had 24 staff and handled over 1,000 cases a year but was only headed by an officer at the rank of Chief Executive Officer. He questioned the need for a directorate officer to head the disciplinary secretariat. In his view, although the additional cost of the proposal could be met by redeployment of savings and existing resources, the move should only be made with strong justifications as it would affect the overall manpower resources of the Civil Service Bureau (CSB) and might reduce manpower support for other activities of CSB.

2. Miss Margaret NG agreed that it was necessary to provide additional directorate support to improve the processing of disciplinary cases involving civil servants so as to maintain a high standard of discipline in the civil service. She was however concerned about the long time taken at present to process such cases and asked for further details on the existing situation and how the proposal could expedite the process. In reply, the Deputy Secretary for the Civil Service (DS(CS)) advised that the processing time varied according to the complexity of the case. However, the longest case investigation prior to formal disciplinary action should take no more than eight months. It was anticipated that the proposal could reduce the investigation period by at least a month and the total processing time by three months.

3. Mr YEUNG Yiu-chung enquired about the justification for the proposed post if the existing disciplinary procedures, described as cumbersome and time-consuming in the paper, were to be streamlined as planned. In response, DS(CS) explained that review of the existing procedures was an on-going process involving promulgation of the new system and consideration of any consequential amendments to regulations. Moreover, the proposed unit would also have to undertake actual investigation, the number of which might increase after establishment of the disciplinary secretariat. He nevertheless assured members that the Administration would closely monitor the workload of the proposed post after its creation and review its continued need.

4. On the appointment of officers to conduct disciplinary hearings, DS(CS) advised that at present, apart from a requirement that one or two officers so appointed should be of a higher rank than the officer under investigation, the appointment of officers was done on an ad hoc basis. However, upon creation of the disciplinary secretariat, a dedicated pool of officers with knowledge and experience in disciplinary proceedings would be set up to serve as inquiry officers, or chairmen and members of inquiry committees at disciplinary hearings. DS(CS) pointed out that this arrangement would ensure that disciplinary cases would be processed promptly and efficiently, with more consistency in the standard of investigation, adjudication and punishment.

5. As regards how departments should determine whether to refer cases to the disciplinary secretariat, DS(CS) advised that in fact, all disciplinary cases in the civil service under the Public Service (Administration) Order would be centrally processed by the disciplinary secretariat. In this connection, the disciplinary secretariat would provide advice to departments in the preliminary investigation of misconduct cases so as to ascertain whether such cases were disciplinary cases that should be processed by the disciplinary secretariat.

6. The item was voted on and endorsed by the Subcommittee.

EC(1999-2000)39

Proposed creation of one supernumerary post of Administrative Officer Staff Grade C (D2) in the Civil Service Bureau of Government Secretariat for a period of 24 months with effect from 1 April 2000 to head a special duties team to co-ordinate the implementation of the Mandatory Provident Fund scheme for government employees and other related tasks

7. The item was voted on and endorsed by the Subcommittee.

EC(1999-2000)40

Proposed creation of one permanent post of Chief Chemist (D1) in the Government Laboratory to head the Drugs and Toxicology Group of the Forensic Science Division

8. Miss Margaret NG expressed support for the proposed post on account of the importance of its work in giving interpretative presentations in courts on illicit drugs. In reply to her enquiry about the plans, if any, to increase staffing support for the examination of suspect documents, the Assistant Government Chemist, Government Laboratory (AGC, GL) advised that this area of work was under the Questioned Documents Section (QDS) of GL's Forensic Science Division. He added that due to recent concerns expressed about the handling of questioned documents such as passports, the QDS was already reviewing in conjunction with the Security Bureau and the Immigration Department (Imm D) its service of "express" examination of suspect documents. GL had also requested an urgent addition of two chemists to meet the anticipated increase in Imm D's requests for such service.

9. Referring to a recent case on "fake passport" as reported in the press, Miss Margaret NG sought confirmation on whether Imm D seldom requested "express" examination of suspect documents. She questioned if this was Imm D's normal practice not to verify the authenticity of a passport if its holder had already confessed that his passport had been unlawfully obtained, or Imm D did not have sufficient manpower resources in the QDS to entertain such requests for examination. Miss NG further requested written information on the number of such requests from the Imm D and the time taken for conducting such examinations. Pending a more detailed reply, AGC, GL reported that the "express" examination service was introduced in 1995 to facilitate the efficient processing of the documents of tourists transiting Hong Kong. In 1999, about 1300 cases were handled, half of which were express cases.

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10. The item was voted on and endorsed by the Subcommittee.

EC(1999-2000)41

Proposed retention of the supernumerary post of Deputy Director of Immigration (GDS(C)3) in the Immigration Department for one year from 19 April 2000 to 18 April 2001 to continue to steer and monitor the feasibility study on introducing a new identity card and a new computer system to support the issue of the new identity card, and to lead the ensuing planning and preparatory work

11. Given the prevailing economic downturn and freeze on civil service posts, Mr CHEUNG Man-kwong questioned the need for creating a supernumerary Deputy Director (DD) post at GDS(C)3 level designated as DD(Special Assignment) (DD(SA)) simply to steer and monitor a feasibility study on introducing a new identity card (ID Card) and its new supporting computer system, and to start the related planning and preparatory work. As the said DD post had already been created under delegated authority, Mr CHEUNG was gravely concerned that the present proposal to retain the post for one year and the planned review on the need for its further retention would ultimately result in the creation of an additional permanent DD post for Imm D, especially as the workload of DD (Administration and Operations) was heavy and some of his functions might be assigned to DD(SA) to expand the latter's scope of duties so as to create the need for turning the post permanent. He thus expressed reservation about the present proposal.

12. In response, the Deputy Director of Immigration (DD(Imm)) pointed out that the estimated number of new ID Cards to be issued in 2002 would be around 6.8 million whereas in the last ID Card replacement exercise, only some 4.8 million new ID Cards were issued but the last exercise was also headed by a DD. He further advised that in introducing a new ID Card, there was also a need to assess the opportunities in strengthening the security features of the ID Card and to explore the use of smart cards to store biometric identification data to facilitate immigration clearance. In view of such important considerations, the overall command of the project should be taken up by an officer at DD level.

13. As far as the urgency of the DD(SA) post was concerned, the Principal Assistant Secretary for Security D (PAS(S)(D)) and DD(Imm) explained that as some of its hardware such as cameras and printers had become aged and outdated, the existing Registration of Persons (ROP) system would reach the end of its life expectancy by 2002 and the supplier would no longer provide maintenance service for it after mid or late 2002. As such, early creation of the DD(SA) post by way of delegated authority was necessary to steer and oversee the feasibility study so as to ensure timely replacement of the ROP system. Having reviewed the importance and complexity of the feasibility study, the Administration also saw a functional need to retain the DD(SA) post for one more year to complete the study and carry out the follow-up actions. PAS(S)(D) however assured

members that although the need for further retention of the post would be reviewed in early 2001, the post would not become permanent as it would lapse upon completion of the new ID Card project which was essentially one-off in nature.

14. Mr Howard YOUNG expressed support for exploring the feasibility of increasing the purposes and functions of the ID Card and urged the Administration to be more forward-looking in introducing a state-of-the-art ID Card which could serve multi purposes. In reply, DD(Imm) reported that Imm D was already examining with the relevant authorities the possibility of using the Hong Kong ID Card as entry permits for visiting the Mainland.

15. Miss Margaret NG, on the other hand, urged the Administration to exercise caution in seeking to expand the use of the ID Card beyond ROP purposes. She emphasized the legal, human rights, security and privacy implications of the proposed use of a smart card as the ID Card and requested additional information on the amount of personal data to be stored, the authorities which would be empowered to access such personal particulars, and the proposed uses of the data. Miss NG concurred that the project in question should be headed by a sufficiently senior officer but pointed out that unless the aforesaid questions were adequately addressed, she could not support the present proposal. Her concerns were echoed by Mr Andrew WONG, who remarked that as a result of the advancement in information technology, different data banks could be linked up to enhance accessibility. The proposed expansion of the functions of the ID Card would thus have significant implications on privacy and confidentiality. As such, great care should be exercised to ensure that the data available to one department could not be accessed to by other departments for which such data was not intended. In this regard, Miss Margaret NG expressed her view that restrictions on sharing and access to personal data by Government agencies should be safeguarded by law.

16. PAS(S)(D) acknowledged the concerns of Miss Margaret NG and Mr Andrew WONG about the complexity and importance of the new ID Card project, as well as the need to examine the possible implications. In fact, it was based on these considerations that the Administration had decided to entrust the relevant feasibility study to a DD. He however pointed out that the project was only at its initial stage and as such, specific details as required were not yet available.

17. Miss Margaret NG reiterated the significant and wide ranging policy impacts of the proposed expansion of the scope of the ID Card and urged the Administration to defer the proposal until the relevant Panels (including the Panels on Security, Administration of Justice and Legal Services and Home Affairs) had the opportunity to examine issues arising therefrom. Her views were shared by Mr Andrew WONG and Mr CHEUNG Man-kwong. Miss NG also considered that the Administration should not deviate from the ongoing practice whereby the relevant Panels were first briefed on important staffing

proposals involving significant financial implications before they were put forward to this Subcommittee. She also queried the urgent need for approving the present proposal.

18. In response, PAS(S)(D) and DD(Imm) explained that the proposal could not be deferred for two reasons. Firstly, it was necessary to retain the DD(SA) post to complete the feasibility study before initial proposals on additional functions of the ID Card could be worked out for members' deliberation. Secondly, as mentioned above there was a need to effect early replacement of the ROP system. They however assured members that upon finalisation of the preliminary proposals, the relevant Panels would be thoroughly consulted.

19. In view of the tight time-frame, Mr Andrew WONG proposed that the study should be divided into two parts, namely, technical study of the new ROP system, and examination of the possible expansion of the scope of the new ID Card from the policy point of view. In this way, the first part could proceed under Imm D without additional directorate support, while the second part, to be steered by the DD(SA) preferably placed under the ambit of the Security Bureau as policy considerations were involved, could proceed at a later stage after consultation with members.

20. In response, PAS(S)(D) said that in replacing the ROP system, it was only reasonable and appropriate for Imm D to also take the opportunity to examine the feasibility of incorporating more functions into the ID Card in line with international trend and public demand. To address policy implications so arising, Imm D could seek advice from bureau representatives sitting on the relevant project steering committee. He further pointed out that even if the expanded functions of the ID Card would be examined at the policy level later as suggested, there was still a need to retain the DD(SA) post to proceed with the preparatory work.

21. In this connection, Mr Andrew WONG referred to the experience in Germany where the public had raised objection for privacy reasons to the assignment of a multi-purpose code to each national. He stated that he would not support the proposal in its present form and urged the Administration to withdraw the proposal pending further information on the policy direction.

22. Mrs Selina CHOW, on the other hand, opined that Imm D should have more expertise than the Security Bureau for spearheading the new ID Card project. She and Mr NG Leung-sing agreed that the DD(SA) post should be retained for ensuring early completion of the feasibility study after which initial proposals could be put forward for consultation with the relevant LegCo Panels.

23. The Chairman acknowledged the urgent need to replace the ROP system and remarked that according to his understanding, there should be safeguards against accessibility of all data in the ID Card by all Government agencies, such

that a certain department would only be allowed access to data pertaining to its area of work. Miss CHOY So-yuk concurred with the Chairman's view and further pointed out that various departments were in fact looking forward to Imm D to design a multi-purpose ID Card to incorporate their needs. In view of the complexity involved, she supported the need for retaining the DD(SA) post to steer the relevant feasibility study and conduct consultation.

24. In reply to Miss CHOY So-yuk on whether the report on the feasibility of the new ID Card project could be released within DD(SA)'s tenure should it be extended as proposed, DD(Imm) reported that the report should be ready in May 2000. He further advised that Imm D would, after finalising the proposed functions of the ID Card on the basis of the report, seek the relevant policy and funding approval in mid 2001 to enable new ID Cards to be issued in mid or late 2002. As DD(SA) would not be involved in the implementation of the territory-wide ID Card replacement exercise, he should be able to complete his assignments within his extended tenure.

25. Mr NG Leung-sing was of the view that the Administration should critically reconsider the need for engaging consultancy service as extensive input from DD(SA) was required in giving directives to and monitoring the performance of the consultants conducting the feasibility study. In reply, PAS(S)(D) explained that while the consultants could work independently in examining and recommending options for the introduction of a new ID Card from the technical point of view and advise on relevant overseas experience, there was still a need for the Administration to provide input. DD(SA) had to co-ordinate with other departments/policy bureaux to ascertain their needs and functions and convey such information to the consultants for consideration in the design of the new ID card. At Mr NG's request, PAS(S)(D) agreed to provide information on the criteria for the hire of consultancy service.

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26. In response to members' concerns, the Deputy Secretary for the Treasury (DS(Tsy)) agreed that the proposed expansion of the scope of the new ID Card should be examined in greater detail. She however stressed that in no way would endorsement of the present proposal imply approval of the ID Card project. On the contrary, it was for facilitating a policy decision on whether and how to proceed with the implementation of the new ID Card project that the Administration had created the supernumerary post to conduct the relevant feasibility study.

27. In view of members' concern about prolonged retention of the supernumerary post, and that a decision on the ID Card project was expected to be made in the second half of 2000, DS(Tsy) proposed to shorten the retention period of the DD(SA) post to 31 December 2000 instead of for one year starting from 19 April 2000 as originally proposed. In addition, she also clarified that retention of the post was mainly for overseeing the completion of the feasibility study and assisting in making a policy decision on the project. DS(Tsy)

amended the proposal to read "Proposed retention of the supernumerary post of Deputy Director of Immigration (GDS(C)3) in the Immigration Department from 19 April 2000 to 31 December 2000 to continue to steer and monitor the feasibility study on introducing a new identity card and a new computer system to support the issue of the new identity card, and to assist in making a policy decision on whether and how to proceed with the implementation of the identity card project".

28. Whilst agreeing to consider the above proposed amendments by DS(Tsy), Mr CHEUNG Man-kwong reiterated his support for Miss Margaret NG's views and proposed that the relevant Panels should be briefed on the directives given to the consultants of the feasibility study on the possible scope of the new ID Card before the Finance Committee (FC) decided on the proposal. The Administration agreed.

29. The item, as amended by DS(Tsy) in paragraph 27, was put to vote. Nine members voted for the item, four voted against and none abstained.

For:

Dr Raymond HO Chung-tai
Mr NG Leung-sing
Mrs Selina CHOW LIANG Shuk-yee
Mr MA Fung-kwok
Mr CHAN Kwok-keung
Mr CHAN Wing-chan
Mr Howard YOUNG
Mr YEUNG Yiu-chung
Miss CHOY So-yuk
(9 members)

Against:

Dr David LI Kwok-po
Miss Margaret NG
Mr CHEUNG Man-kwong
Mr Andrew WONG Wang-fat
(4 members)

30. The item was endorsed by the Subcommittee.

31. Miss Margaret NG requested that this item be voted on separately from other ESC items at the relevant FC meeting.

EC(1999-2000)42**Proposed upgrading of the Departmental Secretary post from the rank of Chief Executive Officer (MPS 45 - 49) to Principal Executive Officer (D1) in the Immigration Department in order to provide better administrative and resource management support for the Department**

32. Referring to the "overloading of the Assistant Director (Administration & Planning) (AD(AP))" as described in the discussion paper, Mr CHEUNG Man-kwong considered that it was unacceptable to upgrade the Departmental Secretary (DeptS) post in Imm D from the rank of Chief Executive Officer (CEO) to Principal Executive Officer (PEO) (D1) for reason that his immediate supervisor, AD(AP), was too busy and the DeptS concerned had to work independently and take up additional departmental administration duties which should have been assumed at AD(AP) level.

33. In response, PAS(S)(D) clarified that the information on "overloading of AD(AP)" had been provided to explain why the DeptS concerned often had to work directly to the Deputy Director instead of to AD(AP). It was by no means the sole reason for upgrading the DeptS post. DD(Imm) further informed members that the DeptS post was created at CEO level in 1980 when Imm D only had an establishment of 3 001. With an existing establishment of 5 684, the DeptS's workload, work complexity and level of responsibility had increased significantly. The upgrading of the post would help strengthen the influence and effectiveness of the DeptS in administrative and resource management and enhance productivity.

34. In this connection, DS(CS) advised that in determining whether a post should be pitched at the directorate level, the functional need and independence of operation were important factors to consider. As far as the present proposal was concerned, CSB was satisfied that with reference to the needs of the department and to other comparable DeptS posts, the DeptS post in Imm D should be upgraded to PEO level. The Standing Committee on Directorate Salaries and Conditions of Service had also agreed with the proposed upgrading. Members noted that at present, there were 23 DeptS posts at PEO level.

35. Mr CHEUNG was not convinced and stressed that in the light of the Enhanced Productivity Programme, a post should not be upgraded to directorate level simply because it had taken up extra duties. He was also concerned that such upgrading would give rise to suspicion that a higher-ranking post was being created to facilitate career advancement. DS(CS) in reply assured members that when deciding to upgrade the DeptS post in question, CSB had given due consideration to the current workload, work content and responsibility level of the post, instead of simply comparing the past and present workload. He also pointed out that consideration of the post in question must be separate from consideration of the post-holder and reiterated that the proposed upgrading of the

DeptS post was to meet functional needs.

36. As to whether the DeptS would be responsible for staff relations functions, DD(Imm) said that the DeptS was responsible for acquisition and distribution of resources among the various branches and assisting senior departmental management in the proper and efficient management of the human resources in the department.

37. The item was voted on and endorsed by the Subcommittee.

EC(1999-2000)43

Proposed retention of the supernumerary post of Administrative Officer Staff Grade B1 (D4) in the Civil Service Bureau of the Government Secretariat for one year up to 31 March 2001 in order to enable the continued secondment of a suitable officer to the Hong Kong Export Credit Insurance Corporation

38. In response to members' query about the reasons for not considering outside recruitment to fill the post of Commissioner of the Hong Kong Export Credit Insurance Corporation (HKEIC), the Deputy Secretary for Trade and Industry (DS(TI)) highlighted the following points -

- (a) a consultancy study conducted in 1994 had recommended that in the long run, consideration should be given to grooming qualified in-house personnel for the Commissioner's position;
- (b) pursuant to the adoption of the consultant's recommendation, HKEIC had been taking measures to provide its senior staff with the exposure and depth of experience necessary to assume greater responsibilities and presently, an officer had been identified to have the potential to take up the Commissioner's post by the time the one-year secondment term of the present Commissioner expired; and
- (c) if the Commissioner post was to be filled by outside recruitment, staff morale within HKEIC might be adversely affected.

39. Mr MA Fung-kwok was of the view that there should be no lack of candidates in the job market suitable for the Commissioner post. Moreover, candidates could also be sourced from outside Hong Kong. He queried the current arrangement of filling the post by seconding a senior civil servant to HKEIC for as long as 16 years. In response, DS(TI) highlighted the specialised nature of the work of HKEIC and the limited availability of such expertise outside the corporation. She also stressed that the current secondment arrangement was endorsed by the consultancy study conducted in 1994 which also

recommended that in the longer-term, the position should be filled by qualified in-house staff. Mr MA remained unconvinced of the Administration's explanation.

40. Mr YEUNG Yiu-chung referred to past cases of similar succession planning where the groomed candidates subsequently quitted the organization, thus frustrating all the efforts to fill the post in-house. He was concerned that HKECIC might encounter similar difficulty again. Mrs Selina CHOW was also concerned that the 1996 brain drain might recur, and called for improvements to the employment terms of the Commissioner post if necessary. She was keen to ensure the present proposed extended secondment would be final.

41. In reply, DS(TI) clarified that the Administration/HKECIC had not designated a particular officer to take up the Commissioner post but had been making vigorous effort to groom senior officers in HKECIC. In that regard, one had been identified recently to have the necessary potential. Regarding the departure of some senior officers in 1996, DS(TI) advised that they had left as a result of the restructuring of HKECIC and for personal reasons. Nevertheless, following their departure, HKECIC had intensified training efforts. She further assured members that in the very unlikely event of the departure of all potential candidates, the Administration would, in conjunction with HKECIC, propose other options to the Subcommittee for consideration. However, the Administration was confident that the proposed extension of secondment on this occasion would be final.

42. Mr NG Leung-sing queried the appropriateness of prolonged secondment of civil servants to HKECIC to enable the grooming of in-house personnel for top management posts. He was also concerned that the same practice would be adopted by other departments as a rule under the pretext of maintaining staff morale. In response, DS(CS) advised that it was a common and legitimate practice to make secondment arrangements to provide support pending the readiness of suitable candidates in the organization concerned to take up high-level posts. In so doing, there was a need to allow sufficient time for grooming candidates, especially in organizations which previously had no such training plans until lately as in the case of the HKECIC. He nevertheless stressed that the Administration had always exercised caution in making secondment arrangements with other organizations.

43. On whether the HKECIC was agreeable to the extension of the secondment arrangement for its Commissioner post until its staff were ready to take the helm, DS(TI) confirmed that this was the recommendation of the 1994 consultancy study in consideration of HKECIC's needs, and that both the Government and HKECIC had accepted the recommendation.

44. Mr CHEUNG Man-kwong referred to paragraph 4 of the paper and asked whether an officer had in fact been identified for the Commissioner post as early as 1996. In reply, DS(TI) clarified that the said officer had not yet been

identified to take on the Commissioner's post in 1996 but recently special attention had been given to the officer as he was identified to have the potentials. opportunities had also been given for him to be more involved in the overall management of HKECIC. DS(TI) also added that training was provided to all senior officers and not just to the officer in question. Mr MA Fung-kwok was of the view that the said officer should compete fairly with others for the Commissioner post.

45. Mr CHEUNG Man-kwong considered the presentation in paragraphs 4 to 7 of the discussion paper inappropriate and gave the public the impression that the FC, by endorsing this paper, also endorsed the way to select and groom an officer to fill the Commissioner post. He therefore requested that in finalising its submission to FC, the Administration should rephrase or delete paragraphs 4 to 7 in question. DS(CS) and DS(TI) agreed to make suitable amendments. They reiterated that the normal promotion procedures would be followed in selecting the post-holder.

46. The item was voted on and endorsed by the Subcommittee.

47. The Subcommittee was adjourned at 12:50 p.m.

Legislative Council Secretariat
9 March 2000