

## **Legislative Council Panel on Public Service**

### **Survey and Mapping Office of Lands Department**

At the last meeting of the Panel on 17 January 2000, when the item on Corporatisation of the Survey and Mapping Office (SMO) of Lands Department was discussed, Members requested to have a copy of the consultancy report on the SMO conducted in 1997.

2. The purpose of conducting the study in 1997 was to review the costing and pricing of survey services and mapping products of the SMO and to look for ways to improve the quality and marketability of SMO's products. The consultants were required to draw up a 5-year business plan for the SMO. In doing so, the consultants had to look into the then position of the SMO within Government and its future positioning. The idea of changing the department into an organisation running on full commercial principles was not in the consultancy brief, hence the consultants did not consider the option of having a "Commercial product development and marketing function" in the SMO or to change its culture to that of a fully commercial organisation.

3. The consultancy report consisted of two volumes. Volume I was the Business Plan, and Volume II was about the cost calculations consisting of three parts, namely, Costing Model - Concept; Costing Model - Operational Manual; and DFMSXTRA -Workbook. We attach the Executive Summary of the report to this note and have deposited a copy of Volume I of the report with the Clerk to Panel. We believe that Volume II of the report did not contain any material of interest to Members. However if members request, we could also deposit a copy of Volume II with the Clerk to Panel.

4. When examining the future positioning of the SMO during the study, the consultants considered a number of options including Trading Fund and "A Public Company within Government". The study recommended that the SMO should separate from Lands Department and become a stand-alone department in its own right. The consultants did not recommend the Trading Fund option at that time as they believed that this would require a significant culture change within the SMO and there was no agent to drive such a change. Besides, a further study was required to analyse the financial viability of turning the SMO into a Trading Fund. However, the consultants believed that the Trading Fund option should be considered as a long term objective.

5. As regards the option of “A Public Company within Government”, this was based on the model in France. The French National mapping agency was set up as a public company and managed within the Ministry of Public Works with a management board comprised of members from key stakeholder departments within government. The consultants rejected this option because there does not appear to be a precedent for this type of organisation within the Hong Kong Public Sector Reform Programme. The consultants’ views on the various options were set out in Position Paper No.2 annexed to Volume I of the report.

6. We would like to point out that the purpose of conducting the 1997 study and the recent study on the feasibility of corporatisation of the SMO is different. In the recent study, the potential business opportunities available to the SMO was a focal point. In addition, the business environment, in particular the boom in electronic commerce and advances in information technology, has changed significantly since 1997.

Lands Department  
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