

CS' Speech *******

Following is the speech by the Chief Secretary for Administration, Mr Donald Tsang, at the luncheon of the British Chamber of Commerce at the Hong Kong Convention and Exhibition Centre today (April 25).

Mr Chairman, distinguished guests, ladies and gentlemen,

Thank you, Norman, for that very kind introduction. As you are undoubtedly aware, the Chief Executive last week announced details of an Accountability System for Principal Officials which we hope will come into effect on July 1. That is its official, bureaucratically-correct title, although most people in Hong Kong and elsewhere commonly call it a "Ministerial" system.

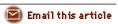
Now, as we all also know, Mr Tung has yet to announce his line-up, so I can't be sure what my own future will be. So, I stand before you today in the guise of Sir Humphrey Appleby. Who knows, the next time I come to see you, I might sound a lot more like Jim Hacker.

I don't want anyone reading too much into this. I simply thought that a mention of these two beloved characters from 'Yes, Minister' might be an easy way into exchanging some ideas with you about the changes to government that will take place once the Accountability System comes into effect.

Let me assure you, changes there will be. In some respects, the most significant changes to the way Hong Kong is run that any of us can remember. They are farreaching, progressive and important in the way government will interface with the governed.

In my view, the changes are definitely for the better. Let me explain why.

I don't think I need to go into deep detail about the new system. It has been widely reported and debated in the local and international media. But the real perspective is that it is simple in concept and familiar to those who come from countries where a Cabinet system is central to the way government is organised.



Briefly, the Chief Executive intends to fill by political appointment certain Principal Official posts, including those of Chief Secretary, Financial Secretary, Secretary for Justice and the Directors of Bureaux – otherwise known as Policy Secretaries. These officials will form the core of his Executive Council - or Cabinet. Each will have a range of responsibilities for which they must answer to the Chief Executive, the legislature and more important the public at large.

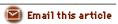
They will be employed on contract terms for the duration of the Chief Executive's tenure in office. That is for the maximum of five years. They face the prospect of resignation or dismissal if they fail to deliver the goods. On the other hand, they will earn the respect, gratitude and admiration of the public if they perform up to, or exceed, expectations. If, as expected, some of these posts are filled by civil servants, they will go from lifetime employment terms at the moment to minute-to-minute terms.

This is a somewhat exaggerated way of making the point, but those of you from the private sector will understand the emphasis the system places on performance and results.

So what are the benefits of all of this? To the government? To the Legislative Council? To the public? To the civil service?

First of all, I believe it will make the government more open and, of course, accountable. There will be a much sharper focus on producing policies that are more in tune with public sentiment and aspirations. Principal Officials will need to spend more time tapping into public opinion and addressing the needs and concerns of the community. This will mean more involvement with people at every level of society and a much closer dialogue and debate with LegCo. "Constituency building" will become an important mission of the Government.

I am not suggesting for a moment government by opinion poll or populist whim. I simply mean that our policies and decisions will need to be more sympathetically shaped and more skilfully communicated to meet the rapidly changing needs of our citizens as they cope with challenges brought about by the restructuring of the economy. At core, we will remain a business-friendly government but more businesslike in the delivery of our services.



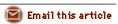
Hong Kong has succeeded because it is not in the habit of standing still and, in my view, the fresh thinking and new personalities the Accountability System will bring with it over time are what people want in this day and age. And the timing is right - at the beginning of the second term of the Chief Executive. It's a fresh start.

On this point, I am a little bemused by claims that the new arrangements will turn Mr Tung into some kind of dictator, placing unbridled power in his hands. If you look at the Basic Law, the Chief Executive has all the power he needs. All political and administrative power flows from his constitutional position at the apex of government in Hong Kong. But no one has absolute power in Hong Kong. The proposals of the Chief Executive or the Government can go nowhere, unless the Legislative Council passes our bills and approves our budgets. The constitutional checks and balances have been working according to design. The accountability system will not and cannot add to or derogate from the powers given to the Chief Executive by the Basic Law. More to the point, the Chief Executive is creatively using his authority to create a more recognisable system of Cabinet-style government that is consistent with the executive-led government mandated by the Basic Law. In doing so, he has devolved power and responsibilities to individual Secretaries whose remit will be to drive the approved policies of the HKSAR Government. And be accountable for the success or failure of those policies. Hopefully, there will be much of the former and little or none of the latter.

Surely this is a good thing? And seen in the wider context of Hong Kong's route map towards a more democratic government, the Accountability System must be seen as a positive step in the right direction. That, at least, is how I and my colleagues see it.

Mr Chairman, at this point I would like to address the demand that has been raised for the establishment of some kind of criteria or set of circumstances or mechanism by which Principal Officials would be obliged to fall on their swords. I simply don't see how this could be done in a sensible or equitable manner. If you look overseas - at the UK, for example - Parliamentary and Ministerial conventions have grown over the decades. Sometimes they are observed, sometimes not. When such matters do arise, they are the subject of fierce and sometimes partisan debate.

But common political sense dictates that - outside of criminal behaviour - public officials in high-profile and powerful positions who face life-and-death career decisions should be able to see the writing on the wall, even if their backs are against





it.

Political and administrative scandals have their own way of exploding in the public arena. Those who find themselves at the vortex of such storms usually know when to abandon ship, if only because others will tip them overboard if they don't. So, I think that, like other places, Hong Kong should be allowed to develop over time its own conventions set against its own needs and political and constitutional environment.

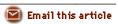
The new system will certainly present ample framework against which Principal Officials can be judged. Their first priority will be to draw up a five-year plan for their areas of responsibility. These plans will need to be approved by the Chief Executive-in-Council. Before that, they will have to be argued out in ExCo sub-committees chaired by the Chief Secretary or Financial Secretary. So plans and priorities will have been exhaustively sieved and sifted even before they reach the full 'Cabinet'. To repeat, this process will be familiar to all of you who have grown up with the Cabinet system.

In shaping our agenda in this way, I believe the public and LegCo will have a much clearer idea of the government's vision and goals. We will need to roll out legislation on a year-by-year basis to meet our aims and objectives and targets. I envisage that this will lead to a more prioritised and sharper legislative programme which will enable the government and the legislature to concentrate on a more coherent agenda.

As a result, it will be easier for the entire community to monitor the progress of the government's programme. They will be better able to judge whether we are achieving follow-through on our commitments. That's what I mean when I say that the new system will result in more open and accountable government.

But what does the new system mean for the civil service? After all, as an institution, the civil service has always been at the heart of decision-making in Hong Kong. Will the old dogs in the civil service be able to learn new tricks? I think they will.

I do believe the Accountability System offers tremendous scope for constructive change in the civil service. First of all, it will relieve permanent civil servants who are the current Principal Officials from the Jekkyl and Hyde role they now play as politically-neutral civil servants on the one hand, and quasi-political "ministers" on the other. There will be a clear distinction and division of responsibilities between



politically-appointed Principal Officials and permanent civil servants. This is how it should be. Frankly, the current system was becoming untenable, because of how Hong Kong has evolved in recent years, with its robust press and critical legislature. Mr Tung's reforms address this very issue.

By doing so, the Accountability System puts the civil service back on all fours in terms of its role as a professional, permanent, meritocratic, politically neutral body. Our new Principal Officials will have permanent secretaries to advise and assist them in faithfully and earnestly implementing their policies.

Civil servants will continue to offer advice without fear or favour, based on intellectual rigour, objective research and an inherent professional understanding of the nature of the wider public interest born of decades of experience developed in our civil service. They will continue at various levels to support and explain policies to LegCo and the public.

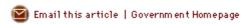
And their interests will continue to be recognised and served by the inclusion of a Secretary for the Civil Service, drawn from the ranks, who will be a full and equal member of the Executive Council where he or she will bring the civil service ethos and experience to bear. I should add that henceforth under the new system, the Permanent Secretaries and the permanent civil service will always be there to serve the Hong Kong community and will transcend the changes of government following elections of the Chief Executive once every five years.

Of course, there will be teething problems and hiccups as the system settles in. That's only natural. To ease the transition, we are developing rules and procedures for the new Principal Officials and revising the Code of Conduct for civil servants to take the new arrangements into account. But I have confidence in the commonsense and pragmatism of the people of Hong Kong to give the new arrangements time to be bedded down.

After that, it will be up to all of us involved in government to live up to the expectations we have created. We have put down some benchmarks by which we can be judged and tested. After all, the proof of this pudding will be in the eating.

Thank you very much.





End/Thursday, April 25, 2002

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- EIU assessment on Hong Kong unfair (24.04.02)
- SCS' transcript (24.04.02)
- Transcript of FS' briefing (24.04.02)

