

For Information

**LEGISLATIVE COUNCIL PANEL ON
PLANNING, LANDS AND WORKS**

**Proposed Amalgamation of Civil Engineering Department
and Territory Development Department**

Purpose

This note informs Members of Government's proposal to merge the Civil Engineering Department (CED) and the Territory Development Department (TDD).

Background and Justifications

2. Both CED and TDD are responsible for major public civil engineering works with the latter focusing on site formation and integrated infrastructure development in new towns and new development areas. The Environment, Transport and Works Bureau (ETWB) has recently reviewed the organizational structure of the Bureau and its departments with a view to achieving greater efficiency and productivity in the delivery of services.

3. The development programme of first two generations of the new town development has been substantially completed. Having reviewed the duties, functions and workload of the Works Departments and the pattern of development of Hong Kong in the coming years, Government considers it appropriate to merge CED and TDD into one

new Department so as to meet the future development needs of Hong Kong.

4. An external consultant has been engaged by ETWB to review the organization structures of its Works Branch and selected Works Departments. The consultant fully supports the proposed amalgamation of CED and TDD.

Benefits of the Proposed Amalgamation

5. The proposed merger will bring about synergetic effects by pooling the expertise of the two Departments. It will result in greater integration between territorial development and civil engineering works organized on a functional basis. Thus, the proposed amalgamation will offer opportunities for significant savings, particularly at senior and managerial levels, to be achieved as a result of the integration of administrative and support functions of the two Departments.

6. We expect that a total of 66 posts can be deleted as a result of the amalgamation of the two Departments, 62 of which will be deleted immediately when the amalgamation of the new Department takes effect in 2004 and the remaining 4 within 3 years after the amalgamation. The total estimated savings of the proposed amalgamation is about \$52M per annum.

7. We expect that the surplus staff arising from the exercise can be fully absorbed through natural wastage, the Second Voluntary Retirement Scheme and redeployment within Government.

8. Staff will also benefit from a larger pool of resources available to support training and professional development in a merged and larger Department.

9. The industry will also benefit from the proposed merger as the merged Department will be more integrated and streamlined in its organization structure in delivering its services.

Implementation

10. Details of the implementation plan are being actively developed with a view to implementing the amalgamation proposal in 2004.

Staff Consultation

11. Staff in CED and TDD and their respective staff associations are being briefed on the proposed merger. In formulating the detailed implementation programme, we shall fully consult staff on staffing arrangement and other issues that may be of concern to them.

Environment, Transport and Works Bureau

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