

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 145 – GOVERNMENT SECRETARIAT : ECONOMIC DEVELOPMENT AND LABOUR BUREAU (ECONOMIC DEVELOPMENT BRANCH)

Subhead 000 Operational expenses

Members are invited to recommend to Finance Committee the retention of the following supernumerary post in the Tourism Commission, Economic Development and Labour Bureau (Economic Development Branch) for a period of nine months, from 1 April 2005 to 31 December 2005, to help oversee the completion of the Hong Kong Disneyland project –

1 Administrative Officer Staff Grade C
(D2) (\$110,000 - \$116,800)

PROBLEM

The existing supernumerary Administrative Officer Staff Grade C (AOSGC) (D2) post created in the Tourism Commission (TC) to help oversee the Hong Kong Disneyland (HKD) project will lapse on 1 April 2005 when the project is still on-going. There is a need to retain the post beyond this date to oversee the completion of the project.

PROPOSAL

2. We propose to retain the supernumerary AOSGC post in TC for nine months from 1 April 2005 to 31 December 2005.

/JUSTIFICATION

JUSTIFICATION

3. In November 1999, we sought the approval of the Finance Committee (FC) vide EC(1999-2000)24 for creating, amongst other things, an AOSGC post in TC of the then Economic Services Bureau (now the Economic Development and Labour Bureau (EDLB)) on a supernumerary basis from 1 December 1999 to 31 March 2005. The AOSGC leads a special project team in TC to help co-ordinate, monitor and oversee the work of various government bureaux and departments in implementing the project. The team services the Steering Committee on Implementation of Hong Kong Disneyland chaired by the Financial Secretary and liaises closely with the senior management of the Hongkong International Theme Parks Limited (HKITP) in taking forward the theme park project.

4. The target opening date of the theme park is 12 September 2005. The project team will need to oversee the completion of the project. In particular, the project team will need to help ensure operational readiness of the theme park for its timely opening on issues including transport, site management and security, emergency response, permits and licences, communications and promotion as well as opening events and arrangements.

5. After the opening, the project team will need to continue to operate during the initial opening period to co-ordinate Government's efforts in the light of the operational experience to help ensure smooth operation of the theme park in the long run. The co-ordination work relates to, for example, transport services, emergency response, and communications and promotion.

6. Given the target opening date of 12 September 2005, we propose to retain the supernumerary AOSGC post for nine months beyond 31 March 2005, until about three months after HKD opening, i.e. 31 December 2005. The need for a longer duration of the post could not have been anticipated at the time the post was created over five years ago in 1999 when the project was at an early planning stage.

Encl. 1 7. The duty list of the supernumerary AOSGC post is at Enclosure 1.
Encl. 2 The AOSGC will continue to report to the Commissioner for Tourism (CT). The organisation chart of TC is at Enclosure 2.

8. The AOSGC post will continue to be supported by a team of non-directorate officers comprising one Senior Administrative Officer, one Senior Treasury Accountant, one Senior Engineer, one Executive Officer I and two secretarial staff. These posts will either be deleted or redeployed after 31 December 2005.

9. We have critically examined whether the existing directorate staff in TC have spare capacity to absorb the duties of the proposed post. Other than the supernumerary AOSGC post, CT is at present supported by an Administrative Officer Staff Grade B, two AOSGCs and one Senior Principal Executive Officer. The four officers are responsible for the formulation of tourism policy and strategy, the implementation of other tourism projects and initiatives, as well as liaison with Mainland and other tourism authorities. They are already at their full capacity and cannot absorb the duties of the supernumerary AOSGC post. This is particularly so when the responsibilities and workload of the supernumerary AOSGC post are expected to increase in the run up to the opening of the theme park.

FINANCIAL IMPLICATIONS

10. The additional notional annual salary cost at mid-point of the proposal is \$1,360,800. The full annual average staff cost of the proposal, including salaries and staff on-cost, is \$2,058,000.

11. In addition, the proposal will necessitate the retention of six non-directorate posts (paragraph 8 above) at a notional annual mid-point salary cost of \$3,716,520 and full annual average staff cost of \$5,725,000.

12. We will include the necessary provision in the draft Estimates for 2005-06 to meet the costs of this proposal.

ESTABLISHMENT CHANGES

13. The establishment changes under Head 145 for the Economic Development Branch (EDB) of EDLB in the past two years are as follows –

Establishment (Note)	Number of Posts			
	Existing (as at 1 October 2004)	As at 1 April 2004	As at 1 April 2003	As at 1 April 2002
A	18+(1)#	18+(1)	17+(1)	17+(1)
B	34	34	33	33
C	81	81	79	75
Total	133+(1)	133+(1)	129+(1)	125+(1)

Note:

A - ranks in the directorate pay scale or equivalent

B - non-directorate ranks the maximum pay point of which is above MPS point 33 or equivalent

C - non-directorate ranks the maximum pay point of which is at or below MPS point 33 or equivalent

() - number of supernumerary directorate posts

- As at 1 October 2004, there were no unfilled directorate posts in EDB.

/BACKGROUND

BACKGROUND INFORMATION

14. The Government and The Walt Disney Company entered into an agreement in December 1999 to build and operate HKD at Penny's Bay, Lantau. The two sides have set up a joint-venture company, HKITP, for this purpose.

15. HKD will generate huge economic benefits for the Hong Kong economy, estimated to reach \$148 billion over 40 years. The project will provide many job opportunities as well. The construction works of the theme park and infrastructure provide over 11 000 job opportunities. The theme park is also expected to create another 18 400 jobs on opening. It is estimated that the number will grow to 35 800 over a 20-year period.

16. On opening, HKD will comprise the US Main Street, Fantasyland, Tomorrowland and Adventureland. There will also be two hotels adjacent to the theme park providing about 1 000 rooms in total on opening.

17. Apart from approving the creation of a supernumerary AOSGC post in TC, FC also approved in November 1999 the creation of three other supernumerary directorate posts for implementation of the HKD project. One supernumerary directorate post in the Buildings Department created up to 31 March 2002 had already lapsed. The remaining two directorate posts in the then Civil Engineering Department (now the Civil Engineering and Development Department) will lapse on 1 April 2005 as scheduled. Any residual workload will be absorbed by existing resources of the relevant bureaux and departments.

18. We have circulated an information note on HKD progress update to the Legislative Council Panel on Economic Services. Members of the Panel noted the staffing proposal in the paper at the meeting held on 22 November 2004. It should be noted that the staffing proposal sent to the Panel was to seek a 12-month retention of the supernumerary AOSGC post based on target opening of the theme park by end-2005. When the information note was issued on 15 November 2004, a final decision was yet to be made on the announcement of the opening date. Further to the announcement that the theme park would be open on 12 September 2005, we now propose to shorten the period of retention from 12 to nine months.

/CIVIL

CIVIL SERVICE BUREAU COMMENTS

19. To enable adequate support is provided to oversee the completion and opening of HKD, the Civil Service Bureau supports the proposed retention of the supernumerary AOSGC post.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

20. As the AOSGC post is proposed on a supernumerary basis, its retention, if approved, will be reported to the Standing Committee on Directorate Salaries and Conditions of Service in accordance with the agreed procedure.

Economic Development and Labour Bureau
November 2004

Job Description

Post Title : Assistant Commissioner for Tourism (3)

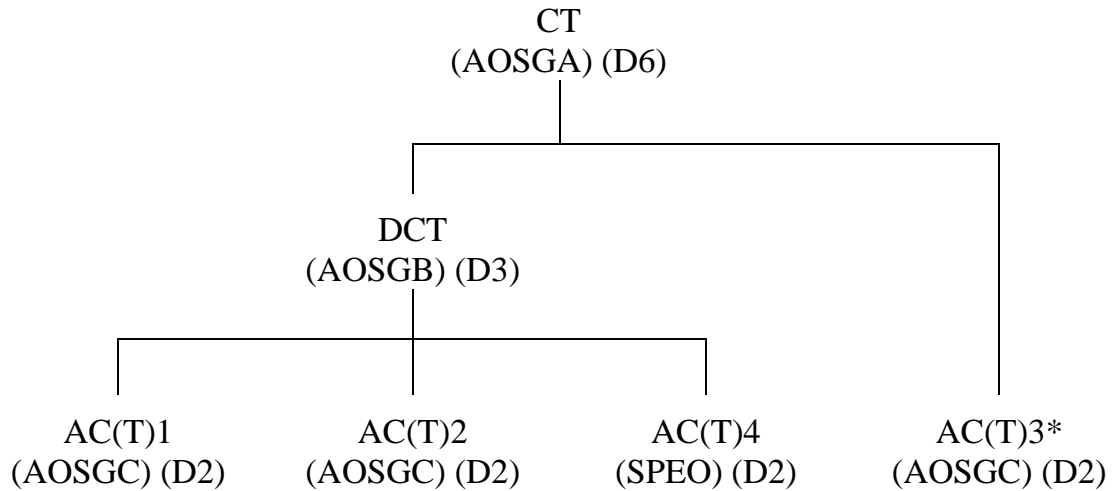
Proposed Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Commissioner for Tourism

Main Duties and Responsibilities –

1. To lead a special project team in the Tourism Commission of the Economic Development and Labour Bureau to help oversee and monitor the implementation of the Hong Kong Disneyland project.
2. To liaise closely with bureaux/departments to ensure timely completion of all Government's undertakings specified in the various legal documents signed with the Hongkong International Theme Parks Limited (HKITP) and The Walt Disney Company (TWDC).
3. To service a high-powered steering committee for the project chaired by the Financial Secretary and the Disneyland Readiness Committee chaired by the Commissioner for Tourism.
4. To liaise closely with the senior management of HKITP for the implementation of the project and for transacting necessary corporate business of HKITP.
5. To ensure that HKITP and TWDC perform their undertakings as specified in the various legal documents so as to safeguard Government's investment in the project.
6. To prepare papers and briefs for the Chief Executive, Chief Secretary for Administration, Financial Secretary and other senior officials to report progress, highlight problem areas and recommend appropriate actions.

Organisation Chart of Tourism Commission



Legend

CT	Commissioner for Tourism
DCT	Deputy Commissioner for Tourism
AC(T)	Assistant Commissioner for Tourism
AOSGA	Administrative Officer Staff Grade A
AOSGB	Administrative Officer Staff Grade B
AOSGC	Administrative Officer Staff Grade C
SPEO	Senior Principal Executive Officer

* Supernumerary post proposed to be retained.