

NOTE FOR FINANCE COMMITTEE

Review of the Organisational Structure of the Civil Engineering and Development Department

INTRODUCTION

This note informs Members of the outcome arising from a review of the organisational structure of the Civil Engineering and Development Department (CEDD) after its establishment on 1 July 2004.

BACKGROUND

2. At the Finance Committee (FC) meeting held on 14 May 2004, Members approved a merger of the former Civil Engineering Department (CED) and the former Territory Development Department (TDD) into CEDD with effect from 1 July 2004, resulting in a net deletion of nine directorate posts and 57 non-directorate posts. The Administration undertook to report to the FC six months after the establishment of CEDD on the feasibility of further streamlining its organisational structure.

ORGANISATIONAL STRUCTURE REVIEW

Scope of the review

3. An organisational structure review has been completed by CEDD based on the need to perform the following key roles and responsibilities –

- (a) to develop high quality new towns and strategic growth areas to meet the development needs of Hong Kong;
- (b) to implement and maintain high quality public works projects including port development, land formation, landslip preventive measures and environmental improvement measures; and
- (c) to maintain the leading role of Hong Kong in setting international standards for slope safety.

4. In the context of this review, CEDD has critically examined all operational procedures, service delivery systems and organisational interface. Moreover, the duties performed by various functional units have been evaluated and re-aligned.

Outcome of the review

5. The findings of this review indicate that workload has remained steady since the merger took place on 1 July 2004, while most of those major projects previously managed by CED and TDD are making satisfactory progress. These projects include -

- (a) Penny's Bay reclamation stage II;
- (b) infrastructure for Penny's Bay development;
- (c) Central reclamation phase III;
- (d) development near Choi Wan Road and Jordan Valley;
- (e) Trunk Road T3 in Shatin;
- (f) engineering infrastructure works for Pak Shek Kok development;
- (g) Route 9 - Section between Shek Wai Kok and Chai Wan Kok; and
- (h) Yuen Long Bypass Floodway.

6. There has been no material change to the nature of work carried out by CEDD in connection with implementation of landslip preventive measures, enhancement of slope safety standards, geotechnical control of private and public developments, maintenance of port infrastructure and navigation channels, as well as management of public fills and marine fills.

7. Upon the merging of the two departments in July 2004, we had already deleted nine directorate posts and 57 non-directorate posts. Following the conclusion of the latest review, CEDD has identified an additional 39 non-directorate posts for deletion in 2004-05, through rationalisation of workflow after the merger and elimination of certain common administrative tasks.

FINANCIAL IMPLICATIONS

8. The deletion of these 39 posts will bring about estimated savings of \$10.9 million in notional annual salary cost at mid-point or \$18.4 million in full annual average staff cost. With the assistance of the relevant Heads of Grades, the posts will be deleted by phases through natural wastage and staff redeployment.

9. The establishment of CEDD will be reduced to 1 754 by 31 March 2005. The Department will continue to refine and adjust its organisational structure taking account of prevailing workload and public demands, as part of the ongoing effort to reduce the civil service establishment and to achieve enhanced productivity.

Environment, Transport and Works Bureau
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