

立法會
Legislative Council

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Establishment Subcommittee of the Finance Committee

**Minutes of the 3rd meeting
held at Conference Room A
on Wednesday, 25 April 2007, at 9:30 am**

Members present:

Hon LI Fung-ying, BBS, JP (Chairman)
Hon WONG Kwok-hing, MH (Deputy Chairman)
Dr Hon David LI Kwok-po, GBS, JP
Hon Margaret NG
Hon CHEUNG Man-kwong
Hon WONG Yung-kan, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YUENG Sum
Hon Abraham SHEK Lai-him, JP
Dr Hon KWOK Ka-ki
Hon WONG Ting-kwong, BBS
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KWONG Chi-kin

Members absent:

Hon James TIEN Pei-chun, GBS, JP
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon SIN Chung-kai, JP
Hon MA Lik, GBS, JP

Public Officers attending:

Miss Amy TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Miss Jennifer MAK, JP	Deputy Secretary for the Civil Service

Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Michael WONG, JP	Deputy Secretary for Economic Development and Labour (Economic Development)
Mr Francis CHENG	Principal Assistant Secretary for Economic Development and Labour (Economic Development)
Mr Norman LO, AE, JP	Director-General of Civil Aviation
Mr Anthony TAM	Assistant Director-General of Civil Aviation (Airport Standards)

Clerk in attendance:

Ms Debbie YAU	Senior Council Secretary (1)1
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Staff in attendance:

Ms Pauline NG	Assistant Secretary General 1
Miss Becky YU	Chief Council Secretary (1)1
Ms Guy YIP	Council Secretary (1)1
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

The Chairman drew members' attention to an information paper (ECI(2007-08)1) provided by the Administration before the meeting, which provided an update on the latest changes in directorate establishment approved since 2002. According to the Administration, there would be a net increase of one permanent post and one supernumerary post in the directorate establishment of civil servants if the proposal to be considered at the meeting was endorsed and then approved by the Finance Committee.

EC(2007-08)1 Proposed creation of one supernumerary post of Assistant Director-General of Civil Aviation (D2) for a period of five years and six months and creation of one permanent post of Chief Air Traffic Control Officer (D1) in Civil Aviation Department with effect from 1 October 2007 to cope with the robust growth in air traffic and to ensure the continued provision of safe and reliable air traffic control service

2. The Chairman informed members that the Panel on Economic Services (ES Panel) was consulted on the proposal at the meeting on 26 February 2007.

Proposed duties and duration of the supernumerary Assistant Director-General of Civil Aviation (ADGCA) (D2) post

3. Members noted that the proposed supernumerary ADGCA post would lead a dedicated team to take forward the proposed replacement of the air traffic control (ATC) system and the development of a new Civil Aviation Department (CAD) headquarters on the Airport Island. To tie in with the commissioning of the twin projects, the Administration proposed to create the post for a period of five years and six months.

4. Mr WONG Ting-kwong expressed the support of Members of the Democratic Alliance for the Betterment and Progress of Hong Kong to the proposed creation of two directorate posts. However, as the tasks to be undertaken in respect of the two proposed projects were entirely different in nature and required different expertise, Mr WONG was concerned whether it was appropriate to entrust both projects to the same person, i.e. the incumbent of the proposed supernumerary ADGCA post, and whether it was possible to select a candidate with suitable calibre to fill the post.

5. The Director-General of Civil Aviation (DGCA) assured members that there was no problem for the incumbent of the proposed ADGCA post to take charge of the two proposed projects as he/she would be underpinned by a dedicated project team comprising 41 non-directorate staff. He elaborated that among these staff members, more than half were very experienced in providing ATC services and well versed in the operation of computer systems. The remaining staff in the team would assist in monitoring and co-ordinating the construction of the new CAD headquarters. As such, DGCA considered it an appropriate arrangement for the proposed supernumerary ADGCA post to oversee the implementation of the two proposed projects.

6. Dr KWOK Ka-ki was concerned about the long duration of the supernumerary ADGCA post which would last for five years and six months. He pointed out that the present proposal had deviated from the Administration's normal practice under which supernumerary posts were usually created for an initial period of two to three years subject to further extension upon the review on the continued need of the posts. He sought justification for the proposed duration of the post.

7. In reply, the Deputy Secretary for Economic Development and Labour (Economic Development) (DS(ED)) pointed out that in cases where the longer term need of the post required might still have to be ascertained, the Administration might seek to create the post for an initial period of two to three years, with the possibility of further extension having regard to actual circumstances. In the case of the current proposal, it was abundantly clear that the proposed ADGCA post would be required to take forward the twin projects, which were scheduled for completion by end 2012 under a very tight timeframe. As such, the Administration had proposed to create the supernumerary ADGCA post from 1 October 2007 for a period of five years and six months.

8. Mr Abraham SHEK conveyed the support of Members of Alliance for the proposed creation of the two directorate posts. Mr SHEK considered that the proposed duration of the supernumerary ADGCA post might not be sufficiently long enough as the construction project alone would take three to four years. He suggested to retaining the post for a longer period, say seven years, to ensure a continuous leadership in the implementation of the two proposed projects.

9. DS(ED) explained that, in formulating the present proposal, the Administration had been mindful about the need to be prudent and to exercise restraint. He remarked that post-construction and post-system installation works of the two proposed projects would be absorbed by existing directorate officers in CAD after the expiry of the proposed supernumerary post. DGCA referred to the implementation timetable of the twin projects as set out in Enclosure 2 of EC(2007-08)1. As the earliest possible time for the commissioning of the ATC system and the first phase of commissioning the new CAD headquarters was December 2012, it was estimated that the supernumerary ADGCA post would be required for a period of at least five years and six months. He added that in drawing up the implementation timetable, the Administration had made reference to a similar project being pursued in Singapore. The project, involving the replacement of a new ATC system and the construction of an adjoining ATC centre, would require altogether six years or more to complete.

Charges for ATC services

10. Mr Howard YOUNG expressed support to the Administration's staffing proposal as the replacement of a new ATC system and the development of a new CAD headquarters would be in the interests of the aviation industry as well as the tourism and the business sectors. He recalled that for recovering the cost of commissioning the two proposed projects, the cost per flight using the Hong Kong International Airport (HKIA) would likely increase by about \$300 (i.e. about 6%) whereas no increase in respect of en-route navigation charge was envisaged. He re-iterated his concern that under the "user-pays" principle, it was fairer to require both overflying aircraft and aircraft using HKIA to shoulder the additional costs. If the cost per flight using HKIA could be lowered as a result, it might help attract more aircraft to land in Hong Kong and use HKIA. Citing the example of the aviation authority in Russia which collected relatively high ATC charges from overflying aircraft, Mr YOUNG urged the Administration to make reference to international practices in determining the level of ATC charges.

11. Taking note of Mr YOUNG's concern, DGCA explained that the future ATC service charges had been set having regard to the increase in the number of flights. As the number of flights using HKIA was expected to increase by 2013, it was estimated that the cost per flight would only increase mildly by about \$300 (i.e. about 6%). Likewise, it was not envisaged that the en-route navigation charge would see any significant change arising from the projects when the increased costs were expected to be cancelled out by the increased traffic. Moreover, in line with established international practices, overflying aircraft were now paying lower

charges than aircraft using HKIA because the operation of the latter involved a broader range of ATC services.

12. Mr Howard YOUNG further enquired whether the cost to be recovered had taken into account the implementation of the two proposed projects as well as the additional manpower resources in the current proposal.

13. In reply, DGCA confirmed that both the amortized project cost and the recurrent cost for providing ATC services had been taken into consideration in computing the ATC charges. On the recurrent staff cost, he elaborated that some 20 out of the 41 proposed non-directorate posts in the dedicated project team would be converted to permanent ATC-related posts by 2013. The recurrent cost of these posts as well as the proposed permanent CATCO post had been calculated towards the future ATC charges on an on-going basis. The remaining proposed posts in the team and the supernumerary ADGCA post would lapse by the first quarter of 2013 and hence, the related recurrent costs were time-limited.

14. The item was voted on and endorsed.

15. The Subcommittee was adjourned at 9:45 am.

Council Business Division 1
Legislative Council Secretariat
10 May 2007