

**立法會**  
**Legislative Council**

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by the Administration)

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**Panel on Manpower**

**Minutes of special meeting**  
**held on Monday, 11 June 2012, at 1:00 pm**  
**in Conference Room 1 of the Legislative Council Complex**

- Members present** : Hon LEE Cheuk-yan (Chairman)  
Hon LI Fung-ying, SBS, JP (Deputy Chairman)  
Hon CHEUNG Man-kwong  
Hon LEUNG Yiu-chung  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon WONG Kwok-hing, MH  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon CHEUNG Kwok-che  
Hon WONG Kwok-kin, BBS  
Hon LEUNG Kwok-hung
- Members attending** : Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon Cyd HO Sau-lan  
Hon Starry LEE Wai-king, JP  
Dr Hon Priscilla LEUNG Mei-fun, JP  
Dr Hon LEUNG Ka-lau  
Dr Hon Samson TAM Wai-ho, JP  
Hon WONG Yuk-man
- Members absent** : Hon Andrew CHENG Kar-foo  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon CHAN Kin-por, JP  
Hon Wong Sing-chi  
Hon IP Wai-ming, MH  
Hon IP Kwok-him, GBS, JP  
Dr Hon PAN Pey-chyou  
Hon Alan LEONG Kah-kit, SC

**Public officers attending** : Item I

Mrs Fanny LAW FAN Chiu-fun  
Head of the Chief Executive-elect's Office

Ms Alice LAU Yim  
Secretary-General of the Chief Executive-elect's Office

Ms Michelle LI Mei-sheung, JP  
Deputy Secretary for Education

Ms Doris CHEUNG Mei-chu, JP  
Deputy Secretary for Labour and Welfare (Welfare) 1

Ms Irene YOUNG Bick-kwan, JP  
Deputy Secretary for Labour and Welfare (Welfare) 2

Mrs Tonia LEUNG SO Suk-ching, JP  
Deputy Commissioner for Labour (Labour Administration) Acting

**Clerk in attendance** : Ms Alice LEUNG  
Chief Council Secretary (2) 1

**Staff in attendance** : Miss Josephine SO  
Senior Council Secretary (2) 7

Mr Ian CHOW  
Council Secretary (2) 1

Ms Kiwi NG  
Legislative Assistant (2) 1

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**I. Organization structure in relation to the policy areas pertaining to human resources proposed by the Chief Executive-elect**  
(CMAB F19/6/3/2, LC Paper Nos. CB(3)735/11-12, CB(2)1908/11-12(01), EC(2012-13)5 and IN25/11-12)

The Chairman said that as a quorum was not present within 15 minutes of the appointed time of this meeting which was originally intended to be a joint meeting of the Panel on Manpower, Panel on Education and Panel on Welfare Services and there was a quorum for the

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Panel on Manpower, Members present could decide if the joint meeting should become a special meeting of the Panel on Manpower. Members present agreed to the above arrangement.

Briefing by the Administration

2. At the invitation of the Chairman, Head of the Chief Executive-elect's Office ("H/CEEO") said that the creation of two Deputy Secretary of Department ("DSoD") posts sought to realize the two key policy objectives of the Chief Executive-elect ("CE-elect") i.e. promoting economic development and improving people's livelihood, and to enhance the communication between the executive and the legislature with a view to ensuring smooth implementation of policies. The Deputy Chief Secretary for Administration ("DCS") would share the workload of the Chief Secretary for Administration ("CS"). More specifically, DCS would assist CS in the formulation of long-term policies and coordinating the implementation of cross-cutting policies pertaining to human resources (including education, manpower planning and development, welfare planning, retirement protection and culture), including cooperation between the Hong Kong Special Administrative Region ("HKSAR") and the Mainland in these areas.

Discussions

3. Mr LEUNG Yiu-chung was concerned about the CE-elect's proposals to restructure the Government Secretariat currently comprising three Secretaries of Departments ("SoDs") and 12 Director of Bureau ("DoBs") to three SoDs, two DSoDs and 14 DoBs, and the substantial manpower resources to be involved in the establishment of the Government due to the expansion of DoBs. In his view, the proposals relating to the re-organization of the Government Secretariat ("re-organization proposals") were complicated and hence warranted detailed study by the Legislative Council ("LegCo"). He could not subscribe to some people's view that the discussions held by LegCo Members were lengthy and unnecessary. His view was echoed by Ms Cyd HO.

4. H/CEEO responded that the CE-elect's Office was aware of its obligation to answer questions raised by Members. She and her team had been cooperative in attending the meetings of various LegCo committees and in providing information to Members. So far, they had attended 20 meetings for discussion of the re-organization proposals.

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5. Referring to the Accountability System (also referred to as the Political Appointment System ("PAS")), Mr LEUNG Yiu-chung was of the view that there were inadequacies in the design and structure of the existing system. The next term Government should review the system in order to enhance the accountability of the politically-appointed officials ("PAOs") before seeking its further expansion. Mr LEUNG pointed out that the fact that Members did not indicate objection to the CE-elect's manifesto during his election campaign did not mean that they shared the governing philosophy of or supported the policy initiatives pledged by the CE-elect. The CE-elect should respect Members' wish to study in detail the re-organization proposals, after their introduction into LegCo. He also expressed concern about the scope of power to be exercised by the two DSoDs, the hierarchy in the proposed new structure of the Government and the future relationship between SoDs and DoBs upon the creation of the two DSoD posts.

6. In response, H/CEEO explained that the purposes of the proposed re-organization were (a) to enhance the capacity of the team of PAOs in reaching out and feeling the pulse of the community and stakeholders, so that policies would align more closely with public aspirations; (b) to strengthen the coordination of policy formulation and implementation that cut across policy programmes, and develop long-term plans; and (c) to step up efforts in expanding the economic base of Hong Kong by capitalizing on the opportunities arising from the rapid economic development on the Mainland and nurturing competitive industries. H/CEEO stressed that the re-organization proposals should be implemented on 1 July 2012 so that the new governing team would be in its full complement for vision alignment and work prioritization within the first three months of the new term Government. This would facilitate early formulation and implementation of policy measures for the delivery of the CE-elect's pledges in his election manifesto.

7. H/CEEO further said that in response to the strong call for a review of PAS, the CE-elect had undertaken to conduct a mid-term review of the existing system to consolidate the experience in implementing PAS in the past 10 years, to study the gap between the performance of PAS and the public expectations, and to set out performance targets of PAOs. In addition, the review would put in place a reward and penalty system, and put forward proposals to further improve PAS such as the pay adjustment mechanism and process of appointment. The Constitutional and Mainland Affairs Bureau had also reviewed the recommendations in the report of Independent Review Committee for the Prevention and Handling of

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Potential Conflicts of Interests, and would, in consultation with the CE-elect's Office, amend the Code for Officials under PAS as appropriate so that the amended Code would apply to the fourth-term Government. H/CEEO added that the CE-elect would discuss with members of his governing team whether they agreed to accept retrospective application of any additional requirements arising from the mid-term review.

8. In response to Mr LEUNG Yiu-chung's enquiry on how the salary of the DSoD rank was determined, H/CEEO advised that under the existing Government structure, the ranking of PAOs was: CS, the Financial Secretary ("FS"), the Secretary for Justice ("SJ"), followed by DoBs. To reflect the relative ranking and responsibilities among PAOs, there was a 3.5% differential in the monthly salary between each of the ranks of CS, FS, SJ and DoBs. In light of the above, it was proposed that the salary for DSoD be pitched midway between that for SJ and DoBs. As Members in general had expressed objection to the proposed increase of remuneration of PAOs which, in their view, should be justified by performance, the Administration had announced that the proposal to increase the remuneration of PAOs would not be pursued. The CE-elect had also announced that the entire political team of the next term Government would have their pay frozen at the present level, i.e. at the 2009 level following the voluntary pay cut of about 5.4%.

9. Regarding the proposed policy responsibilities of DCS and the Deputy Financial Secretary ("DFS"), H/CEEO advised that DCS was tasked to assist CS in manpower planning and development to meet the demands for human resources from various economic and social sectors of Hong Kong, and to maintain Hong Kong's competitiveness in the era of quest for talents in the 21<sup>st</sup> century. DFS was tasked to assist FS in economic development, formulating policies on industries, creating wealth for Hong Kong and providing more employment opportunities for Hong Kong people. The respective policy responsibilities of DCS and DFS had been set out in the Administration's submission of its staffing proposal to the Establishment Subcommittee. On the question of manpower resources required for the implementation of the proposed restructuring, H/CEEO advised that the establishment of various bureaux affected by the re-organization was in line with existing staffing standards.

10. Mr Frederick FUNG said that while he in principle supported the development of PAS in Hong Kong, he considered it necessary for the Administration to conduct a comprehensive and critical review of the existing structure of PAS and its efficiency as well as effectiveness in

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delivering government policies. The criteria used for selection of candidates as PAOs should also be reviewed. Mr FUNG further said that he was supportive of the proposal to set up a new Culture Bureau to take over the policy responsibilities on culture. He, however, queried the need for creating the two new DSoD posts under CS and FS respectively. In his view, smooth coordination in the formulation and implementation of government policies did not necessarily have to be achieved by creating an additional layer of PAOs. The work of the two proposed DSoDs would inevitably overlap to some degree with that of CS and FS, and might cause a delay in policy decision as the policy secretaries would need to route through an additional layer of administration.

11. On the need to create a new DSoD post under CS, H/CEEO advised that -

- (a) since the establishment of HKSAR, there were growing exchanges and integration between HKSAR and the Mainland. To coordinate the cooperation between HKSAR and the Mainland in social and economic developments, the workload of CS and FS had increased tremendously. In addition, with changes in the political environment of HKSAR and the thriving media, senior officials very often were pre-occupied with urgent and pressing political issues, resulting in insufficient time being given to medium and long term planning on structural social and economic policies, such as the ageing population and poverty problems that were important issues concerning people's livelihood;
- (b) to share some of CS's responsibilities, it was proposed that DCS be tasked to assist CS in coordinating policy formulation and implementation in policy areas pertaining to human resources (including education, manpower planning and development, welfare planning, and retirement protection) and culture. DCS would supervise three bureaux closely connected to these policy areas, namely, the Education Bureau ("EDB"), the Labour and Welfare Bureau ("LWB") and the proposed new Culture Bureau; and
- (c) with the support of DCS, CS could focus more on other cross-cutting policy issues requiring longer term planning, e.g. poverty alleviation and sustainable development, while maintaining direct supervision of six policy bureaux.

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In addition, CS would continue to oversee Hong Kong-Mainland affairs, in particular, cooperation with Guangdong and the operation of the Community Care Fund. CS would also have to provide leadership on constitutional development, including the implementation of universal suffrage for the selection of CE in 2017, and strengthening district administration.

12. Pointing out that policy issues pertaining to human resources, in particular manpower planning and development, welfare planning and retirement protection, were now under the purview of LWB, the Chairman queried the need for creating the DCS post given that the proposed responsibilities of DCS could be performed by the Secretary for Labour and Welfare. He also raised concern over the hierarchy in the proposed new structure of the Government and the scope of power to be exercised by the two DSoDs. In gist, he considered the proposal relating to the creation of the two new DoSD posts a duplication of structure.

13. H/CEEO responded that it was necessary to have a comprehensive government structure as envisioned by the CE-elect, in order to facilitate the smooth implementation of policy initiatives in his manifesto and to address the livelihood issues in a timely and effective manner. She pointed out that there had been criticisms in LegCo that there was a lack of coordination among policy bureaux and government departments on cross-cutting policies. As the public had high expectations of the new governing team to bring about changes to the current situation, the new term Government should be given the liberty to put in place a government structure which could better fulfill the policy objectives and priorities pledged by the CE-elect. H/CEEO stressed that there would be a clear delineation of role and responsibilities among SoDs, DSoDs and DoBs. As the assistant to CS, DCS would specifically oversee manpower planning and address manpower mismatch; improve education and cultural literacy; address the needs for an aging population through planning for healthcare, elderly services and retirement protection; formulate policy for the youth and children; and develop welfare planning. Under the leadership of CE, CS was still the head of PAOs and would continue to chair the Policy Committee every week to discuss and coordinate formulation of major policies with all DoBs. CS would work with FS on the priority of resource allocation in preparation for the annual Budget. Creation of the two DSoD posts would not affect the contact and communication of the DoBs with the two SoDs, nor would it attenuate CS's role in maintaining overall oversight of the government.

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14. On the CE-elect's proposal to create two DSoD posts, Ms Cyd HO shared a similar concern about the need to create an additional layer of PAOs under the politically appointed team. She noted that the specific responsibilities of DCS included overseeing manpower planning and addressing manpower mismatch, addressing the needs for an ageing population through planning for healthcare, elderly services and retirement protection and developing welfare planning. As DCS would need to conduct research and studies on relevant subject areas before taking forward any important proposals or decisions, she asked about the role of DCS as compared with that of the Central Policy Unit ("CPU").

15. In response, H/CEEO made the following points -

- (a) all SoDs and DoBs of the new term Government were expected to reach out to the community for gauging public sentiments and collecting public opinions, as well as to communicate with political parties and LegCo Members for fostering mutual trust and enhancing legitimacy of the Government;
- (b) as mentioned earlier, the two DSoDs would have specific responsibilities and directly supervise the operation of two or three closely related bureaux. The two DSoDs would report to their respective SoDs who would assign tasks to them as necessary;
- (c) taking the population policy as an example, CS was the Chairman of the Steering Committee of Population Policy. The scope of the population policy was very wide, with issues straddling across various bureaux and requiring in-depth studies. Similarly, a thorough study of the poverty problem, which involved various policies such as education, welfare, housing, employment and retraining, required harmonization and coordination in policy formulation and implementation. DCS would oversee issues which were directly related to EDB, LWB and the Culture Bureau in examining and formulating policies on manpower planning, population quality, issues on youth and children and ageing population. The coordination role of DCS was not only confined to the bureaux under his/her purview. For example, the study on retirement protection would involve the mandatory provident fund scheme under the Financial Services and the Treasury Bureau; and



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- (d) in sum, the creation of two DSoD posts aimed to enhance executive leadership, improve the relationship between the executive and the legislature, enhance coordination among departments, implement long term planning, better develop the economy and improve people's livelihood. CPU would complement and support the work of DSoDs.

16. In response to Ms Cyd HO's concern over the impact of the establishment of the Culture Bureau on freedom of creation and freedom of speech, H/CEEEO emphasized that the Administration's cultural policy was founded on respect for the freedom of creation and expression, and the new term Government had no intention to change this.

*(Members agreed to extend the meeting by 15 minutes.)*

17. Ms Cyd HO said that notwithstanding the above response from H/CEEEO, she remained unconvinced of the need for creating the DCS post. She requested the CE-elect's Office to provide more detailed information to explain the role and scope of responsibilities of DCS, with particular emphasis on whether there would be any overlapping between the work of DCS, DoBs reporting to CS and CPU.

CE-elect's  
Office

*(Post-meeting note: The requested information was issued to members vide LC Paper No. CB(2)2380/11-12 on 15 June 2012.)*

18. Mr LEUNG Yiu-chung expressed dissatisfaction that H/CEEEO failed to answer his two questions respectively on the need to review PAS and the reasons for setting the monthly salary of the DSoD rank at midway between that of SJ and DoBs.

19. In response, H/CEEEO explained that to reflect their relative ranking and responsibilities among PAOs and to avoid substantial changes to the existing salary structure of SoDs and DoBs, it was proposed that the monthly salary of the new rank of DSoD be pitched midway between those of SJ and DoB. As such, the monthly salary of a DSoD would be 101.75% of DoBs.

20. Ms Cyd HO asked whether an envelope of operating expenditure would be allocated to DCS for his/her deployment of resources among various policy areas when preparing the Estimates of Expenditure.

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21. H/CEEO responded that in the Administration's submission to the Finance Committee, the CE-elect Office had set out the major changes involved in the re-organization, including the resources required for the setting up of the DCS' and DFS' private offices and the supporting staff underpinning the two proposed new posts. Detailed budget for these two offices was being worked out.

22. Summing up the discussions, the Chairman said that Members' major concern was about the redundancy in organizational structure and unnecessary duplication of work resulting from the creation of two DSoD posts.

23. There being no other business, the meeting ended at 2:15 pm.

Council Business Division 2  
Legislative Council Secretariat  
2 August 2012