

## **INFORMATION NOTE**

### **Re-organization of the Government Secretariat**

#### **1. Background**

1.1 After the handover in 1997, the policy bureaux of the Government Secretariat were re-organized in 1999, 2000, 2002 and 2007 respectively. Of particular importance were the establishment of the Accountability System for Principal Officials in 2002 and the re-organization of the policy bureaux of the Government Secretariat in 2007.

1.2 In April 2012, the Administration advised that it would provide support to the Chief Executive-elect in re-organizing the Government Secretariat, so as to ensure that the new organization structure could be implemented on 1 July 2012. In this connection, a special meeting of the Panel on Constitutional Affairs will be held on 9 May 2012. To facilitate members' discussion, this information note summarizes the re-organizations of the policy bureaux after the handover with special reference to the one in 2007. Members' major concerns over the 2007 re-organization exercise are also discussed.

#### **2. Structure of the Government Secretariat in 1997**

2.1 The Government is organized into bureaux and departments. The bureaux, each headed by a Director of Bureau, collectively form the Government Secretariat. These Directors of Bureau and the three Secretaries of Department (i.e. the Chief Secretary for Administration, the Financial Secretary and the Secretary for Justice) are the most senior officials within the Government.

2.2 At the time the Hong Kong Special Administrative Region was formed in July 1997, there were 15 policy bureaux<sup>1</sup> at the Government Secretariat. While the three Secretaries of Department has been kept intact, the policy bureaux were re-organized in the ensuing years and the re-organizations are highlighted in the paragraphs below.

### **3. Re-organizations of policy bureaux after 1997**

#### Establishment of the Information Technology and Broadcasting Bureau in April 1999

3.1 The Broadcasting, Culture and Sport Bureau was restructured as the Information Technology and Broadcasting Bureau in April 1999. The change was to bring information technology, telecommunications and broadcasting under one roof. While retaining the broadcasting portfolio, the Secretary for Information Technology and Broadcasting took over from the Secretary for Economic Services and the Secretary for Treasury the policy responsibility for the co-ordination and development of information technology applications and telecommunications in the public and private sectors. Meanwhile, the policy responsibility for arts, culture, sports, physical recreation and entertainment licensing was transferred from the Secretary for Information Technology and Broadcasting to the Secretary for Home Affairs.

3.2 The transfer of statutory function was effected by way of a resolution<sup>2</sup> made under section 54A of the *Interpretation and General Clauses Ordinance* (Cap. 1). On 7 April 1998, the Provisional Legislative Council passed the Resolution moved by the Secretary for Broadcasting, Culture and Sport, to effect the transfer of functions exercisable by the concerned Bureau Secretaries. After this re-organization, there were still 15 policy bureaux and thus the basic structure of the Government Secretariat remained unchanged.

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<sup>1</sup> They were the Broadcasting, Culture and Sport Bureau, the Civil Services Bureau, the Commerce and Industry Bureau, the Constitutional Affairs Bureau, the Economic Services Bureau, the Education and Manpower Bureau, the Financial Services Bureau, the Health and Welfare Bureau, the Home Affairs Bureau, the Housing Bureau, the Planning, Environment and Lands Bureau, the Public Works Bureau, the Security Bureau, the Transport Bureau, and The Treasury.

<sup>2</sup> The benefit of adopting this approach was that it would not involve substantive amendments to the statutory functions (including powers and duties) provided for in the relevant ordinances.

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### Setting up of a new institutional framework for the delivery of municipal services in January 2000

3.3 The Administration decided to introduce structural changes for the delivery of municipal services and dissolve the two Provisional Municipal Councils after the terms of office of the incumbent members expired at the end of 1999. In order to effect the related change of the administrative structure, the *Provision of Municipal Services (Reorganization) Bill* was gazetted on 23 April 1999.<sup>3</sup>

3.4 Under the *Bill*, the Government resumes responsibility for the delivery of municipal services effective from 1 January 2000, including all functions relating to food safety and environmental hygiene, as well as the main responsibilities for leisure and cultural services. A new policy bureau and two new departments<sup>4</sup> would be established to undertake the above responsibilities.

3.5 The *Bill* was passed on 2 December 1999. With the establishment of a new policy bureau, the Environment and Food Bureau, in this re-organization exercise, there were 16 policy bureaux in total at the Government Secretariat in 2000.

### Introduction of the Accountability System for Principal Officials in July 2002

3.6 In his address to the Legislative Council at the Question and Answer Session on 17 April 2002, the Chief Executive presented the framework of the Accountability System for Principal Officials and the details relating to its implementation. The purpose of introducing the Accountability System was to enable Principal Officials to assume responsibility for their policy portfolios, share a common agenda and have clear directions.

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<sup>3</sup> It was only in this re-organization exercise that the changes were effected by way of legislation. The other three re-organization exercises mentioned in this information note were all effected by way of a resolution.

<sup>4</sup> They were the Environment and Food Bureau, the Food and Environmental Hygiene Department and the Leisure and Cultural Services Department.

3.7 A couple of major changes were introduced under the re-organization exercise. Firstly, the original 16 policy bureaux were revised to 11<sup>5</sup> to facilitate better deployment of resources and closer co-ordination of policy portfolios. Each bureau was headed by a Director of Bureau. In addition to the three Secretaries of Department, these 11 Directors of Bureau comprised the 14 Principal Officials under the Accountability System.

3.8 Secondly, a new system of employment would be introduced into the highest level of Government under the Chief Executive, namely the Secretaries of Department and the Directors of Bureau. These 14 Principal Officials would be employed on terms and conditions different from those of the civil service. They would be accountable to the Chief Executive. Civil servants previously filling the positions of directors of bureaux would be re-titled Permanent Secretaries and be responsible to their respective Principal Officials, with the terms and conditions of service unchanged.

3.9 The above re-organization exercise was effected by way of a resolution made under section 54A of the *Interpretation and General Clauses Ordinance*. On 19 June 2002, the Council passed the Resolution moved by the Secretary for Constitutional Affairs to effect the transfer of statutory functions arising from the re-organization. An Order to amend Schedule 6 to the *Interpretation and General Clauses Ordinance* was gazetted on 26 June 2002 to reflect the changes to the post titles of the various Directors of Bureau who were to take charge of the re-organized bureaux. After the realignment of the portfolios of some of the existing bureaux, there were a total of 11 policy bureaux. This compared with 16 policy bureaux established before the re-organization exercise in 2002.

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<sup>5</sup> They were the Civil Service Bureau, the Commerce, Industry and Technology Bureau, the Constitutional Affairs Bureau, the Economic Development and Labour Bureau, the Education and Manpower Bureau, the Environment, Transport and Works Bureau, the Financial Services and Treasury Bureau, the Health, Welfare and Food Bureau, the Home Affairs Bureau, the Housing, Planning and Lands Bureau, and the Security Bureau.

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## Re-organization of policy bureaux of the Government Secretariat in July 2007

3.10 On 3 May 2007, the Chief Executive announced a plan to re-organize the policy bureaux of the Government Secretariat with effect from 1 July 2007. He explained that economic, social and other developments experienced by Hong Kong after the implementation of the Accountability System in 2002 necessitated a change of the government structure to enable Hong Kong to meet the challenges which the third-term Government had to address. In addition, there was also a need to ensure an even distribution of work among policy bureaux.

3.11 Pursuant to the re-organization, there would be 12 bureaux, with the net addition of one, being the Labour and Welfare Bureau. Each bureau would be headed by a Director of Bureau. Meanwhile, the re-organization also involved realignment of the responsibilities of eight of the 11 existing bureaux.<sup>6</sup>

3.12 On 14 June 2007, the Council passed the Resolution moved by the Secretary for Constitutional Affairs on the proposed re-organization of policy bureaux. After completing the legislative process, the third-term Government was subsequently inaugurated on 1 July 2007 (see **Appendix** for the chronology of events concerning the re-organization of policy bureaux of the Government Secretariat in 2007). The Government Secretariat has hitherto remained unchanged that comprises:

- (a) the three Secretaries, namely the Chief Secretary for Administration, the Financial Secretary and the Secretary for Justice; and
- (b) 12 bureaux: the Civil Service Bureau, the Commerce and Economic Development Bureau, the Constitutional and Mainland Affairs Bureau, the Development Bureau, the Education Bureau, the Environment Bureau, the Financial Services and the Treasury Bureau, the Food and Health Bureau, the Home Affairs Bureau, the Labour and Welfare Bureau, the Security Bureau, and the Transport and Housing Bureau.

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<sup>6</sup> Only the Civil Service Bureau, the Financial Services and Treasury Bureau and the Security Bureau were not affected by the re-organization.

#### **4. Major concerns raised by members regarding the re-organization of policy bureaux in 2007**

4.1 Some members raised a number of concerns when deliberating the re-organization of the policy bureaux in 2007, which are summarized as follows:

##### Timetable and public consultation for the re-organization exercise

4.2 At the meeting of the Panel on Constitutional Affairs held on 8 May 2007, the Administration stated that it would submit a proposal of changes in the Government Secretariat structure consequential to the proposed re-organization to the Establishment Subcommittee on 22 May 2007 and the Finance Committee in early June 2007. In addition, the Administration would give notice on 23 May 2007 to move a Resolution under section 54A of the *Interpretation and General Clauses Ordinance* at the Council meeting on 13 June 2007 to effect the transfer of statutory functions arising from the re-organization. The *Interpretation and General Clauses Ordinance (Replacement of Schedule 6) Order 2007* was gazetted on 29 June 2007. The Order was to amend the list of public officers specified in Schedule 6 to the *Interpretation and General Clauses Ordinance*, thereby reflecting the changes to the post titles of the various Directors of Bureaux who were to take charge of the re-organized bureaux.

4.3 Some members criticised the tight timetable proposed by the Administration and queried the need for the proposed re-organization to be implemented on 1 July 2007. They also considered that the Administration should consult the public on the proposed re-organization before implementation.<sup>7</sup> The Chief Secretary for Administration should also attend meetings of the Panel on Constitutional Affairs to explain the details of the proposed re-organization to members.

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<sup>7</sup> The Panel on Constitutional Affairs had invited submissions on the proposed re-organizations and received views from the public at its meetings on 18 and 26 May 2007.

4.4 In addressing the members' concerns, the Administration stated that it had, in the context of consulting the community, Members and various advisory groups, received feedback that there was a need to review the alignment of policy responsibilities to take account of the changes in workload and scope of policy bureaux. In his election platform, the Chief Executive highlighted, among other things, that there was also a need to ensure an even distribution of work among policy bureaux. In response to the comments received and in order to honour his election pledges, the Chief Executive decided to re-organize the Government Secretariat with effect from 1 July 2007.

4.5 The Administration also stated that following the Chief Executive election in March 2007, it took weeks to finalize the re-organization proposal before the Chief Executive could make a formal announcement on 3 May 2007. It was the intention of the Administration that the proposed re-organization would be implemented for the third term Government on 1 July 2007.

#### Review of the Accountability System for Principal Officials

4.6 Some members were of the view that it was logical and reasonable for the Council to first discuss the operation of the Accountability System, such as whether it had achieved its objectives, before proceeding to discuss the proposed re-organization of the policy bureaux and the related legislative amendments.

4.7 The Administration responded that the Consultation Document entitled "Further Development of the Political Appointment System" was issued in July 2006. Chapter 1 of the Consultation Document set out the development of the Accountability System since July 2002. The Administration would analyse the views collected during the consultation period and announce its decision on the way forward accordingly. It would also address any issues relating to the Accountability System in the context of this consultation exercise.

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## Role and responsibilities of Principal Officials and civil servants

4.8 Some members expressed concern about the unclear division of the role and responsibilities between Principal Officials and civil servants under the Accountability System. They questioned how senior civil servants, who were often required to undertake political work such as explaining Government policies to Members, could maintain political neutrality.

4.9 The Administration explained that civil servants should support the work of Principal Officials by explaining policies decided by the Government of the day to Members, the public and the media, and helping to secure the support of the community and the Council on Government policies. Undertaking political work of this nature was not in conflict with the political impartiality of the civil service.

## Distribution of responsibilities among policy bureaux

4.10 As regards the distribution of responsibilities among policy bureaux, some members expressed concern about the portfolios of individual policy bureaux and the rationale of transferring specified policy responsibility to another policy bureau. For example, some members considered that it might not be appropriate to place external transportation and housing matters under the same policy bureau (i.e. the Transport and Housing Bureau), as air services and maritime transport involved international agreements and were totally unrelated to local housing policy. There were other members who opined that it was inappropriate to put heritage conservation under the Development Bureau, in view of the possible conflict between early implementation of infrastructural projects and heritage conservation.

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Prepared by Jackie WU and Yuki HUEN  
8 May 2012  
Tel: 3919 3631/3919 3638

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## Appendix

### Chronology of events concerning the re-organization of policy bureaux of the Government Secretariat in 2007

Date(s)	Events
3 May 2007	The Chief Executive ("CE") announced a plan to re-organize the policy bureaux of the Government Secretariat with effect from 1 July 2007.
From 8 to 26 May 2007	The Panel on Constitutional Affairs held five meetings to discuss and receive views on the proposed re-organization of the policy bureaux and related issues. The Panel considered the changes in the civil service organizational structure, the changes to the 2007-2008 Estimates of Expenditure consequential to the proposed re-organization, and the nature of the legislative amendments to be introduced to effect the transfer of statutory functions arising from the re-organization.
18 May 2007	In anticipation of a notice to be given by the Administration to move a resolution on the proposed re-organization of policy bureaux, the House Committee formed a subcommittee to commence scrutiny of the legislative amendments relating to the proposed re-organization.
From 23 to 31 May 2007	The Subcommittee on Legislative Amendments Relating to the Proposed Re-organization of Policy Bureaux of the Government Secretariat ("the Subcommittee") held a total of six meetings <sup>(1)</sup> to complete its scrutiny work.
22 May 2007	The Establishment Subcommittee endorsed the staffing proposal related to the re-organization.
23 May 2007	The then Secretary for Constitutional Affairs gave notice of moving a Resolution under section 54A of the <i>Interpretation and General Clauses Ordinance</i> (Cap. 1) at the Council meeting of 13 June 2007 for the purpose of giving effect to the transfer of statutory functions from the affected Directors of Bureaux to Directors of Bureaux of the re-organized bureaux.

Note: (1) One of the six meetings of the Subcommittee was for the election of Chairman only.

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**Appendix (cont'd)**
**Chronology of events concerning the re-organization  
of policy bureaux of the Government Secretariat in 2007**

Date(s)	Events
1 June 2007	The Chairman of the Subcommittee made a verbal report on its deliberations to the House Committee.
8 June 2007	The Subcommittee made a written report to the House Committee.
12 June 2007	The Finance Committee approved the staffing proposal related to the re-organization.
14 June 2007	The Council passed the resolution moved by the then Secretary for Constitutional Affairs.
23 June 2007	The third-term CE announced that the Central People's Government had, on his nomination, approved the appointment of Principal Officials (including the three Secretaries and 12 Directors of Bureaux) for the third-term Hong Kong Special Administrative Region Government.
29 June 2007	The <i>Interpretation and General Clauses Ordinance (Replacement of Schedule 6) Order 2007</i> to amend the list of public officers specified in Schedule 6 to Cap. 1 so as to reflect the changes to the post titles of the various Directors of Bureaux who were to take charge of the re-organized bureaux was gazetted.
1 July 2007	Inauguration of the third-term Hong Kong Special Administrative Region Government.

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