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Panel on Public Service

Meeting on 20 November 2017

**Background brief on
Central Policy Unit Re-organization**

Purpose

This paper provides background information of the function and structure of the Central Policy Unit ("CPU"), and the Administration's proposal to re-organize CPU. It also gives a brief account of past discussions of the Legislative Council ("LegCo") and its committees since the Fifth LegCo on the role, functions and work of CPU.

Background

Function and structure of CPU

2. CPU was established in April 1989 and has retained its structure after 1997. According to CPU's website,¹ CPU's major function is to provide an alternative source of advice on policy matters to the Chief Executive ("CE"), the Chief Secretary for Administration ("CS") and the Financial Secretary ("FS"). The work of CPU includes:

- (a) conducting policy researches on social, political and economic spheres and specific topics assigned by CE, CS and FS, in particular those affecting "cross-bureaux" policies;
- (b) coordinating with policy bureaux for the drafting of CE's annual Policy Address;
- (c) encouraging community discussions and participations in public policy formulation;

¹ Source: http://www.cpu.gov.hk/en/about_us/about_cpu.html (position as at 30 June 2017)

- (d) assessing public opinions for Government's reference in decision making, through various means such as public opinion polls, focus group discussions, social networking and dialogue;
- (e) undertaking work for the Hong Kong/Guangdong Strategic Development Research Group,² including initiating researches in support of Hong Kong/Guangdong cooperation; and
- (f) providing secretariat support for the Commission on Strategic Development ("CSD").³

3. CPU's establishment comprises the Head, his Deputy, members, senior researchers, researchers and other full-time core staff and supporting personnel. The Head, members and the researchers are employed on contract. In addition, CPU consults regularly some 30 associate members drawn from different sectors.

CPU re-organization

4. With a view to fostering public participation in policy formulation and cross-bureau and inter-departmental co-ordination, CE pledged in her election manifesto and announced in the 2017 Policy Address to revamp CPU as the Policy Innovation and Co-ordination Unit ("PICU"), and the Administration is conducting a review on CPU accordingly. As stated in the 2017 Policy Address, PICU will be responsible for:

- (a) policy research and innovation;
- (b) co-ordination across bureaux and departments ("B/Ds"); and
- (c) enhancing public participation and providing assistance in co-ordination work for cross-bureaux policies selected by the senior leadership of the Government;

Young people will be recruited to join PICU to be engaged in policy research as well as policy and project co-ordination.

² The Hong Kong/Guangdong Strategic Development Research Group was established in 2003 under the Hong Kong/Guangdong Co-operation Joint Conference. Members include officials from Central Policy Unit of the Hong Kong Special Administrative Region Government and Hong Kong and Macao Affairs Office of the Guangdong Provincial Government.

³ CSD is an advisory body established in 1998 to explore the way forward for Hong Kong's long-term development strategies. It is chaired by CE and talents from different fields are invited to join in.

Members' deliberations

Role and Functions of CPU

5. When the Administration proposed in 2012 to create a permanent non-civil service position of full-time member in CPU, in addition to the three existing members, some Members had expressed concerns at meetings of the Panel on Public Service ("PS Panel"), Panel on Constitutional Affairs, House Committee, Finance Committee and LegCo that CPU was taking on new functions deviated from CPU's main role of as a "think tank" providing advice to top government officials as there were reports that all appointments to public offices of advisory and statutory bodies ("ASBs") had to be reported to a newly appointed full-time member of CPU and this would undermine B/Ds' power in this aspect. These Members queried whether CPU member could exert great influence on the appointment process.

6. The Administration advised that cultivating talents was not a new function of CPU. When attending the Special House Committee meeting in November 2012, the then CS pointed out that CPU had to keep pace with changing times and adjust the topics on which it should render advice and conduct research. As the then CE considered cultivation of talents was of paramount importance, CPU was tasked with advising the Government on cultivation of talents.

7. The Administration also advised about the appointment procedures for members of ASBs in that B/Ds were responsible for the appointment procedures for ASBs under their purview and would draw up lists of candidates for consideration by the appointment authorities. CPU would give advice to bureaux with a view to bringing in more talents from different sectors, as well as avoiding the appointment of the same candidate to different bodies when he or she was nominated concurrently by different bureaux. The Administration stressed that CPU's role was limited to giving advice or recommendations on potential candidates. Bureaux/appointment authorities would decide the final nomination list and appointment list. The Administration had not required bureaux to report to CPU before the appointment of members to ASBs, nor empowered or entrusted CPU to approve, decide on or veto the appointments of candidates nominated by bureaux. The chairpersons and members of major ASBs had all along been appointed in accordance with the relevant legislation or administrative procedures.

8. At the PS Panel meeting on 19 November 2012, some members expressed grave concern that CPU would launch public opinion campaigns to lobby for public support for government policies and such new work approach would politicize the society and subvert the proven systems in Hong Kong.

9. The Administration stressed that the functions and role of CPU as an internal think tank offering advice to CE, CS and FS remained unchanged since its establishment in 1989. The advice offered by CPU covered a wide spectrum of issues with no specific restriction on the topics. However, CPU would just collect and analyze public opinions for the Government's reference in making decisions, and would not take over any role and functions of bureaux. It was not CPU's responsibility to publicize government policies or clarify Government stance, and it had not deployed the tactic of sounding out ideas to the mass media.

Research work of CPU

10. Members asked at the PS Panel meeting on 19 November 2012 whether the research works conducted by CPU and bureaux/public organizations would be overlapped. The Administration clarified that as the research capacity of individual bureaux was relatively limited and a lot of policies straddled different bureaux, CPU could play a supporting and co-ordinating role in the research for these policies.

Transparency of the work of CPU

11. At the LegCo meetings held on 26 February 2014 and 27 April 2017, as well as the PS Panel meeting held on 19 November 2012, Members commented that CPU's work lacked transparency and requested CPU to publicize its opinion poll findings and research reports. The Administration explained that as a unit tasked to provide advice to the top Government officials, the opinion polls were mainly conducted or commissioned by CPU for the Government's internal reference and were normally not released to the public. On the other hand, CPU would make public the contents of research reports as far as possible, provided that such disclosure would neither affect the proper and effective conduct of the research work of CPU, nor inhibit the frankness and candour of discussion within the Government.

Latest position

12. The Administration will brief the PS Panel on the outcome of the CPU review and the new organization structure of PICU at the Panel meeting on 20 November 2017.

Relevant papers

13. A list of relevant papers is in **Appendix**.

Council Business Division 4
Legislative Council Secretariat
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Central Policy Unit re-organization

List of relevant papers

Meeting	Date of meeting	Paper
Panel on Constitutional Affairs	21.1.2013	Minutes Administration's follow-up paper
Panel on Public Service	19.11.2012	Paper provided by the Administration Background brief prepared by the Legislative Council Secretariat Minutes
House Committee	23.11.2012	Verbatim record of the proceedings
Council Meeting	28.11.2012	Official record of proceedings pages 6-19 (Oral question raised by Hon Albert HO)
	26.2.2014	Official record of proceedings pages 66-78 (Written question raised by Hon WU Chi-wai)
	27.4.2017	Official record of proceedings page 200
Finance Committee	5.4.2017	Controlling Officer's Reply (Reply serial No. CSO032)
		Controlling Officer's Reply (Reply serial No. S-CSO07)
		Controlling Officer's Reply (Reply serial No. S-CSO08)