

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 31 – CUSTOMS AND EXCISE DEPARTMENT Subhead 000 Operational expenses

Members are invited to recommend to Finance Committee the creation of the following permanent post in the Customs and Excise Department with immediate effect upon approval of the Finance Committee –

1 Assistant Commissioner of Customs and Excise
(GDS(C)2) (\$179,350 - \$196,050)

To be offset by the deletion of the following permanent post –

1 Administrative Officer Staff Grade C
(D2) (\$179,350 - \$196,050)

PROBLEM

We need to rationalise the directorate support for the Administration and Human Resource Development Branch (AD Branch) in the Customs and Excise Department (C&ED) to ensure continued provision of pertinent professional support for C&ED to cope with the increasingly complex duties and heavy workload.

PROPOSAL

2. We propose to create one permanent Assistant Commissioner of Customs and Excise (AC of C&E) (GDS(C)2 or D2-equivalent) post, designated as Assistant Commissioner (Administration and Human Resource Development) (AC(AD)), to be offset by deleting one permanent Customs Civil Secretary (CCS) post ranked at Administrative Officer Staff Grade C (AOSGC) (D2), in C&ED.

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JUSTIFICATION

Organisation of C&ED

3. C&ED is headed by the Commissioner of Customs and Excise (GDS(C)4 or D6-equivalent) who is underpinned by one Deputy Commissioner (GDS(C)3 or D3-equivalent) and five directorate officers (GDS(C)2 or D2-equivalent), each overseeing a different branch, namely the AD Branch^{Note}, the Boundary and Ports Branch, the Excise and Strategic Support Branch, the Intelligence and Investigation Branch, and the Trade Controls Branch. The organisational chart of C&ED is at Enclosure 1.

Encl. 1

4. C&ED oversees a wide range of duties, including protection of the Hong Kong Special Administrative Region (HKSAR) against smuggling; protection and collection of Government revenue on dutiable goods; detection and deterrence of narcotics trafficking and abuse of controlled drugs; protection of intellectual property rights; protection of consumer interests; regulation of money service operators; protection and facilitation of legitimate trade and upholding of HKSAR's trading integrity. The present division of responsibilities among the aforesaid five directorate officers under their respective branches ensures an optimal organisational structure to support effective operation of C&ED.

Diversifying Duties and Increasing Workload of C&ED

5. Over the years, the range of duties performed by C&ED has become more diversified and sophisticated. Apart from the more traditional duties of conducting customs clearance of passengers and goods, preventing smuggling and protecting revenue, etc., C&ED has shouldered numerous other responsibilities. Some recent examples include taking up enforcement work against false trade descriptions and unfair trade practice in respect of both goods and services; implementing trade facilitation measures such as the Trade Single Window; contributing to efforts on anti-money laundering and counter-terrorist financing, etc. Following the commissioning of new boundary control points in recent years, viz the West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port and the Heung Yuen Wai Boundary Control Point, the workload of C&ED has also increased and diversified significantly. To cope with the increasing responsibilities, the establishment of C&ED increased from about 5 000 in August 2006 to over 7 400 in March 2021, representing an increase of 48%. C&ED's annual expenditure surged from \$1,853 million in 2006-07 to \$4,559 million in 2019-20, representing an increase of 146%.

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^{Note} AD Branch is currently headed by an AC of C&E, a supernumerary post first created in 2006, held against a vacant CCS post.

6. We foresee that the responsibilities of C&ED will further expand in the future and this will bring more demands and pressure to the services of C&ED on various fronts. For instance, the Greater Bay Area Development and the Belt and Road Initiative will necessitate closer and heavier cross-boundary traffic, trade, liaison and co-operation with the Mainland and overseas regions; the widespread concerns on consumer rights and protection will call for enhanced law enforcement and intervention.

Roles of the Head of AD Branch

7. The AD Branch is currently headed by AC(AD). The AD Branch performs the following functions –

- (a) general administration and financial management;
- (b) human resource management (including dealing with career posting, succession, integrity management, conduct and discipline matters) and central administration support;
- (c) training and recruitment;
- (d) formulation and review of legislation, orders and procedures as well as systems with departmental-wide implications;
- (e) prosecution of Customs offence-related cases; and
- (f) investigation of public and/or staff complaints.

Encl. 2 The job description of the AC(AD) post is at Enclosure 2.

8. The above functions, in particular those related to human resources, training and recruitment, administration and financial management, are inter-related and have Customs and Excise (C&E) Service-wide implications. They are placed under the AD Branch to achieve synergy and effective co-ordination. Other functions such as prosecution of Customs offence-related cases, investigation of complaints and review of legislation, orders and procedures are placed in the AD Branch separate from other operational Branches so as to allow suitable checks and balances.

9. In order to carry out the above functions effectively, the AD Branch necessitates the steer of a directorate officer with strong professional knowledge and rich experience in Customs work to understand the operational needs and intricacy. Failing that, some of the AD Branch's functions, such as prosecution of

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Customs offence-related cases, review of legislation, orders and systems would have to be taken up by other ACs of C&E who are already fully occupied with their respective schedules.

Need for a Permanent AC of C&E Post

10. With C&ED's more diversified and sophisticated portfolio over the years and to meet the development and challenges of C&ED, the organisational structure and functions among the Branches have been streamlined, enhanced and rationalised. The role of the AD Branch in providing both administrative and C&E Service support has become more important, and there is a need to rationalise the directorate support for the AD Branch. Given the functions set out in paragraphs 7 to 9 above, the effective discharge of duties in the AD Branch requires the steer from a directorate officer with the requisite Customs knowledge and experience. The practical experience in performing Customs duties and resolving related problems of the proposed directorate officer is also essential for better underpinning the senior management of C&ED in setting organisational goals, planning for future development as well as defining policies and strategies. Therefore, we propose to create a permanent AC of C&E post, to be offset by deleting the CCS post, to head the AD Branch. This will ensure the continued professional support to other senior directorate officers of C&ED and the optimal distribution of duties among the different Branch heads.

Non-directorate support

11. In addition to the proposed permanent AC of C&E post, as at 1 March 2021, there were 494 non-directorate posts under the AD Branch, including 433 permanent posts and 61 time-limited posts. These non-directorate posts support the daily operation of the AD Branch.

ALTERNATIVES CONSIDERED

12. We have critically examined whether the duties of the proposed directorate post could be absorbed by the existing ACs of C&E. It is considered operationally unviable as the other ACs of C&E are already fully occupied with their respective schedules and would not be able to absorb duties without compromising the delivery of their existing duties.

13. We have also critically examined the option of retaining the CCS post. In view of the continuous need for an AC of C&E to render professional and C&E Service support to the C&ED senior management to cope with present and future challenges, we consider the proposal to rationalise the AC(AD) post the most desirable option.

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FINANCIAL IMPLICATIONS

14. The proposed creation of one permanent AC of C&E post to be offset by the deletion of one permanent AOSGC post (i.e. the CCS post) will involve no change on notional annual salary cost at mid-point. The additional full annual average staff cost of the proposal, including salaries and staff on-cost, is about \$219,000. C&ED will absorb the cost of the AC of C&E post from its own resources.

PUBLIC CONSULTATION

15. We consulted the Legislative Council Panel on Security on 3 November 2020. Members supported the proposal.

ESTABLISHMENT CHANGES

16. The establishment changes in C&ED for the past three years are as follows –

Establishment (Note)	Number of Posts			
	Existing (as at 1 March 2021)	As at 1 April 2020	As at 1 April 2019	As at 1 April 2018
A	9+(1)	9+(1)	9+(1)	9+(1)
B	1 219	1 177	1 151	1 096
C	6 176	6 131	5 853	5 211
Total	7 404+(1)	7 317+(1)	7 013+(1)	6 316+(1)

Note:

- A - ranks in the directorate pay scale or equivalent
- B - non-directorate ranks, the maximum pay point of which is above MPS Point 33 or equivalent
- C - non-directorate ranks, the maximum pay point of which is at or below MPS Point 33 or equivalent
- () - number of supernumerary directorate post

CIVIL SERVICE BUREAU COMMENTS

17. The Civil Service Bureau supports the proposed creation of one permanent AC of C&E post to be offset by deleting one permanent AOSGC post in C&ED. The grading and ranking of the proposed post are considered appropriate having regard to the level and scope of responsibilities.

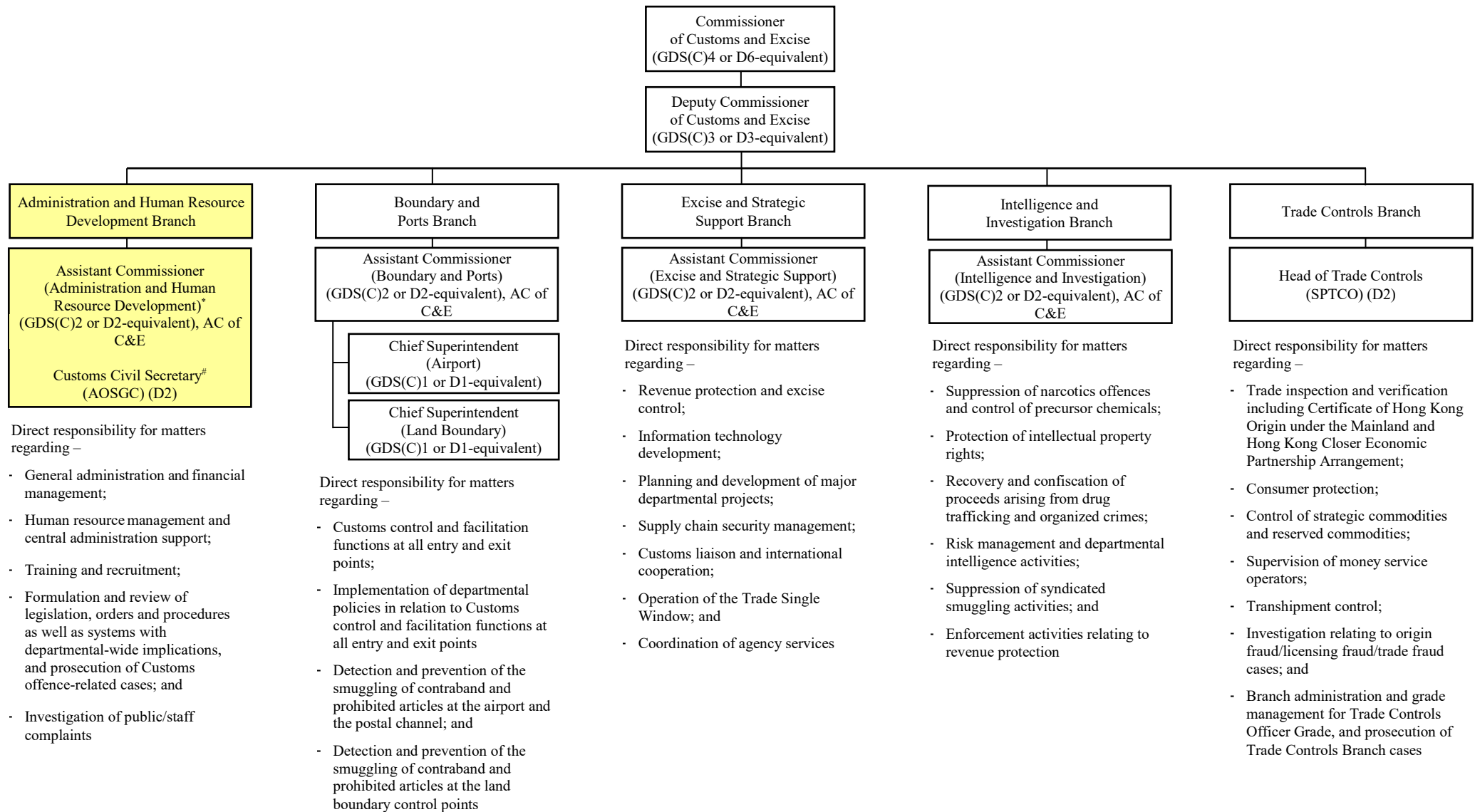
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ADVICE OF THE STANDING COMMITTEE ON DISCIPLINED SERVICES SALARIES AND CONDITIONS OF SERVICE AND THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

18. The Standing Committee on Disciplined Services Salaries and Conditions of Service has advised that the grading proposed for the permanent directorate post is appropriate, and the Standing Committee on Directorate Salaries and Conditions of Service has advised that the proposed deletion of one permanent AOSGC post is agreeable.

Security Bureau
Customs and Excise Department
March 2021

Existing and Proposed Organisation Chart of the Customs and Excise Department



Legend:

- AC of C&E - Assistant Commissioner of Customs and Excise
- AOSGC - Administrative Officer Staff Grade C
- GDS(C) - General Disciplined Services (Commander)
- SPTCO - Senior Principal Trade Controls Officer
- * - Permanent post proposed for creation
- # - Permanent post proposed for deletion

Job Description
**Assistant Commissioner (Administration and Human Resource
Development)**

Rank : Assistant Commissioner of Customs and Excise (GDS(C)2,
D2-equivalent)

Responsible to : Deputy Commissioner of Customs and Excise (GDS(C)3,
D3-equivalent)

Major Duties and Responsibilities –

- (i) To supervise the day-to-day operation of the Office of Departmental Administration, the Office of Financial Administration, the Office of Service Administration, the Office of Training and Development, the Office of Prosecution and Management Support, the Complaints Investigation Group, the Integrity Management Group; and to formulate work plans for these offices.
- (ii) To direct and supervise activities in relation to departmental administration, financial management and human resource management of the Department.
- (iii) To oversee all departmental training and recruitment policies, including staff development and training need analysis.
- (iv) To oversee matters relating to formulation and review of legislation, orders and procedures, as well as systems with departmental-wide implications; and prosecution of Customs offence-related cases.
- (v) To oversee the handling and investigation of public and staff complaints.
- (vi) To review administrative and financial practices in the Department with a view to streamlining procedures across major formations, e.g. vetting of resource bids, tender of seizure transportation service, as well as payment of overtime and job-related allowances, etc.
- (vii) To co-ordinate departmental returns for the Legislative Council Special Finance Committee meetings.
