

Head 145 — GOVERNMENT SECRETARIAT: ECONOMIC SERVICES BUREAU

Controlling officer: the Secretary for Economic Services will account for expenditure under this Head.

Estimate 2001–02	\$104.4m
Establishment ceiling 2001–02 (notional annual mid-point salary value) representing an estimated 99 non-directorate posts at 31 March 2001 rising by 11 posts to 110 posts at 31 March 2002	\$46.2m
In addition there will be an estimated 17 directorate posts at 31 March 2001 and at 31 March 2002.	
Capital Account commitment balance	\$9.2m

Controlling Officer's Report

Programmes

Programme (1) Air and Sea Communications	This programme contributes to Policy Area 3: Air and Sea Communications (Secretary for Economic Services).
Programme (2) Posts, Power and Competition Policy	This programme contributes to Policy Area 4: Posts, Power and Competition Policy (Secretary for Economic Services).
Programme (3) Public Safety	This programme contributes to Policy Area 7: Public Safety (Secretary for Economic Services).
Programme (4) Travel, Tourism and Consumer Protection	This programme contributes to Policy Area 5: Travel, Tourism and Consumer Protection (Secretary for Economic Services).

Detail

Programme (1): Air and Sea Communications

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	30.2	33.0 (+9.3%)	35.6 (+7.9%)	32.0 (–10.1%)

Aim

2 The aim is to maintain and develop further Hong Kong's position as a centre of international and regional aviation by ensuring continued compliance with relevant international obligations and standards, provision of sufficient airport capacity to meet demand, high standard of civil aviation management and facilitating the continued development of safe and reasonably priced air links to a wide range of destinations to meet the needs of the travelling public and shippers; to promote shipping safety and to ensure continued compliance with relevant international standards of ships registered in Hong Kong or registered elsewhere which visit our port; to ensure that the port of Hong Kong is able to expand so as to simultaneously sustain Hong Kong's economic growth and meet the demands of trade; and to promote the development of Hong Kong as an international transport and logistics hub.

Brief Description

3 The bureau's main responsibility under this programme is to formulate and implement policies on all aspects of civil aviation, shipping and port development, and logistics service development.

Matters Requiring Special Attention in 2001–02

4 During 2001–02, the bureau will:

- liaise with the Airport Authority to take forward initiatives that will ensure adequate airport capacity and further improve airport services;
- maintain an effective civil aviation management system;
- work to ensure that air services meet market demands and further develop Hong Kong as an international and regional aviation centre;
- work to improve efficiency in existing port operations;
- work to develop logistics services in Hong Kong; and
- apply new and revised international maritime standards to Hong Kong.

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Programme (2): Posts, Power and Competition Policy

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	10.7	12.2 (+14.0%)	13.3 (+9.0%)	21.0 (+57.9%)

Aim

5 The aim is to promote economic efficiency in the delivery of postal services; to ensure an adequate and reliable supply of energy, at reasonable cost, to the different sectors of the economy; to monitor the operation of the two power companies under the terms of their Schemes of Control and of the towngas supply company under the terms of the Information and Consultation Agreement; to promote demand side management; and to promote competition.

Brief Description

6 The bureau's main responsibility under this programme is to formulate policies and programmes in relation to postal services, energy supplies, and the promotion of economic efficiency and free trade through competition.

Matters Requiring Special Attention in 2001–02

7 During 2001–02, the bureau will:

- continue to ensure the successful operation of the Post Office Trading Fund and take measures to improve customer services and productivity where appropriate;
- continue to promote energy saving, especially through demand side management programmes;
- start identifying issues relating to a broad institutional, infrastructural and regulatory framework necessary for possible introduction of a natural gas based common carrier system;
- study market restructuring experience elsewhere and examine options for future development of the electricity supply sector; and
- continue to assist the Competition Policy Advisory Group in reviewing policies and practices to ascertain the extent to which competition can be enhanced in different sectors.

Programme (3): Public Safety

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	2.3	2.6 (+13.0%)	2.9 (+11.5%)	2.9 (0.0%)

Aim

8 The aim in the field of electrical and gas safety is to enhance public safety through the introduction and enforcement of safety standards in relation to plant installation, professional competence, fuel storage and transport and product design, and in the field of weather services, to provide the highest possible standards of weather forecasting for the public and special users such as the aviation and shipping community.

Brief Description

9 The bureau's main responsibility under this programme is to formulate policies in relation to electrical and gas safety and weather services.

Matters Requiring Special Attention in 2001–02

10 During 2001–02, the bureau will:

- continue to prepare new legislation in respect of electricity supply standards;
- take measures to strengthen enforcement of gas safety requirements; and
- continue to take measures to improve weather information services.

Programme (4): Travel, Tourism and Consumer Protection

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	13.9	21.9 (+57.6%)	25.9 (+18.3%)	48.5 (+87.3%)

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Aim

11 The aim is to maintain Hong Kong's position as the most popular tourist city in Asia and to protect and promote the interests of consumers.

Brief Description

12 The bureau's main responsibility under this programme is to formulate policies on tourism development, and on protection and promotion of consumer interests.

Matters Requiring Special Attention in 2001–02

13 During 2001–02, the bureau will:

- continue to pursue initiatives in enhancing existing tourist attractions and facilities, and developing new ones, including constructing an International Wetland Park and planning for a cable car system on Lantau Island;
- oversee the implementation of the agreement with The Walt Disney Company on the construction of Hong Kong Disneyland;
- continue to co-operate with the Hong Kong Tourist Association in promoting heritage and green tourism, and enhancing tourism products;
- attract and encourage the staging of signature events in Hong Kong;
- launch a territory-wide publicity and public education campaign to promote a hospitality culture in the community;
- prepare legislative amendments to put in place a framework for regulation of inbound travel agents, and continue to carry responsibilities for regulation of outbound travel agents;
- assist the Hong Kong Tourist Association in implementing recommendations of its Strategic Organization Review;
- continue the process of identifying multiple safety standards for the various categories of children's products under the Toys and Children's Products Safety Ordinance; and
- expedite drafting of the proposed Bill on civil liability for unsafe products by addressing issues raised during public consultation by 2001.

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ANALYSIS OF FINANCIAL PROVISION

Programme	1999–2000 (Actual) (\$m)	2000–01 (Approved) (\$m)	2000–01 (Revised) (\$m)	2001–02 (Estimate) (\$m)
(1) Air and Sea Communications	30.2	33.0	35.6	32.0
(2) Posts, Power and Competition Policy	10.7	12.2	13.3	21.0
(3) Public Safety	2.3	2.6	2.9	2.9
(4) Travel, Tourism and Consumer Protection	13.9	21.9	25.9	48.5
Food Supply	4.8	—	—	—
	61.9	69.7 (+12.6%)	77.7 (+11.5%)	104.4 (+34.4%)

Note: Programmes (2) and (4) under Head 145 have been rearranged with effect from 1 July 2000 when the policy responsibility of competition policy, consumer protection and outbound tourism was transferred from the Commerce and Industry Bureau (previously known as the Trade and Industry Bureau) to this bureau. There were no separate programmes for the aforesaid schedules when they were previously grouped under the Commerce and Industry Bureau. The actual expenditure in 1999–2000 and the approved estimate for 2000–01 for programmes (2) and (4) are therefore not directly comparable with the revised estimate for 2000–01 and the estimate for 2001–02. Separately, the responsibility for food supply has been transferred to the Secretary for the Environment and Food with effect from 1 January 2000.

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2001–02 is \$3.6 million (10.1%) lower than the revised estimate for 2000–01. This is mainly due to the completion of major capital projects and the deletion of two posts as part of the Enhanced Productivity Programme, partly offset by the additional requirements for a project to promote Hong Kong as an international maritime centre and leading port.

Programme (2)

Provision for 2001–02 is \$7.7 million (57.9%) higher than the revised estimate for 2000–01. This is mainly due to the additional requirements for the engagement of consultants to examine options for future development of the electricity supply sector, to look into issues relating to the possible introduction of a natural gas based common carrier system, and to advise on competition issues in other economies, a project to enhance public awareness of the work of the Competition Policy Advisory Group, and full-year provision for the activities relating to competition policy taken over by the bureau.

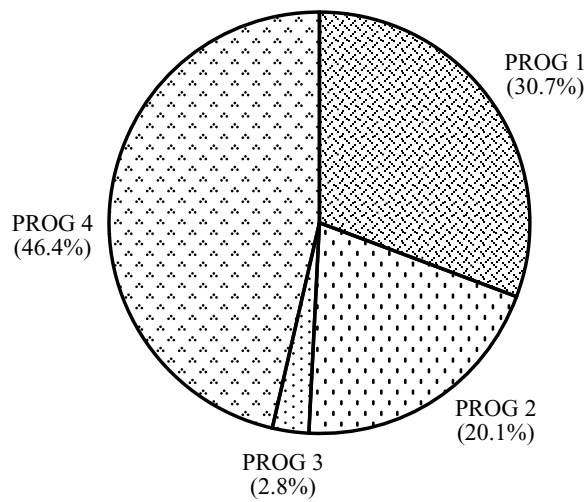
Programme (3)

Provision for 2001–02 is the same as the revised estimate for 2000–01.

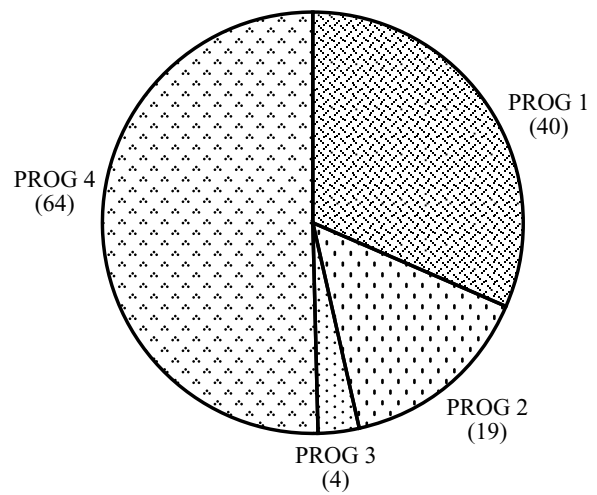
Programme (4)

Provision for 2001–02 is \$22.6 million (87.3%) higher than the revised estimate for 2000–01. This is mainly due to the requirements for managing the Tamar Site, full-year provision for the activities taken over by the bureau and the vacancies filled in 2000–01, and the net creation of 13 posts in 2001–02 to strengthen the support services for this programme, partly offset by the completion of other capital projects.

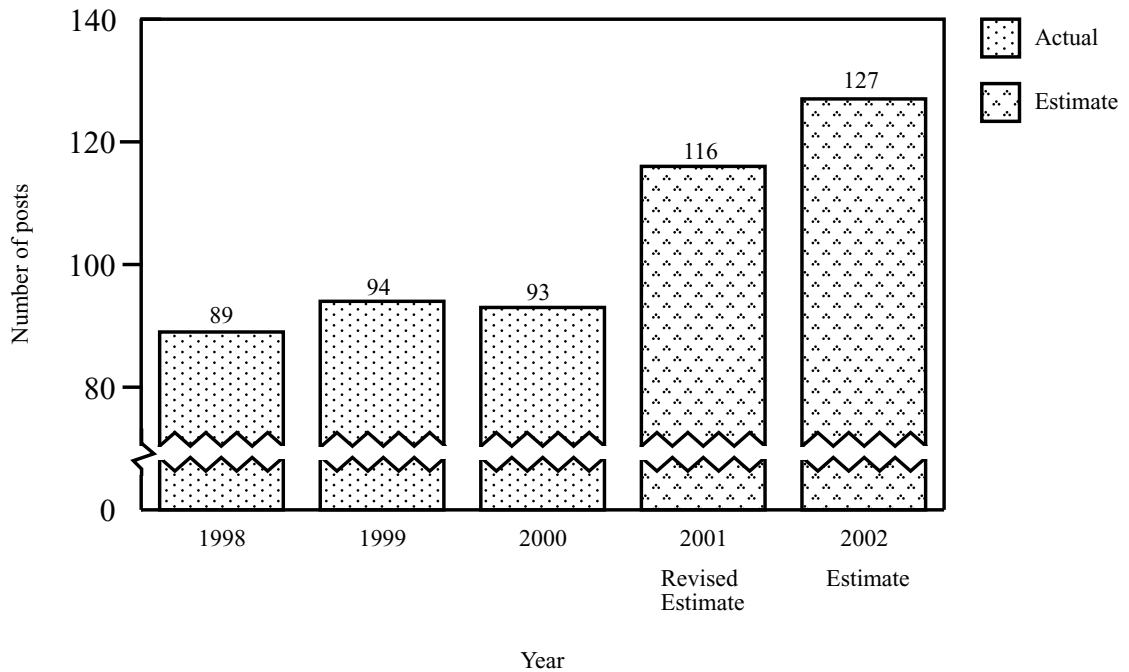
Allocation of provision to programmes (2001-02)



Staff by programme (as at 31 March 2002)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)	Actual expenditure 1999–2000	Approved estimate 2000–01	Revised estimate 2000–01	Estimate 2001–02	
	\$' 000	\$' 000	\$' 000	\$'000	
Recurrent Account					
I — Personal Emoluments					
001	Salaries.....	49,572	51,970	56,097	71,237
002	Allowances.....	4,600	5,193	4,070	4,232
007	Job-related allowances.....	6	7	7	7
	Total, Personal Emoluments	54,178	57,170	60,174	75,476
III — Departmental Expenses					
149	General departmental expenses.....	4,911	8,222	8,222	21,592
	Total, Departmental Expenses	4,911	8,222	8,222	21,592
	Total, Recurrent Account	59,089	65,392	68,396	97,068
Capital Account					
II — Other Non-Recurrent					
700	General other non-recurrent.....	2,850	4,279	9,306	7,294
	Total, Other Non-Recurrent.....	2,850	4,279	9,306	7,294
	Total, Capital Account.....	2,850	4,279	9,306	7,294
	Total Expenditure	61,939	69,671	77,702	104,362

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Details of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the Economic Services Bureau is \$104,362,000. This represents an increase of \$26,660,000 over the revised estimate for 2000–01 and \$42,423,000 over actual expenditure in 1999–2000.

Recurrent Account

Personal Emoluments

2 Provision of \$75,476,000 for personal emoluments represents an increase of \$15,302,000 over the revised estimate for 2000–01.

3 The establishment at 31 March 2001 will be 115 permanent posts and one supernumerary post. It is expected that a net 11 permanent posts will be created in 2001–02.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$46,190,000.

5 Provision of \$4,232,000 under *Subhead 002 Allowances* is for standard allowances and the following non-standard allowance —

	<i>Rank</i>	<i>Master Pay Scale point</i>	<i>Rate per month† \$</i>
consolidated overtime allowance for Chauffeur grade	Chauffeur	5	5,240
		6	5,570
		7	5,940
		8	6,330
		9	6,740
		10	7,145

† These rates are payable for the first 1–100 hours overtime per month. Overtime performed in excess of 100 hours will be compensated at 1% of the monthly rate per hour.

The increase of \$162,000 (4.0%) over the revised estimate for 2000–01 is mainly due to full-year provision for the requirements.

6 Provision of \$7,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances.

Departmental Expenses

7 Provision of \$21,592,000 under *Subhead 149 General departmental expenses* represents an increase of \$13,370,000 (162.6%) over the revised estimate for 2000–01. This is mainly due to full-year provision for the activities undertaken by the bureau, partly offset by reduced operating expenditure under the Enhanced Productivity Programme.

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Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2000	Revised estimated expenditure for 2000-01	Balance
			\$ 000	\$ 000	\$ 000	\$ 000
700		<i>General other non-recurrent</i>				
	012	Management of Tamar Site.....	3,937	—	—	3,937
	013	Promotion of Hong Kong as an international maritime centre and leading port	3,600	—	—	3,600
	014	To engage a consultant to advise on competition issues in other economies	1,200	—	—	1,200
	015	To enhance public awareness of the work of the Competition Policy Advisory Group	500	—	—	500
		Total.....	<u>9,237</u>	<u>—</u>	<u>—</u>	<u>9,237</u>