

**Submissions from The Professional Commons to the
Panel on Constitutional Affairs of the Legislative Council Meeting on 19 May 2012
Regarding the “Re-organization of the Government Secretariat”**

Problems in the Government’s Proposals

The proposal from the Hong Kong SAR Government (hereafter “the Government”) concerning the reorganization of the Government Secretariat of the Government in May 2012 proposed changing the grouping of policy bureaux of the Government into four different groups, with different policy bureaux to be led by the Chief Secretary for Administration (hereafter “CS”), the Deputy Chief Secretary, the Financial Secretary (hereafter “FS”) and the Deputy Financial Secretary respectively.

Should the proposal be realized, it would result in the creation of two “Mega Deputy Secretaries”, with each of them involved with the portfolios of different policy bureaux over a wide range of subject matter. Although the grouping of “Technology and Communications Bureau”, and the “Commerce and Industries Bureau” under the Deputy Financial Secretary could facilitate a certain level of policy coherence and coordination between these two bureaux of a similar nature, the grouping of Labour and Welfare, Culture and Education Bureaux under the jurisdictions of the Deputy Chief Secretary do not seemed likely to reach the objectives of facilitating better policy coordination through the placement of the policy bureaux of a similar nature under the jurisdictions of one Deputy Chief Secretary. Hence, the groupings of the policy bureaux under the Government’s proposal do not seem to follow a particular set of logic. Also, such reorganization would still result in the situation in which there is not enough coordination on policy formulation and management between different bureaux.

The proposal from the Government would also create the situation of a “Top Level Group” of policy bureaux directly under the supervision and jurisdiction of the CS and the FS, and a “secondary level group” of policy bureaux led by the Deputy Chief Secretary and the Deputy Financial Secretary. It seems that the policy bureaux in the Government would become a “two-tier” structure after the Government’s proposal of the reorganization. This could lead to the situation in which the “secondary level group” of policy bureau would be confined to a lesser important role, the needs of the different bureaux would not be able be prioritized, and the quest for a similar level of attention to be paid by the Government could not be achieved.

The Professional Commons (hereafter the ProCommons) notes that under the current structure of the Government Secretariat, the CS and the FS engage in both issues of strategic planning and prioritization of resources, as well as overseeing the day-to-day operations and policy coordination of the policy bureaux. Currently, and more so in the future, policy issues are becoming more complex in nature, and the principal officials will have to engage more closely with more active politicians. With much more workload in policy discussions and deliberations, it is clear that the CS and FS are not only concentrating on overseeing and supervising the policy bureaux on a day-to-day basis, as well as long-term strategic and planning issues, but also management issues across the bureaux. This has often been overlooked or even ignored. For the development of better governance in the long run, CS and FS should not be engaging in both strategic planning, as well as day-to-day operations.

Hence, a material reason for the failure of the administration to meet the public's expectations of good governance in recent years has been an insufficiency in management capacity to keep pace with the growing demand for and complexity of requirements for better governance. Considering the scope of Government activity, it is unwieldy for the Chief Secretary, in particular, to have direct management responsibility for nine bureaux.

Proposal from The Professional Commons

As a means to better address the problems of the overall weaknesses concerning the structure of the Government and failures in policy coordination and distribution of workload between CS, FS and the principal officials mentioned above, ProCommons believes that there is a case and need for significant reorganization of the Government Secretariat. Therefore, we are proposing a set of measures as exemplified below for open discussions.

Although we believe that our proposal is well thought out and which should be put forward to, or at least, to be seriously considered, for addressing the problems in which the CS and FS could not spare adequate time and effort in strategic planning matters, we welcome further discussions in the public arena on this issue, as the re-organization of the Government is a complex and significant issue that merits further careful in-depth deliberations and scrutiny. Therefore, the Government should not be in a hurry to pass the relevant legislations regarding the re-organization of the Government Secretariat. It should not rush through the

legislation process, until further public discussions, consultations and deliberations, and the models from other concerned parties have been proposed and considered.

The proposals which ProCommons puts forward below are designed to:

1. Strengthen the managerial capacity of the Government, and Improve oversight of bureaux operations
2. Enhance strategic policy development and prioritization of resources
3. Strengthen intra-bureaux communication and collaboration, particularly on policy issues that impact across a number of bureaux
4. Strengthen the bureaucracy to facilitate a clearer delineation of workload between CS, FS and other principal officials.

Proposal 1: Reorganization of Policy Bureaux into Four Divisions

The core of the PC proposal is the reorganization of policy bureaux into four Divisions, each comprising 3-5 policy bureaux of a complementary nature and areas of responsibilities to better facilitate the achievement of the four goals set out in the paragraph above. The four Divisions would be “Administration”, and “Public Services” under the CS, and “Development and Innovation” and “Economic and Financial Services” under the FS. Each Division would be headed by a different and dedicated Deputy Secretary.

We divided the policy bureaux into 4 streams, in which the streams are grouped based on similar attributes of their policy areas. The rationales for the groupings of the following four streams are as follows (see the organization charts of our proposed reorganization in a separate file):

Administration (Division 1): Grouping of the policy bureaux which are primarily responsible on administrative and strategic policy-making matters

Public Services (Division 2): Grouping of the policy bureaux which are primarily responsible for the provision of “livelihood services” that concerns with the delivery of public services on a day-to-day basis

Development and Innovation (Division 3): Groupings of the policy bureaux involving the concentration of future growth areas in Hong Kong: Planning and urban development, as well as innovation and technology

Economic and Financial Services (Division 4): Groupings of the policy bureaux which are responsible for commerce, industries, and financial services, as well as overseeing the operations of the Treasury of the Government.

The role of the Deputy Secretaries would be responsible for operational oversight and intra-bureaux coordination, somewhat similar to the corporate position of a Chief Operating Officer. The details on our recommendations for the composition of the policy bureaux among the four Divisions are as follows:

Division 1: Administration

- Civil Service Bureau
- Constitutional and Mainland Affairs Bureau
- Environment Bureau
- Home Affairs Bureau (included under this Bureau would be responsibility for the Hong Kong Observatory)
- Security Bureau

This Division would be headed by a Deputy Chief Secretary (Administration)

Division 2: Public Services

- Education Bureau
- Food and Health Bureau
- Labour and Welfare Bureau
- Housing Bureau (split out from the current Transport and Housing Bureau)

- Cultural and Heritage Services Bureau (split out from Home Affairs, also taking the responsibilities of heritage conversation from the Development Bureau)

This Division would be headed by a Deputy Chief Secretary (Public Services)

We object to the Government's proposal of combining the policy responsibilities of housing, planning and lands into one policy bureau. We call for the bureau responsible for housing matters to be an independent, dedicated bureau, as we believe that housing matters have their own demands and concerns that merit being handled in an independent bureau, for example, the decisions on which type and mixture of housing is placed in different areas shall be made independently, and could not be simply mixed with other concerns, such as land and planning matters.

Also, when the housing issues are combined with other policy issues in a "multi-tasked" bureau, it is often receiving lesser managerial concern, and it would be confined to being "a secondary or inferior" role in which other issues take precedent and taking all the policy priorities. Should it be placed with planning and lands matters under the Government's proposal, housing issues might receive less attention, heavily influenced by, or dominated by planning and lands considerations. Hence, as housing issues are such crucial social issues, we believe that it merits being upgraded as a separate bureau under the division of public services, and it shall not be in the same group as the policy bureau responsible for planning and lands issues.

Division 3: Development and Innovation:

- Planning and Lands Bureau (Works matters go to the Transport and Works Bureau)
- Transport and Works Bureau
- Innovation and Technology Bureau (governing innovation, technology and communications matters)

This Division would be headed by a Deputy Financial Secretary (Development and Innovation)

Division 4: Economic and Financial Services

- Commerce and Economic Development Bureau (including commerce and industries, and maritime, air and logistics industries matters, film and creative

industries, but excluding the Observatory, it will be transferred under the purview of the Home Affairs Bureau instead)

- Financial Services and Treasury Bureau

This division would be headed by a Deputy Financial Secretary (Economic & Financial Services)

We believe that the development of the film and creative industries is more in line with the overall commerce and economic development matters. Therefore, we propose that the policy responsibilities concerning film and creative industries would be of better fit in the Commerce and Economic Development Bureau, rather than in the Culture Bureau as the Government has recommended.

Under this organization scenario, all of the policy bureaux would report to one of the deputies to the CS and FS Secretaries. Each bureau will be receiving more attention from the Deputy Secretaries, and thus the problem of the creation of a “two-tier” bureaux system” in the Government’s proposal would be avoided. (For the organization charts of the policy bureaux and departments, as well as their line of command, please refer to the separate file as attached).

Proposal 2: Clearer Delineation of Policy Responsibilities Between the CS, FS, and the Proposed Deputy Secretaries

To address the current deficit in which CS and FS share both the strategic planning issues, as well as day-to-day managerial tasks, in our proposal, we call for a clearer delineation of policy responsibilities between the CS, FS, and the proposed Deputy Secretaries under their purview.

In our proposal, the top management (comprising of both CS and FS) should be concerned with the following matters:

- Take the lead in the formulation of the strategic and planning issues of the overall policy direction under their purview,
- Concentrate on matters that deal with the increasingly complex interaction with the legislature and other concerned bodies and stakeholders.
- Formulation of plans for the prioritization of resources between different bureaux.

The Deputy Secretaries shall be concerned with:

- Operational oversight: Supervising the day-to-day operational matters of the bureaux under their purview
- Intra-bureaux coordination in the bureau under their purview

We propose a much more defined division of labour between the CS, FS and the Deputy Secretaries, and thus a clearer delineation of work tasks, and better political and policy accountability can be achieved.

Proposal 3: Creation of an Internal “Strategic Development Group”

One important purpose of ProCommons’s proposed structure would be to free up, the CS and the FS to interact more closely with each other and with the Chief Executive. In effect, an internal “Strategic Development Group” would be created, whose role in this would be similar to that of a Corporate Council in the business world. The key responsibilities of the “Strategic Development Group” would be strategic policy development and resource prioritization amongst the various bureaux. The Group shall also include the Secretary of Justice as one of the members, the Secretary for Justice shall provide legal advice where it is required, which seems to be on an increasing basis across a much wider range of activities than before. The “Strategic Development Group” would be served by the Central Policy Unit for research support.

Proposal 4: Level of Remuneration Stays at the Same Level as Before the Reorganization

The Professional Commons also recommends that, after the process of the reorganization of the government, the total amount spent in the remuneration package of all the politically appointed principal officials must be maintained at the same level as before the reorganization.