

Economic Implications

1. Hong Kong's rapid economic transformation and restructuring have created new demands and challenges to our public policy decision making and implementation process, as well as to the institutional structure of the Administration. Specifically, we need to ensure that we have the capacity to handle adequately increasingly complex cross-boundary, environmental and sustainability issues, as well as the wealth divide and the related issues of income disparity and adaptability of the labour force. The proposed re-organisation helps enhance the effectiveness of the Administration in dealing with these evolving issues, and is conducive to promoting Hong Kong's further economic development.

Financial Implications

2. The proposed restructuring of the Government Secretariat will entail additional expenditure of \$3,595,188 per year for the remuneration package of the additional Director of Bureau. The total staff cost for providing administrative support to the additional Director of Bureau will be \$4,258,584 per year. To bring the terms of employment of the DCEO on par with those of the Directors of Bureau, the additional cost will be \$396,288 per year.

Civil Service Implications

3. To provide necessary administrative support to the additional Director of Bureau, we will need to create an administrative assistant, a press secretary, a personal assistant and a driver. These positions can be filled by civil servants on postings or by way of direct appointment to non-civil service positions. Apart from this, there will be no net increase in the number of civil service posts, although the proposed re-organisation will necessitate re-deployment of posts within the Government Secretariat as well as some changes to the grading and distribution of duties of civil service posts. We will seek necessary approval for the above-mentioned changes in the usual manner.