

ITEM FOR FINANCE COMMITTEE

HEAD 143 - GOVERNMENT SECRETARIAT : CIVIL SERVICE BUREAU

HEAD 115 - OFFICIAL LANGUAGES AGENCY

Members are invited to approve the following changes to the 2003-04 Estimates with effect from 1 July 2003 to reflect the incorporation of the Official Languages Agency into the Civil Service Bureau from the same date -

- (a) supplementary provision of \$92.39 million under Head 143 Government Secretariat : Civil Service Bureau Subhead 000 Operational expenses in 2003-04; and
- (b) deletion of Head 115 Official Languages Agency.

PROBLEM

We need to transfer the estimated residual balance of the approved provision under Head 115 Official Languages Agency (OLA) to Head 143 Government Secretariat : Civil Service Bureau (GS : CSB) to enable the Civil Service Bureau (CSB) to absorb the functions of OLA upon the incorporation of the Agency into the Bureau with effect from 1 July 2003.

/PROPOSAL

PROPOSAL

2. We propose the following changes to the 2003-04 Estimates, with effect from 1 July 2003 -

- (a) providing supplementary provision of \$92.39 million under Head 143 GS : CSB Subhead 000 Operational expenses in 2003-04, to be offset by the residual balance of the approved provision under Head 115 OLA to be deleted; and
- (b) deleting Head 115 OLA.

JUSTIFICATION**Incorporation of OLA into CSB**

3. On 30 May 2003, the Finance Committee approved, on the recommendation of the Establishment Subcommittee, the proposed changes in the directorate establishment and non-directorate establishment ceiling required to implement the incorporation of OLA into CSB on 1 July 2003. Amongst other things, the proposal involves -

- (a) subsuming OLA under CSB and streamlining OLA's structure by deleting 25 posts in phases, including two directorate posts; and
- (b) increasing the establishment ceiling of Head 143 GS : CSB to facilitate the transfer of non-directorate posts from Head 115 OLA upon the incorporation of OLA into CSB.

Supplementary provision for Head 143 Government Secretariat : Civil Service Bureau

4. With Members' approval of the establishment changes arising from the reorganisation proposal, we will expand the ambit of Head 143 GS : CSB to cover the existing activities and functions of OLA and accommodate the staff to be transferred from OLA to CSB. The proposed expansion will require supplementary provision of \$92.39 million under Head 143 GS : CSB Subhead 000 Operational expenses in 2003-04, to be offset by the residual balance of the approved provision under Head 115 OLA to be deleted.

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Deletion of Head 115 Official Languages Agency

5. Consequent to the expansion of the ambit of Head 143 GS : CSB to cover OLA, the existing Head 115 OLA will be deleted.

FINANCIAL IMPLICATIONS

6. The proposed supplementary provision of \$92.39 million under Head 143 GS : CSB in 2003-04 will be fully offset by the estimated residual balance of the approved provision for Head 115 OLA to be deleted; hence the proposal will not incur any additional expenditure. The provision, which is required to meet the estimated expenditure of the Agency for the remaining nine months of the current financial year, represents about 75% of the approved provision under Head 115 OLA in 2003-04. The breakdown of the provision of \$92.39 million is as follows -

	<u>\$'000</u>
Personal Emoluments	
- Salaries	87,000
- Allowances	1,800
Personnel Related Expenses	
- Mandatory Provident Fund contribution	18
Departmental Expenses	
- General departmental expenses	3,572
Total :	92,390

BACKGROUND INFORMATION

7. We briefed Members of the Legislative Council Panel on Public Service on the reorganisation proposal on 17 March 2003. Members indicated support to the proposal. The Establishment Subcommittee of the Finance Committee endorsed and the Finance Committee approved the proposed changes in the directorate establishment and non-directorate establishment ceiling arising from the incorporation of OLA into CSB on 21 May 2003 and 30 May 2003 respectively.