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Controlling Officer : Director of Administration

Session No. : 7

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**Replies to supplementary questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2011-12**

**Controlling Officer : Director of Administration
Session No. : 7**

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
<u>S-CSO01</u>	S021	CHAN Mo-po, Paul	142	Efficiency Unit
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<u>S-CSO03</u>	S023	LEE Wing-tat	142	CSO – Administration Wing
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<u>S-CSO05</u>	S027	WONG Kwok-hing	142	Efficiency Unit
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<u>S-CSO08</u>	S041	WONG Kwok-hing	142	Efficiency Unit
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<u>S-CSO10</u>	S043	WONG Kwok-hing	142	CSO – Administration Wing
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<u>S-CSO14</u>	SV009	EU Yuet-mee, Audrey	142	CSO – Administration Wing

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO01

Question Serial No.

S021

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme: (1) Efficiency Unit

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

How many subvented organisations have made enquiries since the Government issued the “Guide to Corporate Governance for Subvented Organisations” and what are the details and nature of those enquiries? How will the Administration follow up on and refine the guide?

Asked by: Hon. CHAN Mo-po, Paul

Reply:

Since the issue of the “Guide to Corporate Governance to Subvented Organisations” (the Guide) in May 2010, we have received 13 enquiries from subvented organisations/ non-governmental organisations. All the enquiries were related to requests for hardcopies of the Guide and/ or its Executive Summary. We will keep in view the enquiries and feedback received on the Guide as well as trends and developments of corporate governance principles and practices, and update and refine the Guide when there is a basis for doing so.

Signature _____

Name in block letters _____ Miss Jennifer MAK

Post Title _____ Director of Administration

Date _____ 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO02

Question Serial No.

S022

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme: (1) Efficiency Unit

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

In 2011-12, how many periodic surveys will be carried out to assess the satisfaction and needs of the community? Please list out the organisations which will conduct the surveys, the titles of the surveys, the resources each required, and how administrative improvement will be made in light of the survey results.

Asked by: Hon. CHAN Mo-po, Paul

Reply:

In 2011-12, the Efficiency Unit (EU) will commission the University of Hong Kong to conduct a survey to measure citizens' satisfaction with public services. The estimated cost is around \$250,000. The survey findings will help EU to track public satisfaction with performance of government services on a basis consistent with service quality measurement for private sector organisations. EU will use the findings to identify issues and target advice on service improvement.

Signature _____

Name in block letters _____ Miss Jennifer MAK

Post Title _____ Director of Administration

Date _____ 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO03

Question Serial No.

S023

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme: (3) CSO- Administration Wing

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

Please set out the actual, revised and estimated operating expenses of the Central Policy Unit in 2009-10, 2010-11 and 2011-12.

Asked by: Hon. LEE Wing-tat

Reply:

In 2009-10, the actual operating expense of the Central Policy Unit (CPU) is \$82.024 million.

In 2010-11, the estimated and revised operating expenses of CPU are \$84.177 million and \$81.623 million respectively.

In 2011-12, the estimated operating expense of CPU is \$85.899 million.

Signature _____

Name in block letters Miss Jennifer MAK

Post Title Director of Administration

Date 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO04

Question Serial No.

S024

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme: (3) CSO- Administration Wing

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

What is the expenditure earmarked for the honoraria for the Head, Deputy Head and three full-time members of the Central Policy Unit in 2011-12?

Asked by: Hon. LEE Wing-tat

Reply:

The salaries and allowances for the Head, Deputy Head and three full-time members of the Central Policy Unit in 2011-12 are \$2.9 million, \$1.98 million and \$7.61 million respectively.

Signature _____

Name in block letters _____ Miss Jennifer MAK

Post Title _____ Director of Administration

Date _____ 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO05

Question Serial No.

S027

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme: (2) Efficiency Unit

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

As stated in the reply (Serial No. CSO024) to Question Serial No. 3853, a considerable number of staff of 1823 Government hotline are non-civil service contract staff, including majority of the managers and supervisors. In this connection, what is the staff wastage rate of the 1823 Government hotline centre? Will the performance target fail to be achieved as a result of staff wastage?

Of the 307 staff at the centre, more than 300 are non-civil service contract staff. What are the longest years of service of these non-civil service contract staff? Have any of them been working at the centre since it came into operation in 2002? If so, why are they still employed on non-civil service contract terms instead of being converted to civil servants?

Asked by: Hon. WONG Kwok-hing

Reply:

In 2010, the staff turnover in the 1823 Call Centre was 26%. Almost all the turnover occurred at the frontline level. Turnover is expected given the nature of the work and new staff are constantly being recruited and trained to fill the vacancies. The Call Centre has in place a quality assurance programme to ensure the provision of effective service to the public. Whether or not the performance target is met depends on a range of factors such as volume and composition of business, the performance of the systems and the accuracy of the knowledge base as well as the number of staff available for call handling duties.

14 non-civil service contract staff have been working in the Call Centre since it came into operation in July 2001. 12 of them have applied through open recruitment for appointment to other posts that have become available due to staff turnover or service expansion. As indicated in the 2011-12 draft Estimates, the long term financial and other institutional arrangements for the 1823 service are under consideration. Staffing arrangements will be considered in that context.

Signature _____

Name in block letters _____ Miss Jennifer MAK

Post Title _____ Director of Administration

Date _____ 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO06

Question Serial No.

S028

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme: (3) Efficiency Unit

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

According to item (1) in the reply (Serial No. CSO025) to Question Serial No. 3854, the Administration will replace the system of the 1823 Call Centre. Will the replacement result in greater efficiency of the centre in case handling so that the waiting time for the public can be shortened and the target of answering calls within 12 seconds can be met?

Item (2) pointed out that the average time for 1823 service hotline to refer public enquiries and public complaints are 2 days and 7 days respectively. Such length of time is unacceptable as not even the office of Legislative Councilor will require as long as 7 days to start following up on a public complaint. Why does it take 7 days for a complaint to be followed up by the staff of other departments? Can the Administration speed up the referral process in this respect?

Asked by: Hon. PAN Pey-chyou

Reply:

The replacement of the systems of the 1823 Call Centre is to ensure the continued provision of the service beyond 2012. The existing systems have been in use for almost ten years and are approaching the end of their serviceable lives. The new systems will be more efficient in a number of respects but by themselves are not likely to have a significant effect on waiting time. The major factors affecting waiting time are the number of calls being made at any particular time, how long each call takes to handle, the number of call handling staff available at that time and the skill sets they have. In 2011-12, the Call Centre will be recruiting about 40 additional call handling staff to enhance capacity to handle calls.

The second part of item (2) of Question Serial No.3854 did not ask how long it took 1823 to refer matters to departments but how long it took departments to respond to the enquiries or complaints referred to them. In 2010, of the 290,000 complaints received by the Call Centre, 94% were referred to departments within 3 hours. One of the objectives for the system replacement now under planning is to further streamline the transfer of information from the Call Centre to responsible departments.

Signature _____

Name in block letters _____ Miss Jennifer MAK

Post Title _____ Director of Administration

Date _____ 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO07

Question Serial No.

S031

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme:

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

According to Reply Serial No. CSO010 to Question Serial No. 2462, the Administration made a heavy investment of over \$10 billion in the six priority industries last year. However, when it comes to the actual figures, the annual growth rate of employment in the six industries in 2008 and 2009 was only 1.7%, while the share of Gross Domestic Product (GDP) of the six industries increased by 0.4% only in 2009 compared with 2008.

Please advise whether the Administration's allocation of resources to the six industries has not achieved satisfactory results. If not, what are the reasons why there is no significant growth in the six industries? Does the Government have a clear target and any methods to expedite the growth of the six industries? If yes, has any target timeframe been set?

Asked by: Hon. WONG Kwok-hing

Reply :

Figures on the six industries are available for only two years at present, and a longer time series on the performance of industries would be needed to have a clearer picture on their long term growth trend. Notwithstanding, it is noted that in 2009 when the Hong Kong economy suffered a contraction due to the global economic recession, the value-added of the six industries continued to increase by 3.0% over 2008, indicating their strong relative competitiveness. In 2009, the six industries also fared much better than the overall economy in terms of employment. Employment in the six industries increased by 1.7% in 2009, in stark contrast to the decline of 1.0% in total employment in Hong Kong.

Although the Government does not produce forecast or target on the six industries, we will closely monitor their performance, and will implement various measures to promote their development, as part of the efforts to move Hong Kong towards a more diversified knowledge-based economy.

On the allocation of resources to the six industries, we have consulted respective policy bureaux and departments and their responses are summarised in the ensuing paragraphs.

(a) Medical Services Industry

According to the latest statistics compiled by the Census and Statistics Department (C&SD), the value-added of the private sector of medical services was \$24.1 billion in 2009, representing 1.6% of the nominal Gross Domestic Product (GDP). Compared with the figure in 2008, the value-added of medical services increased by 7.3% in 2009. This considerably outperformed the year-on-year decline of 2.6% in nominal GDP over the same period. The corresponding employment in medical

services rose by 2.2% in 2009 to 71 990.

The Government has reserved four sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau for private hospital development. We invited the market in December 2009 to March 2010 to express their interest in developing the sites. In consideration of the suggestions and views received, we are formulating the land disposal arrangements and plan to dispose of the sites in phases starting from end-2011 or 2012.

(b) Education Services Industry

According to the latest statistics, the value-added of the private sector of education services increased by 3.6% in 2009 to \$16.4 billion. The corresponding employment in 2009 amounted to 62 240, representing an increase of 9.5% over 2008.

We have implemented a number of measures to develop Hong Kong's education services through internationalisation and diversification of our higher education sector including establishing government scholarships and fellowships, relaxing immigration and employment restrictions and establishing schemes to facilitate the development of the self-financing post-secondary sector. These measures are considered effective. The number of non-local students in Hong Kong reached 11,250 in the 2010/11 academic year, representing a 42% growth over that in the 2007/08 academic year. The Administration will maintain close communication with stakeholders concerned with a view to ensuring the effective implementation of various measures.

(c) Testing and Certification Services Industry

According to the latest statistics, employment in the private sector of the testing and certification industry increased from 12 420 in 2008 to that of 12 610 in 2009. The corresponding value-added increased from \$4.5 billion to \$5.1 billion. These increases were impressive when viewed in conjunction with the 2.6% decline in nominal GDP and 1.0% decline in Hong Kong's total employment in 2009.

The Government is working closely with the Hong Kong Council for Testing and Certification (HKCTC) in adopting a dual approach to implement its 3-year market-oriented development plan released in March 2010 for the industry - making general improvements to the accreditation service and factors of production (i.e. manpower, technology, capital and land) of the testing and certification industry, while focusing on the development and promotion of new testing and certification services for the four selected trades (i.e. Chinese medicine, construction materials, food and jewellery trade respectively).

(d) Environmental Industry

We have been promoting the development of environmental industries and a green economy through multi-pronged policies and initiatives. They include enhancing building energy efficiency and promoting the use of energy-saving household appliances by legislation, setting up the Pilot Green Transport Fund, making more use of electric vehicles, and taking forward other measures such as expanding the list of products with green specifications for government procurement, piloting the use of new green materials in public works, encouraging scientific research on environmental protection and building environmental infrastructure.

The value-added and employment of environmental industries recorded \$4.7 billion and 32 410 respectively in 2009, representing respective growth of 12.4% and 3.6% over 2008. The growth was mainly attributable to increased businesses in waste management and environmental engineering.

(e) Innovation and Technology Industry

The value-added of the innovation and technology sector rose from \$10.3 billion in 2008 to \$10.7 billion in 2009, representing a year-on-year growth of 4.4%. As for employment, the number

of persons engaged (in full-time equivalent terms) rose from 26 090 in 2008 to 27 470 in 2009, representing a growth of 5.3%.

Since the designation of innovation and technology as one of the six new industries, the Government has launched a number of initiatives to step up its longstanding efforts in fostering the development of the sector. These new initiatives include the development of the \$4.9 billion Science Park Phase 3, the rolling out of the \$200 million Research and Development (R&D) Cash Rebate Scheme to encourage more private sector investment in R&D, and extending the scope of the Innovation of Technology Fund (ITF) to cover production of prototypes and samples as well as the trial use of R&D outputs in the public sector. In the year ahead, we will proceed to the next phase of reviewing the ITF funding mechanism. We will also continue to work closely with the national Ministry of Science and Technology as well as our Guangdong and Shenzhen counterparts to dovetail the regional initiatives on innovation and technology development with the national 12th Five-Year Plan.

(f) Cultural and Creative Industry

The value-added of cultural and creative industry declined only marginally by 0.2% in 2009 to \$62.9 billion, despite the global economic downturn in that year. This decline was smaller than the 2.6% drop in nominal GDP. As a result, their contribution to the GDP actually rose by 0.1 percentage point to 4.1% in 2009. In 2009, their employment declined slightly by 1.6% to 188 250, and the corresponding contribution to Hong Kong's total employment held largely stable at 5.4%.

On the cultural industry side, apart from the investment devoted to the sector, we attach great importance to nurturing artistic talents for a vibrant arts scene in Hong Kong. We have allocated additional funding of \$32 million for 2010-11 to 2014-15 for training of arts administrators. The Leisure and Cultural Services Department (LCSD), together with the partners of its performance venues, has launched a programme to provide training and internship opportunities for people who aspire to a career in arts and culture. The trainees in performing arts administration will work on venue operation, facilities maintenance, planning of arts festivals and cultural programmes, publicity and promotion, as well as audience building. On museums, there are internship opportunities on artworks acquisition, research and conservation, exhibition planning, venue management, education and community promotion work, etc.

In addition, the Hong Kong Academy for Performing Arts has been training professionals in the fields of music, dance, drama, theatrical production, film and television and Cantonese opera, producing over 300 full-time equivalent graduates every year.

The Hong Kong Arts Development Council (HKADC) runs a Local Internships Programme to sponsor participants to take up work attachments at local arts groups. We have also commissioned HKADC to run the new pilot Cultural Internship Scheme from 2009-10 to 2012-13 to sponsor local art practitioners to undertake short-term internship and training programmes in arts administration in the Mainland or overseas. In parallel, the West Kowloon Cultural District Authority is also collaborating with various arts organizations and educational institutes to take forward a series of manpower training programmes for arts professionals, including setting up scholarships for cultural leadership training.

As for the creative industry, we put together dedicated resources and established the "Create Hong Kong" (CreateHK) office in June 2009 to spearhead the development of our creative sector. We also established the \$300 million CreateSmart Initiative (CSI) to provide financial support to projects which drive the development of the creative industries. This is in addition to the DesignSmart Initiative and the Film Development Fund which have been established to specifically support the design and film sectors.

CSI has been well received by the creative industry since its establishment. As at end February 2011, we have received over 120 applications, and nearly \$80 million has been granted to over 40

projects.

Meanwhile, our incubation programmes has borne fruit. For the Design Incubation Programme, over 80 design start-ups have been admitted since 2006. The incubatees have won around 40 awards and filed nearly 40 applications for patents. As for Cyberport Digital Entertainment Incubation-cum-Training Programme, over 120 companies have been admitted as incubatees, with over 90 original patents registered since the programme's inception in 2006.

We will continue to work with the industry in taking forward measures to support the sector's continued growth. These measures include sponsoring local outstanding talents to join overseas creative competitions, supporting local creative sectors to make use of new media to promote their work, encouraging local Small and Medium Enterprises to make good use of design and branding to add value to their business, sponsoring organisation of flagship creative events to make Hong Kong a creative capital, etc. We will closely keep in view the forthcoming figures in respect of the value-added of the industry as well as its contribution to the GDP and Hong Kong's total employment for 2010, which should better reflect our efforts in promoting creative industry development since the establishment of the CreateHK office in mid-2009.

Signature _____

Name in block letters _____ Miss Jennifer MAK

Post Title _____ Director of Administration

Date _____ 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO08

Question Serial No.

S041

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme: (4) Efficiency Unit

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

Please set out the number of years of service of the 307 full time and 101 part-time non-civil service contract (NCSC) staff working in the 1823 Call Centre according to the following distribution:

Below 1 year: ?	6 years: ?
1 year: ?	7 years: ?
2 years: ?	8 years: ?
3 years: ?	9 years: ?
4 years: ?	10 years or more: ?
5 years: ?	

Asked by: Hon. WONG Kwok-hing

Reply:

The years of service of the 307 full time and 101 part-time NCSC staff working in the 1823 Call Centre are as follows -

Year of Service	Number of NCSC Staff
Below 1 year	112
1 year	40
2 years	103
3 years	71
4 years	21
5 years	9
6 years	8
7 years	13
8 years	6
9 years	23
10 years or more	2

70% of the NCSC staff who have been working for 1823 for more than 5 years are not working in the posts for which they were originally recruited. They have applied through open recruitment for appointment to other posts that have become available due to staff turnover or service expansion.

Signature _____

Name in block letters Miss Jennifer MAK

Post Title Director of Administration

Date 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO09

Question Serial No.

S042

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme: (5) Efficiency Unit

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

Will the Administration consult the existing contract staff of the 1823 Call Centre on switching to permanent terms of appointment so as to retain talents? If not, what are the reasons?

Asked by: Hon. WONG Kwok-hing

Reply:

The long term financial and other institutional arrangements for the 1823 service are under consideration. Staffing arrangements will be considered in that context.

Signature _____

Name in block letters _____ Miss Jennifer MAK

Post Title _____ Director of Administration

Date _____ 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO10

Question Serial No.

S043

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme:

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

Why were Members' questions on the development of the six priority industries handled at a lower level and directed to the Director of Administration for reply?

Asked by: Hon. WONG Kwok-hing

Reply:

The Director of Administration has co-ordinated with respective bureaux and departments to provide a consolidated reply to Members. All resources for the development of the six industries are categorized under the respective expenditure heads of the responsible policy bureaux and departments. The respective policy bureaux will continue to promote, develop and monitor the progress of the six industries and are ready to answer questions from Members on details of the developments for the industries under their purview. Questions relating to the six industries will be answered directly by respective bureaux and departments in the future.

Signature _____

Name in block letters Miss Jennifer MAK

Post Title Director of Administration

Date 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO11

Question Serial No.

S044

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme:

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

How can the Director of Administration exercise the authority of a bureau secretary in place of the Secretary for Commerce and Economic Development in promoting the six priority industries?

Asked by: Hon.WONG Kwok-hing

Reply

The Director of Administration has co-ordinated with respective bureaux and departments to provide a consolidated reply to Members. All resources for the development of the six industries are categorized under the respective expenditure heads of the responsible policy bureaux and departments. The respective policy bureaux will continue to promote, develop and monitor the progress of the six industries and are ready to answer questions from Members on details of the developments for the industries under their purview. Questions relating to the six industries will be answered directly by respective bureaux and departments in the future.

Signature _____

Name in block letters Miss Jennifer MAK

Post Title Director of Administration

Date 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO12

Question Serial No.

S045

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme:

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

Will the Secretary for Commerce and Economic Development be re-assigned to co-ordinate and respond to questions on the six priority industries, and will the Administration stop classifying these matters as miscellaneous items for Members' questions in the special meeting of the Finance Committee of this Council next year (2012-13), as this only indicates that the Government attaches little importance to promoting these industries?

Asked by: Hon. WONG Kwok-hing

Reply :

The Director of Administration has co-ordinated with respective bureaux and departments to provide a consolidated reply to Members. All resources for the development of the six industries are categorized under the respective expenditure heads of the responsible policy bureaux and departments. The respective policy bureaux will continue to promote, develop and monitor the progress of the six industries and are ready to answer questions from Members on details of the developments for the industries under their purview. Questions relating to the six industries will be answered directly by respective bureaux and departments in the future.

Signature _____

Name in block letters Miss Jennifer MAK

Post Title Director of Administration

Date 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO13

Question Serial No.

S046

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme:

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

What will be the output value by the six priority industries in the coming year and its percentage of increase?
How many jobs will be created and what will be the percentage increase?

What will be the additional amount of investment made by the Government in promoting the six priority industries and the increase in the investment in each industry?

Asked by: Hon. WONG Kwok-hing

Reply :

We do not produce forecasts on specific sectors. But it is noted that in 2009 when the Hong Kong economy suffered a contraction due to the global economic recession, the value-added of the six industries continued to increase, by 3.0% over 2008, indicating their strong relative competitiveness. We believe the six industries have very good potential for further development in the years to come. The value-added and employment figures of the six industries in 2011 should be available by February 2013.

As for the capital investment to the six industries, the breakdown (as provided by the responsible bureaux and departments) is in the ensuing paragraphs.

(a) Medical Services Industry

The Government has reserved four sites at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau for private hospital development. We invited the market in December 2009 to March 2010 to express their interest in developing the sites. In consideration of the suggestions and views received, we are formulating the land disposal arrangements and plan to dispose of the sites in phases starting from end-2011 or 2012.

(b) Education Services Industry

The Government has proposed the following new initiatives for 2011-12 –

- i. To inject \$250 million into the Government Scholarship Fund to extend the benefit to students of publicly-funded sub-degree programmes;
- ii. To allocate \$100 million to launch a five-year pilot scheme to subsidise on a matching basis local post-secondary students to participate in short-term internship or learning programmes in the Mainland, including visits, exchanges or voluntary services; and
- iii. To set up a Self-financing Post-secondary Education Fund with a total commitment of \$2.5 billion for the development of self-financing post-secondary education.

(c) Testing and Certification Services Industry

In 2010-11, the Government's expenditure on supporting the testing and certification industry was about \$72.9 million. In 2011-12, the expenditure will increase by 12.5% to \$82 million.

(d) Environmental Industry

To promote further growth of the environmental industry, we have been taking forward ongoing initiatives as well as introducing new initiatives. Some of the initiatives are highlighted below –

- i To encourage the transport sector to test out green and low-carbon transport technology, the Government has set up a \$300 million Pilot Green Transport Fund in March 2011.
- ii To encourage the public to take concrete actions for enhancing building energy efficiency, \$450 million was allocated from the Environment and Conservation Fund to subsidise private building owners to carry out energy-cum-carbon audits and energy efficiency projects on a matching basis.
- iii We have also allocated over \$93 million for a five-year Cleaner Production Partnership Programme to facilitate Hong Kong-owned factories in the Pearl River Delta region to adopt cleaner production technologies and practices, as well as facilitate the exchange of information on environmental technology and the promotion of environmental technology and services.

(e) Innovation and Technology Industry

In 2010-11, Government's expenditure on supporting the innovation and technology sector was about \$1.1 billion. In 2011-12, the expenditure will increase by 7.3 % to \$1.18 billion.

(f) Cultural and Creative Industry

On the cultural side, to promote the local cultural industry, and to complement the development of the West Kowloon Cultural District, we have earmarked an additional recurrent expenditure of \$486 million from 2010-11 to 2014-15 for strengthening our cultural software. Of the \$486 million, we have earmarked \$203 million to sustain the provision of additional resources to major performing arts groups to develop quality programmes, promote outreach activities and advance cultural exchanges; injected \$69 million into the Cantonese Opera Development Fund to further support various Cantonese opera preservation, promotion and development projects; reserved a sum of \$80 million to provide additional resources to the Hong Kong Arts Festival for programme enrichment, supporting the production by local arts groups and artists as well as their exchanges with world-renowned performers; allocated \$32 million to line up training programmes to provide more internship opportunities for arts administrators and curators; set aside \$22 million to support student participation in arts education activities; and provided \$80 million to step up the promotion of public art and organise popular arts and cultural activities in the community.

In addition, we injected \$1.5 billion into the arts portion of the Arts and Sport Development Fund in July 2010. We plan to invite applications and will use the annual investment returns to support the long-term development of the arts in Hong Kong.

On Creative Industry, Create Hong Kong (CreateHK) takes the lead to drive the development of creative industries in Hong Kong with a comprehensive strategy formulated in consultation with the Legislative Council and the industries. Since its inception, CreateHK has been collaborating with the creative industries closely in formulating plans that are conducive to creative industries development and in line with the abovementioned strategy.

CreateHK facilitates projects conducive to the development of local creative industries through its funding schemes, namely the \$300 million CreateSmart Initiative which provides financial support to projects conducive to the development of the creative industries in Hong Kong; the DesignSmart Initiative which, through strengthening support for design and innovation, promotes the wider use of

design and innovation in industries to help them move up the value chain; and the Film Development Fund which finances small-to-medium budget film productions and sponsors other film-related projects that are beneficial to the long term development of the Hong Kong film industry.

The estimated expenditure of CreateHK will increase from \$187 million in 2010-11 to \$239 million in 2011-12. This includes an increase of emoluments and departmental expenses from \$48.8 million in 2010-11 to \$51.2 million in 2011-12, and that of general non-recurrent items (including allocations for the various funding schemes administered by CreateHK as well as for the operation of Hong Kong Design Centre) from \$138 million in 2010-11 to \$188 million in 2011-12.

Signature _____

Name in block letters _____ Miss Jennifer MAK

Post Title _____ Director of Administration

Date _____ 31 March 2011

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-CSO14

Question Serial No.

SV009

Head: 142 – Government Subhead (No. & title):
Secretariat : Offices of the
Chief Secretary for
Administration and the
Financial Secretary

Programme: (3) CSO- Administration Wing

Controlling Officer: Director of Administration

Director of Bureau: Director of Administration

Question:

On reply Serial No: CSO003, Hon Audrey EU requested the Administration to provide:

- (a) a breakdown on the consultancy studies commissioned by the Office of the Chief Secretary for Administration, Office of the Financial Secretary and the Central Policy unit (CPU) respectively; and
- (b) a breakdown on the 2011-2012 budget for CPU in terms of personal emoluments, particularly the remuneration for Head, CPU and financial provisions for consultancy studies.

Asked by: Hon. Audrey EU

Reply:

- (a) Reply Serial No. CSO003 relates to the projects under the Public Policy Research Funding Scheme and the Strategic Public Policy Research Funding Scheme. The Central Policy Unit (CPU) has reserved \$20 million in 2011-12 for the tertiary institutions to apply funding for the projects.

Besides, CPU has commissioned or planned to commission 18 consultancy studies in 2011-12, including those studies carried forward from 2010-11. Details are as follows-

	Item	Consultancy Firm / Organisation	Expenses for 2011-12 (\$m)
1	A Study on the Manpower Situations and Needs of the Arts and Cultural Sector in Hong Kong	Centre of Cultural Development, the Chinese University of Hong Kong	0.440 (funded by the Home Affairs Bureau)
2	New Arrivals from the Mainland	Policy 21 Limited & the University of Hong Kong	0.457
3	The Pattern of Urban Life in Hong Kong : A District Level Community Study of Sham Shui Po	The Hong Kong Institute of Asia-Pacific Studies, the Chinese University of Hong Kong	0.234
4	Hong Kong Container Terminal Trade	Department of Geography, the University of Hong Kong	0.209
5	Consultancy Study on Socio-Economic-Political Trends in Guangdong Province	Center for Studies of Hong Kong, Macao and Pearl River Delta, Zhongshan University	0.148
6	China's Urban Future and Hong Kong's Business Opportunities	Department of Urban Planning and Design, the University of Hong Kong	0.039

7	A Study on Cross-Boundary Marriages in Hong Kong : Causes and Consequences	Department of Economics, the Chinese University of Hong Kong	0.298
8	A Study on Silver Hair Market Development in Selected Economies	Policy 21 Limited (in collaboration with Sau Po Centre on Ageing, the University of Hong Kong)	0.102
9	National Consciousness in Post-1997 Hong Kong : Adolescents' Construction of Patriotism and Identity	Department of Applied Social Studies, the City University of Hong Kong	0.318
10	A Study on The Process of Major Public Policy Decision Making at the Central People's Government : A Case Study on Developing the Guidelines of Five-Year Plans of China	Universities Service Centre for China Studies, the Chinese University of Hong Kong	0.436
11	Understanding and Analysing Online Public Opinion in "Hong Kong Cyberspace"	Journalism and Media Studies Centre, the University of Hong Kong	0.633
12	Taiwan Experiences on Local Creative Industry and the Path of Developing Local Creative Industry in Hong Kong	Chung-Hua Institution for Economic Research	0.150
13	Taiwan Experiences on Saving Environment and Cooperation of it between Hong Kong and Taiwan	Chung-Hua Institution for Economic Research	0.150
14	An Investigation of the Perception of Social Justice Across Social Groups	Hong Kong Institute of Asia-Pacific Studies, the Chinese University of Hong Kong	0.270
15	Supporting HK Manufacturing Enterprises in Guangdong to Develop the Domestic Consumption Market	College of Economics, the Jinan University	0.120
16	Mobility and Welfare: The Family Strategy of Mainland Women Coming to and Giving Birth to Children in Hong Kong	Center for Studies of Hong Kong, Macao and Pearl River Delta, the Zhongshan University	0.182
17	Epidemiology of Child Abuse and its Geographic Distribution in HK - An Important Social Indicator of Different Districts and Communities	Department of Paediatrics and Adolescent Medicine, the University of Hong Kong	0.347 (funded by the Social Welfare Department)
18	Understanding Non-engaged Youths in Hong Kong : A Mixed Method Approach"	Center for Applied Social and Economic Research, the Hong Kong University of Science and Technology	0.406
	Total Expenses in 2011-12 (in million) :		4.152 (funds provided by other organisations at \$0.787m are not included)

For 2011-12, CPU has reserved a sum of \$10 million to commission consultancy studies. It will make good use of the remaining resources to commission new consultancy studies in response to the changing needs and development of Hong Kong.

- (b) The provision of salaries and allowances for CPU staff in 2011-12 is \$43.9 million. The salary and allowance for Head, CPU is \$2.9 million. For 2011-12, a sum of \$10 million has been earmarked for CPU to commission consultancy studies.

Signature _____

Name in block letters _____ Miss Jennifer MAK

Post Title _____ Director of Administration

Date _____ 31 March 2011

