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\$11.1 million approved for think-tank

THE new Government think-tank became fully-operational yesterday when the Finance Committee approved \$11.1 million to cover its first year running costs.

These include \$100,000 a month for the Central Policy Unit's (CPU) chairman, journalist Leo Goodstadt. His job is guaranteed for three years when the unit will be reviewed.

Chief Secretary Sir David Ford told the committee the CPU was neither an ad-hoc working group nor a part of the permanent civil service establishment and should be given a proper run before the Government decided its future form and functions.

An estimated \$7.3 million will be needed each year to keep it going.

Established officially on April 1, the CPU will advise the Government on complex policy matters, but its work has been hampered until now because of a lack of funds and manpower.

Yesterday, the Government made the widely-expected announcement that the unit would have a four-man nucleus chaired by Mr Goodstadt.

Other members include

Reports by ANDY HO, JOHN TANG, ESME LAU and DAPHNE CHENG

Cathay Pacific general manager Linus Cheung Wing-lam and Hongkong and Shanghai Bank chief economist Vincent Cheng Hoi-chun — both seconded for two years with a salary of \$75,000 a month.

The fourth and only civil servant member is Mr Richard Hoare on a three-year term.

The group will start work soon at its St John's Building office, and will report directly to Governor Sir David Wilson, the Chief Secretary and Finance Secretary Piers Jacobs.

Academics dominate the list of part-time members recruited from the private sector to supplement the group's work.

They include the head of the Centre for Asian Studies, Professor Edward Chen Kwan-yiu, sociology lecturer Rance Lee Pui-leung, former Bar Association chairman Denis Chang Khen-lee, Prudential Asia Capital Ltd chairman Victor Fung Kwok-king, and Roger Luk Kwun-ho of the Heng Seng Bank.

They will be supported by a team of researchers

comprising initially two senior administrative officers and two recruited from outside the civil service, as well as 15 administrative and clerical staff.

Expenditure of the support staff is expected to cost the Government \$3.6 million.

Out of the \$11.1 million approved yesterday, \$200,000 will be allocated to installing equipment and to buying a saloon car for the use of Mr Goodstadt.

During the meeting, Sir David said no other form of gratuity or honorarium would be paid to the CPU members during their terms and after their contracts expired.

● The committee also approved a \$220 million fund for setting up the new Securities and Futures Commission for this financial year. The fund includes a start-up grant of \$38 million, a recurrent grant of \$41 million and an interest free advance of \$140 million.

The commission will become operational in May.