

**For discussion
on 23 December 2014**

Legislative Council Panel on Transport

**Proposed Creation of A Permanent Chief Electrical and Mechanical
Engineer Post and A Permanent Principal Executive
Officer Post in Transport Department**

PURPOSE

This paper seeks Members' views and support on a proposal to create the following two permanent directorate posts in the Transport Department ("TD"), with effect from 1 April 2015 –

- (a) one permanent Chief Electrical and Mechanical Engineer ("CEME") (D1) post in the Vehicle Safety and Standards Division ("VSSD") of the Administration and Licensing Branch ("ALB"), to strengthen the Division's capability to enhance and safeguard vehicle safety and standards in Hong Kong; and
- (b) one permanent Principal Executive Officer ("PEO") (D1) post, to be offset by deletion of one Chief Executive Officer ("CEO") post, to serve as the Departmental Secretary ("DS") to strengthen manpower and resources management, as well as departmental administration.

JUSTIFICATIONS

I. Creation of CEME post in VSSD of ALB

2. VSSD is responsible for setting the safety standard and overseeing vehicle examination of all licensed vehicles in Hong Kong, the number of which stood at 690 000 as at November 2014. VSSD, with a total of 150 staff, is headed by two Senior Electrical and Mechanical Engineers ("SEMEs").

One SEME, leading the Vehicle Safety Sub-division, mainly oversees and monitors the management and operation of TD's vehicle examination centres ("VECs") and Designated Car Testing Centres ("DCTCs")¹. The other SEME, heading the Vehicle Regulations and Standards Sub-division, mainly looks after the review of vehicle safety standards and relevant legislation, as well as approval of vehicle types and modifications. Both SEMEs report to the Assistant Commissioner for Transport/Administration and Licensing ("AC/AL") (D2).

3. In recent years, the work of VSSD has become more complex and demanding which calls for enhancement of Divisional leadership and supervision which is beyond the capacities of the existing two SEMEs. The rank of SEME as head of the division is not commensurate with the division's span of responsibility, complexity of work and future challenges. A higher, directorate ranking officer is urgently needed to provide the strategic planning, change-management skills and leadership abilities needed to steer VSSD to cope with the challenges arising from the development on various fronts. Major challenges faced by VSSD are highlighted below.

Advancements in automotive technology

4. There have been significant developments in vehicle technologies over the last decade, e.g. the emergence of electric and hybrid vehicles, vehicles using alternative fuel, advanced accident prevention systems, strengthened crashworthiness requirements, adaptive automotive lighting systems and innovative vehicle body design and intelligent safety systems. It is expected that there will be continuous emergence of new vehicle models and innovation in automotive technologies, including more extensive use of information technology on vehicles.

5. As the division responsible for overseeing vehicle standards, VSSD needs to keep abreast of the latest automotive technological developments,

¹ Currently, the first examinations of all vehicles are conducted in TD's own VECs that are run by civil servants. The subsequent annual examinations for private cars and some light goods vehicles ("LGVs") are carried out at DCTCs operated by private and self-financed contractors appointed by TD. The New Kowloon Bay VEC, which is also contracted out, conducts the annual examinations for other LGVs, some medium goods vehicles and trailers. All other commercial vehicles are examined at TD's VECs.

through research as well as maintaining a good network and close liaison with international automotive regulatory authorities and professional bodies. More important, VSSD needs to update vehicle construction and maintenance legislation to establish new standards and vehicle approval requirements in view of developments in automotive technology and provide a transparent regulatory framework to facilitate import of vehicles by motor traders, as well as to ensure overall vehicle safety. VSSD also conducts assessments of new vehicle technologies to support the formulation of new safety-related requirements. These are all complex work requiring not only sound professional knowledge and experience, but also the ability to make balanced assessment taking into consideration Government policies, public sentiment, impact on the trade, etc. A CEME, with a higher level of strategic vision and social as well as political sensitivity, is needed to provide leadership and steer to VSSD in this important area of work. Pitching the head of the Division at directorate rank would also facilitate VSSD to establish and maintain a good network with high level personnel in national and international automotive regulatory authorities and professional bodies to enable the Division to acquire the most up-to-date vehicle safety and standard-related legislation and vehicle examination practices in the world.

Increasing number and complexity of vehicle type approvals

6. Vehicle importers have to obtain type approval from VSSD for any new model of vehicle. The Division gate-keeps the quality of imported vehicles and their safety. With the increasing variety of car models coming into the market, the number of type approvals processed for new vehicles from both the normal import and parallel import channels doubled over the past three years, resulting in a drastic increase in the workload of VSSD. The application for type approval of alternative fuel vehicles adds to the complexity of the work in this respect.

7. To enhance efficiency in processing vehicle type approval, VSSD has conducted an internal review to identify areas for improvement. The improvements require revamping the vehicle type approval framework and streamlining relevant procedures. Besides, the International Whole Vehicle Type Approval regulation will be implemented in overseas developed countries (including Japan and Europe) and vehicle type approval regulations, framework and procedures in Hong Kong will need to be kept under review for alignment

of the approval requirements and procedures with overseas practices. The work involved calls for the steer and strategic thinking of a directorate officer to ensure that the revised procedures are transparent to and easy to understand by the motor trades, and are fair to both authorised and parallel importers.

Strengthen the monitoring of DCTC operation

8. DCTCs are private contractors appointed by TD to provide annual roadworthiness examinations for private cars and LGVs. Given the importance of the role DCTCs play in safeguarding vehicle and road safety, it is necessary for VSSD to closely supervise their operations.

9. The Independent Commission Against Corruption (“ICAC”) has earlier completed a thorough review on the operation of DCTCs. They recommended, amongst others, enhancing the supervision of various DCTCs, improving examination procedures and performance management. A directorate officer is needed to lead and oversee the implementation of ICAC’s recommendations to ensure that they are properly implemented. Continuous close monitoring of the operation of the DCTCs is necessary to ensure that there does not emerge new ways of circumventing the enhanced supervision.

10. In 2013, around 300 000 vehicle inspections were conducted in the DCTCs, which were about 63 000 (or 27%) more than that of 2009. With the growing number, the waiting time for vehicle examination at some DCTCs has lengthened. Some companies have also expressed interest in operating DCTCs. It is VSSD’s duty to ensure that DCTCs maintain their efficiency without compromising the quality of inspection, and that new DCTCs meet the high standards required of them. Given the ICAC recommendations, extra care has to be devoted to build in proper procedures and check-and-balances in the operation of new DCTCs at the outset.

EPD’s environmental initiatives relating to vehicle

11. As the community aspires for cleaner air, more has been required of VSSD in recent years to assist the Environmental Protection Department (“EPD”) in implementing environmental initiatives relating to vehicle emission control. The initiatives include –

- (a) exploring and advising new emission requirements for coping with the introduction of more stringent vehicle emission standards and legislation;
- (b) assisting EPD in improving roadside pollution such as phasing out old and polluting commercial vehicles;
- (c) evaluating the technical performance and safety of electric buses, hybrid bus, super-capacitor bus² and other low emission buses and vehicles meeting the Euro VI standards;
- (d) steering the motor trades to explore and install emission reduction devices without affecting the efficiency of old and new vehicles; and
- (e) assessing the safety and viability of the low emission vehicles and alternative fuel vehicles with a view to introducing them to Hong Kong.

The implementation of the above initiatives requires meticulous planning, flexible deployment of resources and acquisition of sufficient resources in advance and close liaison with EPD and the transport trades. The leadership of a CEME (D1) is necessary to lead and steer VSSD in providing the necessary assistance to EPD and the trades.

12. Against the wide spectrum of challenges and new initiatives faced by VSSD, the current organisational setup of having two SEMEs each heading a sub-division is not conducive to the continued smooth operation of the division. AC/AL (D2), who is the immediate supervisor of the two SEMEs at present, is responsible for a wide range of duties in ALB, of which VSSD is but a part. The work of the Branch (apart from those which come under VSSD) includes the multifarious licensing requirements for vehicles and drivers, the investigation into and prosecution of contraventions against Passenger Service License conditions, and the implementation of the Driving Offence Point

² Super-capacitor bus is an electric bus that can be recharged quickly and produces zero roadside emissions. Franchised bus companies are importing super-capacitor bus into Hong Kong starting end-2014, and will conduct various trials to test their performance.

System and mandatory attendance of Driving Improvement Course scheme. As for VSSD, AC/AL provides steer to the Division on how to translate policies into implementable schemes and on the broad parameters of the execution programme and resource deployment. In view of the manifold duties of AC/AL, he/she could not afford to engage in technical discussions and detailed implementation of plans and schemes. There is at present a gap between the Assistant Commissioner level and the working SEME level. A CEME (D1), who is conversant with vehicle engineering, with a higher level of foresight, vision, strategic thinking than the SEME level and capable of providing technical inputs in sub-divisional matters, is urgently needed to head VSSD. The officer is expected to provide strategic input and professional advice to AC/AL on the formulation of policies and initiatives relating to vehicle safety. He/she will also assist AC/AL in coordination and liaison with motor trades, Legislative Council and District Councils on vehicle safety and approval matters as well as staff management (including succession planning) and training³. As we anticipate that the complexity of the work portfolio of VSSD will continue to mount, a permanent CEME post is needed to provide the necessary steer and leadership for the division for enhancing its capability for coping with various challenges ahead. The proposed duty list of the CEME post is at **Enclosure I**.

II. Upgrading of DS post to PEO rank

13. DS, currently ranked at CEO level, is the head of the Departmental Secretariat and reports to the Deputy Commissioner/Transport Services and Management (“DC/TSM”) (D3). The major responsibilities of DS include -

- (a) assisting TD’s senior directorate in human resources management through advising on policies and strategies as well as drawing up action plans;
- (b) assisting in the management of departmental grades, the general grades and common grades in TD;

³ The grades under the supervision and management of the proposed CEME post include the Electrical and Mechanical Engineer grade, the Motor Vehicle Examiner grade and the Vehicle Tester grade.

- (c) managing all staff relations, staff welfare and staff complaint matters, ensuring effective and efficient communication between management and staff as well as promoting occupational safety and health; and
- (d) ensuring proper general administration of TD, including office support, translation services, office accommodation and records management matters, etc.

14. The DS post has been ranked at CEO (MPS 45 - 49) level since 1981. Over the last thirty-odd years, the transport systems and road networks in Hong Kong have expanded substantially and become more sophisticated; so, as a result, has the functions and complexity of work of TD. In consequence, the post of DS requires upgrading from CEO to PEO such that an officer with directorate leadership can better gear up the department in respect of human resources management and departmental administration for meeting the challenges ahead. Some of the major challenges faced by DS are highlighted below.

Grade and Manpower Management

15. At present, TD has an establishment of 1 507 posts with a staff mix comprising 82 ranks and 39 grades, among which ten are departmental grades fully managed by TD and requiring intensive attention and efforts. Management of manpower deployment and career advancement opportunities of such diverse staff complement to meet increasing service need of TD is no easy task. For example, the duties of the Transport Officer and Transport Inspector grades have become increasingly demanding. It requires higher level input from the DS post to devise appropriate recruitment strategy, formulate succession planning, as well as manage staff sentiment. Similarly, as the vehicle inspection duties of both the Motor Vehicle Examiner and Vehicle Tester grades have become heavier and more complex in view of rapid advancement of vehicle technologies in recent years, there is an imminent need to conduct staffing review of the two grades. Steer from DS at directorate level is essential for the timely review and the implementation of any recommendations of such review.

16. Apart from the challenges in grade management, DS needs to support TD's senior management in re-prioritising and redeploying existing manpower resources effectively to meet the short-term or urgent departmental service needs which arise from time to time. A DS at directorate level with strategic thinking will be able to give steer in working out dynamic plans to cope with these challenges. For example, the number of learner drivers had decreased for 10 years but started to increase substantially (more than 10% per annum) since 2010 leading to a substantial rise in the workload of the staff of the Driving Examiner grade. However, the departmental management cannot simply add resources in line with the increase in learner driver numbers because it cannot be predicted when the number will drop, rendering the staff employed redundant. The DS is thus required to put in place strategic manpower planning and management to cope with the workload against various constraints.

Other Human Resource Management work

17. As the Department's establishment grows, more effort is required to be devoted to fostering and maintaining good staff relations. The Department's workforce has met with unprecedented challenges in recent years. Communication with staff including consultation with staff before the launching of new initiatives and listening with an open mind to staff suggestions are important in securing staff buy-in for and commitment to the Department's work. Staff welfare, motivation schemes as well as assistance provided to staff to manage stress and pressure are also integral parts of the Department's human resource management work. The work on this front has to be enhanced not only in terms of quantity with the growth in establishment but also in quality in tandem with the staff's growing expectation on more understanding and care from and two-way communication with the departmental management. The DS is required to identify room for improvement in staff relations work. A directorate officer's input will help improve on existing communication channels, motivation schemes etc. as well as introduce innovation to the work in these areas.

Hotline handling

18. TD is a front line department the work of which affects every Hong Kong resident. There has been increasing use of TD's hotline to make

enquiries, put forward suggestions, express views and lodge complaints. TD's hotline is serviced by 1823⁴. DS holds quarterly meetings with the Efficiency Unit to closely monitor the service of 1823 and explore possible measures to improve cooperation between TD and 1823. With limited resources and increasing complexity in the enquiries, suggestions and complaints received, it requires higher level input from a DS at directorate rank to identify innovative yet practical measures to improve the handling of the hotline.

Relocation of TD's headquarters

19. The headquarters of TD and a number of its other offices (involving an office area of about 11 000 square metres) will be relocated to the new West Kowloon Government Offices ("WKGO") tentatively in 2019-20. In particular, it is essential to have a seamless transition in relocating the Emergency Transport Coordination Centre ("ETCC") and Area Traffic Control Centres ("ATCC")⁵ and their facilities from the existing location to the new office to ensure there is no service disruption. In view of the complexity of the relocation exercise, it requires strong leadership, meticulous planning and strategic input from a directorate officer to oversee the whole process. After the relocation, it is expected that there will be minor operational problems requiring certain fine-tuning. The whole process will take some six to seven years to complete. Furthermore, given its growing functions and workloads, TD will continuously have to expand its establishment, redeploy manpower resources and secure resources for short-term projects to meet operational needs. The space allocated to TD in WKGO is unlikely to be sufficient by the time of the relocation. DS will continuously be required to steer the proper drawing-up of long-term and short-term accommodation plans, and liaise with

⁴ 1823 was set up under the Efficiency Unit to improve the efficiency and accessibility of call handling by the Government. It provides a round-the-clock one-stop service to answer enquiries for 22 departments including TD and to receive complaints about any area of Government services.

⁵ ETCC monitors traffic conditions 24 hours daily and maintains close liaison with other departments and various public transport operators in coordinating traffic and transport arrangements in the event of incidents. ATCCs monitor traffic flow at signalised junctions in the urban areas and new towns, and adjust traffic signal timing in real time to suit prevailing traffic conditions. The relocation of the existing ATCC and ETCC to the new co-located centre in WKGO involves the moving of sophisticated computer systems and telecommunication equipment while maintaining the service throughout the relocation process.

Branch/Division Heads (mostly at directorate level) and secure necessary funding/work within resource constraints for timely implementation of the plans.

Need for a Directorate Officer to lead the Departmental Secretariat

20. The growing complexity of the staff management and departmental administration work set out in paragraphs 15 to 19 calls for the capabilities beyond that required of a CEO. Looking ahead, it is necessary for the DS to provide directorate input with respect to strategic planning, devising of pre-emptive measures and innovative solutions, so as to strengthen the administration and human resources management of TD to keep pace with the challenges the department is facing on the operational front. The upgrading of the post will also bring the ranking of DS in TD on par with that of his counterparts in a number of departments having similar or even smaller establishments, e.g. Department of Justice and Marine Department. The job description for DS at PEO rank is at **Enclosure II**.

21. Upon the creation of the CEME post in VSSD and the upgrading of DS post to PEO level, the proposed organisation chart of TD is at **Enclosure III**.

ALTERNATIVES CONSIDERED

22. We have critically considered the possibility of continuing with the existing organisation structure of VSSD. However, this is not sustainable as the two SEMEs are already overloaded and will not have the needed capacity, exposure and experience to respond to the mounting challenges as elaborated in paragraphs 4 to 12 above. Having a CEME to lead VSSD is commensurate with the division's span of responsibility, complexity of work and future challenges in guarding the safety of vehicles in Hong Kong.

23. As regards the DS post, we have carefully examined the alternative of retaining the DS post at its existing rank of CEO (MPS 45 - 49), but have come to the view that such an alternative is not viable. Given the expanded scope and increasing complexity of DS's portfolio, an officer at CEO rank would not be able to meet the expectations of the job in full. With the fast

growing workload and complexity of the work of TD on all fronts, TD’s senior management requires higher level support from DS with respect to manpower resources management and departmental administration. Pitching the DS post at PEO level is essential to enhancing the leadership and management input in these two areas of work.

24. We have also considered reshuffling the responsibilities of the existing directorate officers in TD to meet the requirements. All of them are fully occupied with ever heavier duties in their expanding portfolios. Apart from lacking spare capacity, they are not professionals from the electrical and mechanical field and cannot take up the work of the proposed CEME post. For the DS post, if not upgraded, DC/TSM would have to involve herself increasingly more in human resource management, staff relations and administration matters, providing steer and advice to the CEO, thus diverting her attention and focus from policy and operational issues. It is also practically impossible for the other directorate officers to take charge of the matters and give DS the necessary steer without affecting the discharge of their own duties.

FINANCIAL IMPLICATIONS

25. The proposed creation of a permanent CEME post and upgrading of a CEO to PEO post will incur an additional notional annual salary cost at mid-point of \$1,776,600 as follows –

Rank	Notional annual salary cost at mid-point (\$)	No. of post
Creation of CEME (D1) post	1,465,200	1
Creation of PEO (D1) post	1,465,200	1
Less:		(1)
Deletion of CEO post (MPS Pt. 45-49)	(1,153,800)	
Total	1,776,600	1

26. The additional cost expressed in terms of full annual average staff cost, including salaries and on-cost, is \$2,417,568 (i.e. \$2,186,568 for the creation of CEME post and \$231,000 for upgrading to PEO post). We will include sufficient provisions in the 2015-16 draft Estimates to meet the cost of the proposal and reflect the resources required in the Estimates of subsequent years.

WAY FORWARD

27. Subject to Members' comments, we plan to submit the proposal to the Establishment Subcommittee for consideration and the Finance Committee for approval in February 2015.

ADVICE SOUGHT

28. Members are invited to give their views and indicate support for the two staffing proposals.

**Transport and Housing Bureau
Transport Department
December 2014**

**Proposed Job Description for the Post of
the Chief Electrical and Mechanical Engineer
(Vehicle Safety and Standards Division)**

- Post Title** : Chief Electrical & Mechanical Engineer/Vehicle Safety and Standards (CEME/VSS)
- Rank** : Chief Electrical and Mechanical Engineer (D1)
- Division** : Vehicle Safety and Standards Division (VSSD)
- Responsible to** : Assistant Commissioner/Administration and Licensing (AC/AL)

Main Duties and Responsibilities -

1. To assist AC/AL in the provision of professional support and advice on the formulation of policies, strategies and initiatives on vehicle safety and vehicle examination services as well as project management matters and to promote government environmental initiatives.
2. To administer, review, update and enforce the Road Traffic Ordinance (Cap. 374) and Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A), in relation to the vehicle safety standards and physical roadworthiness examination of vehicles in Hong Kong to meet international standards and practices.
3. To manage the overall operations of VSSD, oversee and enhance the vehicle examination operation conducted by Transport Department (“TD”), as well as to manage and monitor the service performance of the Designated Car Testing Centres (“DCTCs”) in Hong Kong.

4. To assess new automobile technologies, international regulations and practices, to identify potential areas of enhancing vehicle safety in Hong Kong.
5. To coordinate and liaise with other government departments and electric vehicles manufacturers for the introduction of environmental friendly vehicles including electric vehicles, as well as to provide advice on the introduction of new vehicles with alternative fuel (e.g. liquefied natural gas vehicles, fuel cell vehicles) and new innovative vehicles.
6. To review the existing DCTC scheme and initiate plans to cope with the need and demand for vehicle examination services in coming decades and to lead the implementation of the ICAC's recommendations in strengthening the DCTC's operation and monitoring.
7. To co-ordinate with policy bureau, government departments, industries and motor trades for implementing vehicle safety programmes and associated new green environmental initiatives.
8. To re-engineer and enhance the process of vehicle approval and type approval of new vehicles imported to Hong Kong.
9. To liaise with local and overseas homologation authorities and technical organisations and to establish networks with national and international automotive organisations, as well as the local motor and vehicle maintenance trades.
10. To assist AC/AL to manage human resources matters, review training needs and formulate succession plan and grade/rank review for various tiers of staff in VSSD including professional engineers, motor vehicle examiners, vehicle testers and other technical and support staff in VSSD.

**Proposed Job Description for the Post of
Principal Executive Officer
Transport Department**

Post Title : Departmental Secretary

Rank : Principal Executive Officer (D1)

Responsible to : Deputy Commissioner/Transport Services and
Management

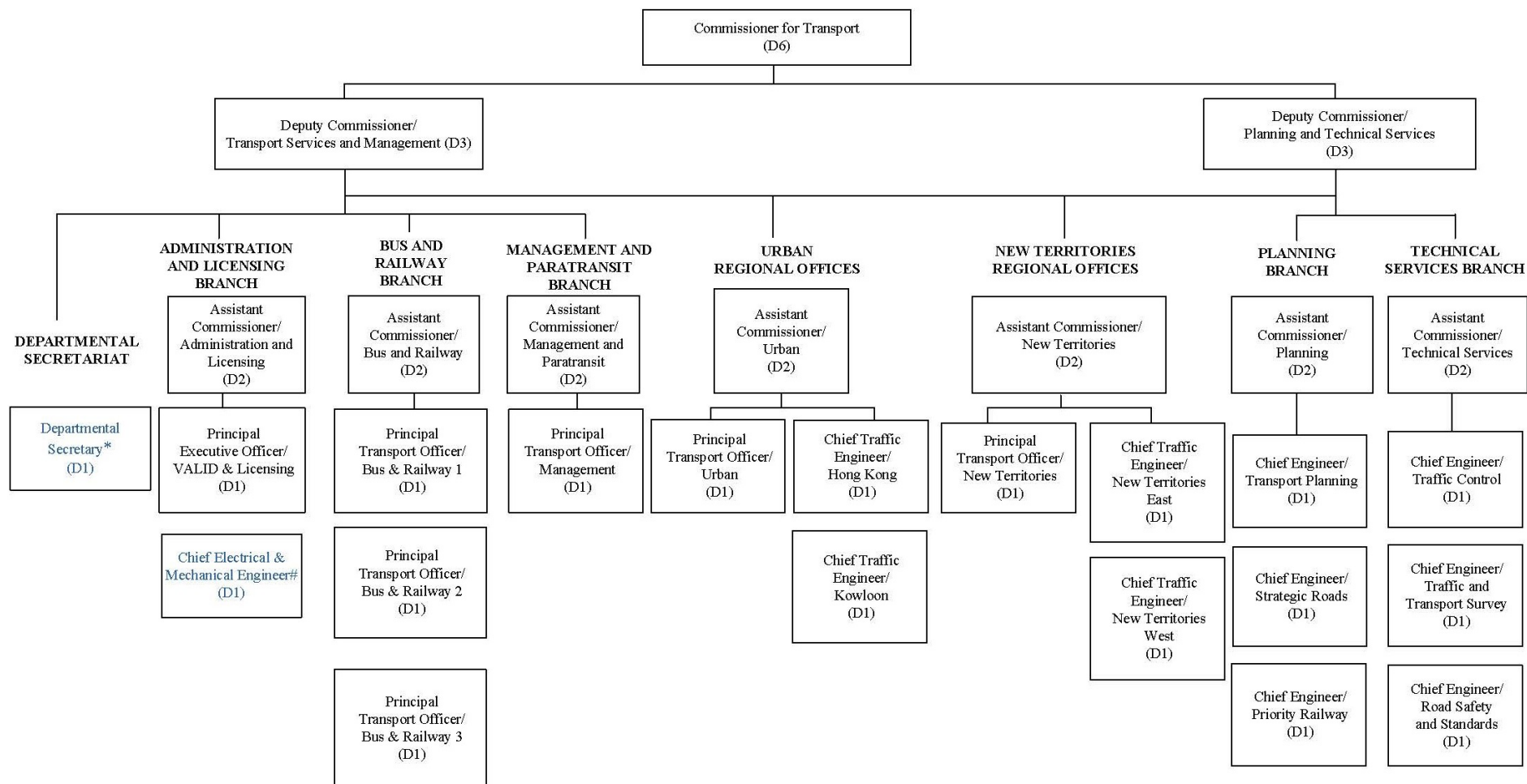
Main Duties and Responsibilities –

1. To head the Departmental Secretariat comprising the General Section, Personnel Section and Translation Unit.
2. To oversee the administration of human resource management functions including recruitment, promotion, employment terms and benefits, establishment control, manpower and succession planning, discipline, and conditions of service; and to formulate and implement related strategies and plans to meet departmental objectives and to cope with changes arising from new government policies and initiatives.
3. To be the head of General Grades staff and be responsible for the management of general and common grades staff and assist in the management of departmental grades and staff of the Engineer grade in the Department.
4. To oversee the provision of administrative support services in the areas of office accommodation, security, translation, transport service, occupational safety and health, protection of personal data and equal opportunities, records management, green management, and integrity

management; and to formulate strategies and plans in the implementation of new government policies and initiatives in these areas.

5. To monitor and advise on complaint and enquiry handling, oversee the coordination and monitoring of the service provided by 1823 for the Department, suggest related improvement measures and assist in their implementations; to oversee staff relations, staff welfare and staff complaint matters; and to provide advice and coordinate inputs on complex and sensitive issues to the senior management.
6. To be the Chairman of the General Grades Consultative Committee and Transport Department Staff Club and serve / attend the Directorate House-keeping Meeting, Commissioner's Meeting, Half-yearly Performance Review Meetings, Departmental Consultative Committee and various other committees, assessment panels, promotion boards, etc.

Existing and Proposed Organisation Chart of Transport Department



* Post proposed to be upgraded from CEO (MPS 45 - 49) to PEO (D1)

Proposed CEME (D1) post to be created