

For discussion
on 24 April 2017

Legislative Council Panel on Economic Development

**Rationalising a Principal Assistant Secretary
for Transport and Housing (Transport) Post
in the Transport Branch of the Transport and Housing Bureau
to support the development of the logistics and port industries**

PURPOSE

This paper seeks Members' views on the proposal to rationalise a Principal Assistant Secretary for Transport and Housing (Transport) Post by re-grading the permanent post of Assistant Director of Marine (AD of M) to a permanent post of Administrative Officer Staff Grade C (AOSGC) (both are at D2 level) in Division 5 of the Transport Branch of the Transport and Housing Bureau (THB(TB)) to support the development of the logistics and port industries in Hong Kong.

BACKGROUND

2. To oversee the planning and development of port facilities, as well as to serve the then Hong Kong Port Development Board¹, a Port Development Board Division was established in early 1990s in the then Economic Services Branch. The Port Development Board Division was headed by an Administrative Officer Staff Grade B (AOSGB) (at D3 level), and supported by an AD of M (at D2 level) and a Principal Marine Officer (PMO) (at D1 level). In 1998, the scope of work of the Port Development Board Division was expanded to cover the promotion of Hong Kong's maritime services. The Division, with the same strength of directorate staff, was retitled as the Port and Maritime Board Division.

¹ The Hong Kong Port Development Board was established on 1 April 1990 to serve as a platform coordinating views and efforts of the public and private sectors relating to port development. It oversaw the port development strategy and port facility planning with a view to maintaining the competitiveness of the Hong Kong Port.

3. To strengthen Hong Kong's role as a preferred regional logistics hub, as well as a base for integrating service providers for global supply chain, a Logistics Development Section was established in 2001 to support the development of the logistics industry in Hong Kong. The Logistics Development Section was tasked to assist in formulating policy, coordinating policy inputs and developing action programmes relating to logistics development, and providing secretariat support to the Hong Kong Logistics Development Council (LOGSCOUNCIL)². As the expanded scope of work required considerable policy input in mapping out the long-term needs of the logistics industry (including assessing its manpower needs, future development direction, the adoption of e-logistics, etc.) which go beyond technical marine and port matters, it was considered more appropriate for an AOSGC to head the Logistics Development Section. With Marine Department (MD)'s consent, a supernumerary AOSGC post held against the AD of M post was hence created under delegated authority in March 2002 to accommodate the AOSGC deployed to fill the AD of M post. The AOSGC deployed oversaw new initiatives and policy matters pertaining to logistics development while the PMO was tasked to deal with on-going initiatives relating to port development and maritime services. This arrangement of filling the AD of M post by an AOSGC has continued with the re-creation of the supernumerary AOSGC post after the transfer of the logistics development portfolio to THB(TB) on 1 July 2007. The post is now titled Principal Assistant Secretary for Transport and Housing (Transport) 10 (PAS(T)10).

JUSTIFICATIONS

Organisation of Division 5

4. Division 5 of THB(TB) is responsible for formulating policies and implementing proposals and measures to promote and consolidate Hong Kong's role as an international maritime centre, a leading port and a regional logistics hub. The division is headed by an AOSGB, titled Deputy Secretary for Transport and Housing (Transport)5 (DS(T)5), who is underpinned by three directorate officers,

2 The Hong Kong Logistics Development Council was established on 11 December 2001 to provide a forum for government and industry stakeholders to formulate initiatives to spur the further development of the local logistics sector. It advises the Government on all aspects of sustaining and enhancing Hong Kong's position as a regional logistics hub to facilitate the flow of cargoes through Hong Kong and the provision of value-added services for those cargoes.

comprising two Principal Assistant Secretaries (at D2 level) and a Chief Assistant Secretary (at D1 level). The two Principal Assistant Secretaries, titled PAS(T)10 and PAS(T)11³, are currently filled by officers at AOSGC rank and the Chief Assistant Secretary, titled CAS(T), is filled by an officer at PMO rank. The organisational chart of Division 5 is at **Annex A**.

5. The three directorate officers under DS(T)5 (i.e. PAS(T)10, PAS(T)11 and CAS(T)) each takes charge of one major policy area. Broadly speaking, PAS(T)11 assists DS(T)5 in policy matters relating to maritime development, including enhancing Hong Kong's role as an international maritime centre, driving the development of high value-added maritime services and supporting the Hong Kong Maritime and Port Board (HKMPB) and its Committees. CAS(T) assists DS(T)5 in supporting HKMPB's Promotion and External Relations Committee and the Manpower Development Committee, as well as facilitating the operation of the local vessel trade.

Roles of PAS(T)10

6. PAS(T)10 assists DS(T)5 in policy matters pertaining to the development of the logistics and port industries. In view of the rapid development of high value-added third party logistics over the past years, we need to make available suitable sites for the development of modern logistics, with a view to maintaining Hong Kong's position as a preferred regional logistics hub. PAS(T)10 also assists DS(T)5 in facilitating industry development in the areas of manpower training, application of information technology, support for small- and medium-sized enterprises, marketing and promotion in consultation with the LOGSCOUNCIL. To enhance the handling capacity and efficiency of the Kwai Tsing Container Terminals, and hence the throughput of the Hong Kong Port, THB(TB) conducted a comprehensive review in 2015 to identify ways to provide additional port back-up land. PAS(T)10 assists DS(T)5 in taking forward the recommendations of the review by making available six pieces of port back-up sites totalling about 18 hectares for container terminal use. In addition, PAS(T)10 is responsible for housekeeping the MD and taking forward legislative proposals to enhance marine safety, as well as to fulfill our international obligation by incorporating international conventions endorsed by the International Maritime Organization and

³ The supernumerary AOSGC post (i.e. PAS(T)11) was created upon Finance Committee's approval with effect on 27 November 2015, on a time-limited basis up to 31 March 2020.

the International Labour Organization into local legislation. The job description of PAS(T)10 is at **Annex B**.

Need for a Permanent AOSGC Post

7. When a supernumerary AOSGC post was first created in 2002 by holding against the AD of M post, the arrangement was envisaged to be a short-term one. However, in view of the increasing policy elements of PAS(T)10's schedule, we acknowledged there is a long-term need to rationalise the arrangement of filling the directorate post by an AOSGC even though permission could be granted to re-create the supernumerary AOSGC post subject to annual review of need and justification. However, in view of MD's reservation, the arrangement to seek annual permission to re-create the supernumerary AOSGC post has continued.

8. Given the expanding portfolio of Division 5 over the years, and the breadth, nature and complexity of work as outlined above, the effective discharge of these duties requires intensive policy and legislative input from a directorate officer with administrative and management experience. There is a confirmed need for the post to be filled permanently by an AOSGC who has the requisite experience in policy administration in formulating and implementing policies and strategies, as well as engaging a broad range of stakeholders on issues straddling several policy portfolios including trade facilitation, inter-modal transportation network, air cargo handling, etc. Furthermore, legislative work to enhance marine safety requires considerable administrative and policy input by an AOSGC. Meanwhile, we have been maintaining dialogue with management of MD in respect of the re-grading proposal. In light of the manpower shortage MD currently faces and in view of the increase in scope and complexity of responsibilities of the PAS(T)10 post over the years, MD agrees that there is a more imminent need to strengthen its manpower support within the department. The Hong Kong Marine Department Local Professional Officers' Association and the Marine Officers Association⁴ were recently consulted and they raised no objection to the re-grading proposal with the understanding that the job nature and circumstances of the AD of M post had changed significantly since the last incumbent from MD occupied the post in 2002.

⁴ Members of the two staff unions are officers of the Marine Officer (MO) and Surveyor of Ship (SoS) grades. The two grades are the feeder grades of MD's directorate officers.

9. The proposed AOSGC post to be re-graded from the AD of M post will keep the post title of PAS(T)10.

ALTERNATIVES CONSIDERED

10. We have carefully examined the directorate support within Division 5 and consider that the duties taken up by PAS(T)10, which involves formulating relevant policies and strategies to enhance the competitiveness of the logistics and port industries, fall squarely within the scope of an AOSGC. We have also carefully examined the possibility of reinstating the AD of M post. Given that the core competencies required of the PAS(T)10 post are not most commensurate with the expertise of officers of the Marine Officer grade and the Surveyor of Ship grade and in light of the manpower situation within MD, such arrangement is considered not conducive to the long-term development of MD. Re-grading the PAS(T)10 post to an AOSGC post is hence the only option.

FINANCIAL IMPLICATIONS

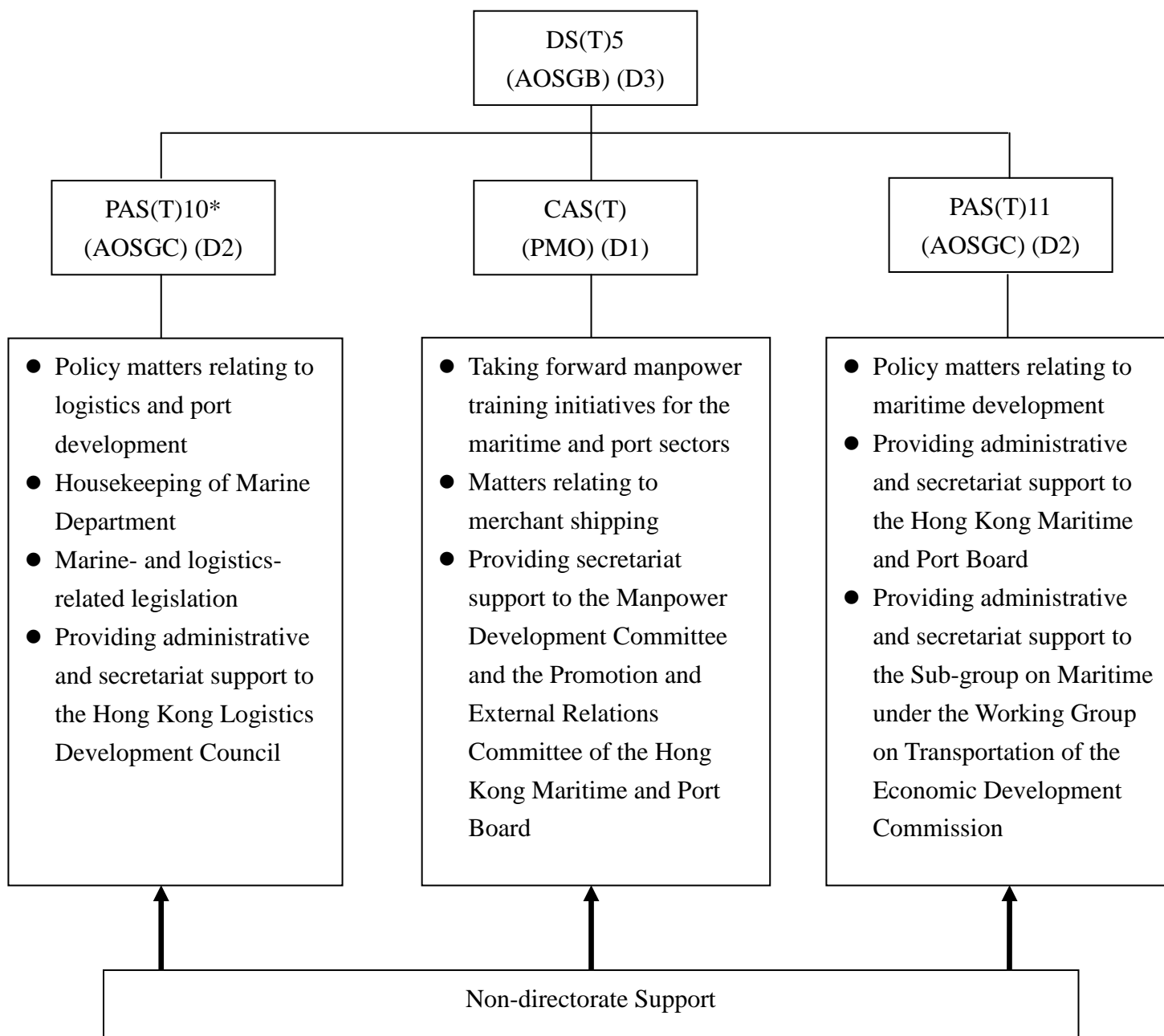
11. The proposed creation of one permanent AOSGC post, to be offset by deletion of one permanent directorate post of AD of M, is cost neutral.

ADVICE SOUGHT

12. Members are invited to comment on the staffing proposal. Subject to Members' support, we will submit the proposal to the Establishment Subcommittee for endorsement and Finance Committee for approval.

Transport and Housing Bureau
April 2017

**Organisational Chart of Division 5 of the
Transport Branch of the Transport and Housing Bureau**



Remarks

*Directorate post proposed to be re-graded

Legend

AOSGB Administrative Officer Staff Grade B

AOSGC Administrative Officer Staff Grade C

PMO Principal Marine Officer

DS(T) Deputy Secretary for Transport and Housing (Transport)

PAS(T) Principal Assistant Secretary for Transport and Housing (Transport)

CAS(T) Chief Assistant Secretary for Transport and Housing (Transport)

**Job Description for the Post of
Principal Assistant Secretary for Transport and Housing (Transport) 10**

Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Deputy Secretary for Transport and Housing (Transport)5

Main Duties and Responsibilities:

1. To provide policy input to matters relating to logistics development and impacting the competitiveness of the logistics trade, as well as to oversee the implementation and promotion of related initiatives, with a view to strengthening Hong Kong's role as a preferred regional logistics hub and supply chain base.
2. To provide support to the Hong Kong Logistics Development Council and its subcommittees in implementing various initiatives to facilitate industry development in the areas of manpower training, support for small- and medium-sized enterprises, the application of information technology, marketing and promotion, etc..
3. To provide policy input to matters relating to port development with a view to enhancing the port's handling capacity, including following up on the recommendations of the "Proposals for Enhancing the Use of Port Back-up Land in Kwai Chung".
4. To take forward legislative proposals to implement marine-related international conventions into local legislation, as well as other marine legislation to enhance navigation safety.
5. To housekeep the Marine Department, including providing policy input in taking forward the department's initiatives.