

立法會

Legislative Council

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Establishment Subcommittee of the Finance Committee

Minutes of the 4th meeting
held in Conference Room 1 of Legislative Council Complex
on Wednesday, 22 November 2017, at 8:30 am

Members present:

Hon Mrs Regina IP LAU Suk-yee, GBS, JP (Chairman)
Hon Alvin YEUNG (Deputy Chairman)
Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, GBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Steven HO Chun-yin, BBS
Hon WU Chi-wai, MH
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon CHU Hoi-dick
Hon HO Kai-ming
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon CHAN Chun-ying
Hon Jeremy TAM Man-ho

Members absent:

Hon LEUNG Yiu-chung
Hon WONG Ting-kwong, GBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Hon SHIU Ka-chun
Hon KWONG Chun-yu

Public Officers attending:

Ms Carol YUEN Siu-wai, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Eddie MAK Tak-wai, JP	Deputy Secretary for the Civil Service 1
Ms Angela LEE, JP	Deputy Secretary for Transport and Housing (Transport) 5
Ms Louisa YAN	Principal Assistant Secretary for Transport and Housing (Transport) 10
Mr WONG Sai-fat	Deputy Director of Marine

Clerk in attendance:

Ms Connie SZETO	Chief Council Secretary (1)4
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Staff in attendance:

Mr Keith WONG	Council Secretary (1)4
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Miss Yannes HO	Legislative Assistant (1)6
Ms Haley CHEUNG	Legislative Assistant (1)9

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The Chairman drew members' attention to the information paper ECI(2017-18)10, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the three items on the agenda. She then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interest relating to the item under discussion at the meeting before they spoke on the item. She also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

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EC(2017-18)9 Proposed rationalization of one Assistant Director of Marine (D2) permanent post to one Administrative Officer Staff Grade C (D2) post in the Transport Branch of the Transport and Housing Bureau to provide pertinent policy support for the development of the logistics and port industries in Hong Kong

2. The Chairman remarked that the staffing proposal was to rationalize one Assistant Director of Marine ("AD of M") (D2) permanent post to one Administrative Officer Staff Grade C ("AOSGC") (D2) post in the Transport Branch of the Transport and Housing Bureau ("THB") to provide pertinent policy support for the development of the logistics and port industries in Hong Kong.

3. The Chairman pointed out that the Administration consulted the Panel on Economic Development on the proposal on 24 April 2017. Members were generally supportive of the proposal to rationalize the post. Some members urged the Administration to strengthen support for logistics and port development and formulate long-term manpower plans for the Marine Department ("MD").

Justifications for rationalizing the post

4. The Chairman and Dr Fernando CHEUNG enquired about the justifications for rationalizing the grading of the Principal Assistant Secretary for Transport and Housing (Transport) 10 ("PAS(T)10") post by re-grading it from an AD of M permanent post to an AOSGC post, whether the relevant proposal would involve creation or deletion of posts, and whether additional financial expenses would be incurred.

5. Deputy Secretary for Transport and Housing (Transport) 5 ("DS") said that the post was created in the Port Development Board Division under the then Economic Services Branch as early as 1990, and was filled by an AD of M to assist, at a technical level, in port planning, development and management. In 2001, the Government sought to develop the logistics industry in Hong Kong, and subsequently established a Logistics Development Section to formulate policy relating to the long-term development of the logistics industry. As the scope of work went beyond the general marine and port matters the AD of M was originally tasked with, a supernumerary AOSGC post was hence created by the Government under delegated authority in March 2002 to fill the AD of M post, and the arrangement had since been in use. The Government's current proposal of

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re-grading the post sought to regularize the arrangement of filling the post by an Administrative Officer ("AO"). She supplemented that the purpose of this proposal was to re-grade the post, and did not involve any changes to the number of directorate posts and was cost-neutral.

6. Mr WONG Kwok-kin said that he had no objection to the Administration's proposal of rationalizing the post. He opined that the rationalized post was only at AOSGC level, which would be of limited help to the formulation of policies supporting the logistics development in Hong Kong. He pointed out that the logistics industry had all along looked forward to the Government to strengthen support for the development of the industry.

7. DS advised that the main responsibilities of the PAS(T)10 post were to support the Deputy Secretary for Transport and Housing (Transport) 5 in formulating policy for promoting the development of the logistics and port industries in Hong Kong. The Government would continue to listen to the views of the industries with a view to mapping out how the logistics and port industries in Hong Kong could be further developed.

8. Mr James TO was of the view that the Administration had been arranging an AO to fill the PAS(T)10 post since 2002. This temporary arrangement had been in place for as long as 15 years, which was not satisfactory. He requested the Administration to explain why it had not put forward the staffing proposal until now.

9. DS advised that the Government had been reviewing the arrangement for the post and had consulted MD on the re-grading proposal a few years ago, but the staff unions of MD had reservations about the proposal. Deputy Director of Marine ("DDM") added that taking into account the fact that the actual job nature of the post might not be commensurate with the expertise of officers of the Marine Officer and Surveyor of Ships grades in recent years, the two staff unions of MD currently raised no objection to re-grading the post, so the Government put forward the proposal of re-grading the post to an AOSGC post.

10. Pointing out that the main duties of the PAS(T)10 post was policy formulation, Mr Holden CHOW supported rationalizing the post to an AO post. He opined that the proposal could rectify the temporary establishment arrangement which had been in place for many years.

11. Mr James TO opined that rationalizing the AD of M post to an AOSGC post might affect the promotion prospects of staff from the Marine

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Officer and Surveyor of Ships grades of MD, and might even discourage people interested in the maritime industry from joining MD. Dr KWOK Ka-ki was worried that the Administration's frequent practice of arranging AOs to fill the posts of professional grades would undermine the morale of the non-AO grade civil servants. He enquired whether the Administration would consider providing training to the professional grade staff within MD to equip them with the abilities required for filling the PAS(T)10 post.

12. DS reiterated that in putting forward the re-grading proposal, the Government had taken into consideration the changes in the job nature of the position. The proposal was not meant to convert the professional grade posts under MD into AO grade posts. DDM supplemented that the Steering Committee on Systemic Reform of MD established in 2013 had reviewed the manpower development and training of MD. There were currently six permanent and one supernumerary Assistant Director posts within the departmental structure, which could offer career development and promotion pathways to the professional grade officers under MD. Besides, MD currently arranged a Principal Marine Officer ("PMO") to fill the Chief Assistant Secretary for Transport and Housing (Transport) post on a rotation basis to strengthen the work contacts between THB and MD. This could also provide MD officers with working experience in bureaux and relevant training opportunities. Officers with outstanding performance might have a chance to get promoted to the AD of M posts.

13. Dr CHIANG Lai-wan enquired whether PAS(T)10 would be tasked to promote the development of Hong Kong into an international maritime centre. She also enquired if the responsibilities of the post would overlap with those of other staff responsible for maritime issues.

14. DS replied that the PAS(T)10 post mainly handled policy on port and logistics development and oversaw MD's internal management. As regards the development of maritime business, a supernumerary PAS post in THB was designated to provide policy support for the marine business and development in Hong Kong as well as assist the Hong Kong Maritime and Port Board. She further pointed out that the development of marine business involved a wide scope of areas, and there was a clear delineation of duties among various bureaux. For instance, the Financial Services and the Treasury Bureau was responsible for the development of marine rental and insurance affairs, while the Department of Justice was responsible for the development of maritime arbitration business, so their tasks did not overlap with each other.

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Development of the logistics industry in Hong Kong

15. Mr WU Chi-wai and Dr KWOK Ka-ki pointed out that the container throughput of Hong Kong had dropped in recent years owing to keen competition from various ports in neighbouring regions (including the Mainland). Mr CHAN Chi-chuen also pointed out that the Singapore government offered tax concessions to its logistics industry, which significantly enhanced the competitiveness of the industry in the Asia-Pacific region. They enquired about the policy objectives of the PAS(T)10 post in maintaining the competitiveness of the logistics industry in Hong Kong.

16. DS advised that it had been the Government's objective to strengthen Hong Kong's status as a regional logistics hub, and the industry's views on policy relating to the development of the logistics industry were gathered through maintaining close liaison with the Hong Kong Logistics Development Council ("LOGSCOUNCIL"). To maintain the competitiveness of the logistics industry in Hong Kong, the Government had reached a consensus with the industry to vigorously develop the high-end third party logistics business in Hong Kong and enhance the level of value-added services of the logistics industry. In this connection, the Government would proactively seek dedicated land for the construction of logistics facilities for the provision of back-up value-added services, such as automated packaging, re-packing and labeling. Furthermore, the Government would also assist the industry in its investment promotion initiatives, including leading delegations for visits outside Hong Kong as well as organizing logistics and maritime industry meetings, so as to help the industry seek business opportunities and establish business networks.

17. Mr CHAN Chi-chuen was worried that the logistics industry in Hong Kong would be outperformed by Mainland ports, thus losing its status as a regional logistics hub. He enquired how the Administration would help the local logistics industry cope with the increasing threats from the Mainland ports.

18. The Chairman opined that the logistics industry in Hong Kong should maintain its own strengths and enhance the level of value-added services, which would help maintain the competitiveness of the industry. She enquired how the logistics industry in Hong Kong would leverage on its strengths in respect of the cold chain and supply chain businesses.

19. DS said that the numbers of Hong Kong's liners and flights to other parts of the world as well as the scope of regions covered outperformed those of the Mainland ports, and the container terminals in Hong Kong had

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also been renowned for their high efficiency. The logistics industry in Hong Kong had been playing an important role in respect of international transshipment services in the region. The major businesses of the Mainland ports involved exporting goods from Mainland manufacturers, so the business positioning of these ports was different from that of Hong Kong. Despite the logistics industry in Hong Kong faced numerous challenges, Hong Kong and Mainland were not in direct competition. PAS(T)10 supplemented that providing third party logistics services was an important direction for the development of the logistics industry in Hong Kong, including the provision of high quality cold chain logistics solutions to facilitate clients to import from regions like the United States and Europe a large quantity of goods which required strict temperature control (such as chocolate and red wine) and store them in Hong Kong, so that clients could deliver them to the destinations by quantity and batch within a short time to meet the demand arising from Hong Kong's neighbouring markets.

Adm 20. Mr WU Chi-wai requested the Administration to provide a list of specific tasks completed in the past by the PAS(T)10 post in relation to promoting the development of the logistics and port industries in Hong Kong, as well as the future specific tasks after rationalization of the post, including the strategies for developing the high-end logistics industry in Hong Kong, work objectives of the post as well as timetable for completing the targets. Separately, Mr WU also requested the Administration to provide key indicators for assessing the effectiveness of the work of the rationalized post, so as to quantify the effectiveness of the post in promoting the development of the logistics and port industries in Hong Kong. The Chairman also requested the Administration to provide the details on the long-term strategies for enhancing the competitiveness of Hong Kong's logistics and port industries. DS undertook to provide the supplementary information as requested by Mr WU and the Chairman.

21. Quoting paragraph 5 of the Government's paper, Mr WU Chi-wai and Mr CHU Hoi-dick pointed out that the Administration had made available six pieces of port back-up sites totalling about 18 hectares for use by container terminal operators. They enquired about the details of the sites including their uses and locations as well as the timetable for making the sites available. Mr Holden CHOW also urged the Government to make the sites available as soon as possible and seek more land for the logistics industry for back-up purposes in the light of transforming the industry towards high-end logistics business.

22. DS said that the six pieces of sites were all located in areas near the Kwai Tsing Container Terminals, including three sites used as container storage yard, two sites as barge berths, and one site measuring around

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7 hectares to be used for the construction of multi-storey port facilities. The Government was discussing with container terminal operators the terms of using the three storage yard sites, which were expected to be launched early next year. As for other port back-up sites, there was no timetable for their launch for the time being. She supplemented that in the first quarter of next year, the Government would launch a Tuen Mun site dedicated to the logistics industry for the construction of logistics back-up facilities.

23. In response to Mr CHU Hoi-dick's further enquiry on the planning for multi-storey logistics facilities, PAS(T)10 supplemented that container terminal operators would look into the planning for the construction of multi-storey logistics facilities including the usage of the buildings as well as the equipment to be included in the buildings. Upon the making of land use applications to the Lands Department by the operators, the Department would revise the land leases concerned. Currently, container terminal operators were still contemplating the planning for multi-storey logistics facilities, and the Government had yet to receive any proposal from them.

24. Quoting Enclosure 2 to the Government's paper, Ms YUNG Hoi-yan pointed out that the main responsibilities of the PAS(T)10 post included supporting the Logistics Development Council in the implementation of initiatives pertaining to the application of information technology conducive to the industry's development. She was concerned that AO grade civil servants generally lacked the experience in technology application, and it would be difficult for the post holder to assist the industry in applying new technology. She was of the view that the post holder should possess a certain level of knowledge in information technology.

25. DS advised that at present, technologies were adopted in the local logistics industry. Research and development ("R&D") efforts on relevant new software and programmes were also made in the light of their business needs. The industry could exchange experience in technology application through the platform of LOGSCOUNCIL. Besides, representatives from the Hong Kong Research and Development Centre for Logistics and Supply Chain Management Enabling Technologies, being members of LOGSCOUNCIL, would also share their professional advice with the industry through this exchange platform. PAS(T)10 could understand the industry's needs through this exchange platform to coordinate the efforts among various parties and provide assistance accordingly. Citing examples for illustration, PAS(T)10 supplemented that LOGSCOUNCIL had once studied how to make use of technologies to expedite the

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declaration procedures for goods transported by sea, land or air, and had also studied the use of software to track the location of goods in transit. These research findings would help enhance the level and efficiency of freight services provided by Hong Kong's logistics industry.

Work of the Marine Department

26. Mr KWOK Wai-keung pointed out that the duties of PAS(T)10 included housekeeping MD. He enquired whether the post's current work included overseeing MD's professional grades for handling marine work and ship surveys, etc.

27. DD of M replied that the current responsibilities of PAS(T)10 did not include overseeing the marine work and ship surveys conducted by MD's professional grades. At present, the Shipping Division and the Government Fleet Division of MD were responsible for the regulation of the Government fleet and the vessels registered in Hong Kong respectively. In addition, the Port Control Division of MD was in-charge of matters relating to non-local vessels entering or departing Hong Kong.

28. Dr Fernando CHEUNG enquired about the latest work progress of the Task Force on Reform in MD.

29. DD of M advised that reform relating to the safety of local vessels was currently led by one supernumerary AD of M post, which was dedicated to studies on how to enhance the level of navigation safety of local vessels. The work was carried out in three phases. The first phase, which had been completed, involved initiatives that immediately enhanced the navigation safety of vessels including enhancing look-out by crew and improving the contingency measures in vessel emergencies. Work in the second phase, which involved requiring the installation of safety equipment on vessels, was being taken forward. Work in the third phase had also commenced. This involved studies on bringing the existing regulation in the form of administrative means under statutory control through legislative amendment, such as safety measures for major events at sea. The legislative amendment exercise would also include enhancing regulation against drink and drug boating.

30. Mr Jeremy TAM requested THB to set up an independent task force to deal with investigations into marine accidents. DD of M responded that the International Maritime Organization ("IMO") currently did not require members to set up an independent body for marine accidents investigation, and that IMO was satisfied with MD's current mechanism in dealing with marine accidents.

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31. As regards Mr Jeremy TAM's view on the mechanism for investigating marine accidents, the Chairman remarked that the subject was not directly related to the staffing proposal. She invited Mr TAM to follow this up in other relevant Panels.

Voting on the item

32. The Chairman put the item EC(2017-18)9 to vote. At the request of Ms YUNG Hoi-yan, the Chairman ordered a division, and the division bell rang for five minutes. Six members voted for the item, five against it and three abstained from voting. The Chairman declared that the Subcommittee agreed to recommend the item to the Finance Committee ("FC") for approval. The votes of individual members were as follows:

For

Mr WONG Kwok-kin
Mr POON Siu-ping
Mr HO Kai-ming
(6 members)

Mr KWOK Wai-keung
Ir Dr LO Wai-kwok
Ms YUNG Hoi-yan

Against

Dr KWOK Ka-ki
Mr Alvin YEUNG
Mr Jeremy TAM
(5 members)

Dr Fernando CHEUNG
Mr CHU Hoi-dick

Abstain

Mr Charles Peter MOK
Dr Pierre CHAN
(3 members)

Mr CHAN Chi-chuen

33. Dr KWOK Ka-ki requested that the item be voted on separately at the relevant FC meeting.

34. The meeting ended at 10:25 am.