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**Panel on Public Service
Meeting on 13 April 2018**

**Background brief on grade structure review
for Marine Officer and Surveyor of Ships grades**

Purpose

This paper provides background information on the grade structure review ("GSR") for Marine Officer ("MO") and Surveyor of Ships ("SoS") grades and summarizes the views and concerns expressed by the Panel on Public Service ("the Panel") on the matter at its meeting on 22 December 2017.

Background

2. Subsequent to the vessel collision incident near Lamma Island on 1 October 2012, the Government appointed an independent Commission of Inquiry to look into the incident and make recommendations to prevent recurrence. To follow up on the observations and recommendations arising from the Commission of Inquiry, the Secretary for Transport and Housing appointed a Steering Committee on Systemic Reform of the Marine Department ("the Steering Committee") in May 2013.

3. On manpower and training matters, the Steering Committee noted that there were persistent manpower shortage and succession problems in the MO and SoS grades. Officers in the MO grade are mainly responsible for the management and supervision of the port in Hong Kong while officers in the SoS grade are responsible for undertaking statutory and other related duties under a number of merchant shipping ordinances that pertain to maritime safety, pollution prevention, security, seafarers' welfare and management including casualty investigations and audit on Hong Kong registered ships and their companies.

4. On the advice of the Steering Committee, the Marine Department ("MD") had been exploring ways to resolve the manpower problem of the

two professional grades. In 2014, MD commissioned a consultant¹ to study, among others, how overseas maritime authorities tackled their recruitment and succession problems. In the light of the findings of the consultant, the Steering Committee strongly supported the creation of a new training or assistant rank through the conduct of a GSR for the two professional grades to offer long-term solutions to its manpower and succession problems.

5. In December 2016, the Government invited the Standing Commission on Civil Service Salaries and Conditions of Service ("the Commission") to conduct a GSR for the MO and SoS grades. The Commission commenced the GSR in February 2017, and submitted its report to the Government in October 2017.

MO and SoS grades

Overall grade structure

6. Both the MO and SoS grades consist of three ranks, i.e. the two non-directorate ranks of MO/SoS, Senior Marine Officer ("SMO")/Senior Surveyor of Ships ("SSoS") and the directorate rank of Principal Marine Officer/Principal Surveyor of Ships. The MO and SoS grades are also the two feeder grades for the senior directorate ranks in MD. At the entry rank, the SoS grade is divided into three streams, namely the Nautical stream ("SoS(Nautical)"), the Engineer & Ship stream ("SoS(Engineer & Ship)") and the Ship stream ("SoS(Ship)"). The MO grade is not streamed.

Entry requirements and pay scales

7. Candidates for the MO, SoS(Nautical) and SoS(Engineer & Ship) posts must have the professional qualification of Certificate of Competency ("CoC")² Class 1 and a specified length of working experience at designated positions on ocean-going vessels. On the other hand, while there is no sea service requirement for candidates for the SoS(Ship) post, they have to accumulate four years of post-corporate membership experience in naval architecture to qualify for the post.

¹ The consulting team comprised maritime experts who have profound working experience in maritime authorities in the United Kingdom and other jurisdictions.

² CoC is an internationally recognized qualification and therefore a proof of a person's professional knowledge in the maritime field. CoC Class 1 is the highest class attainable. Candidates must have worked on board ocean-going vessels at designated positions for a specified period of time and pass the relevant examinations in order to obtain the qualification.

8. The current pay scale of MO rank is Master Pay Scale ("MPS") Points 29 to 44, while that of SoS rank is MPS Points 34 to 44. The pay scale for both SMO and SSoS ranks is MPS Points 45 to 49.

Recommendations of the Commission

9. After reviewing the manpower position of the MO and SoS grades, and having considered the proposals put forward by MD management as well as the views of stakeholders, the Commission made a series of recommendations³ which are highlighted below:

- (a) creating a new tier of rank, namely Assistant Marine Officer ("AMO") and Assistant Surveyor of Ships ("ASoS"), each for the MO and SoS grades to attract younger candidates with good potential to join MD. For entry into the AMO rank, as well as the Engineer & Ship stream and Nautical stream of the ASoS rank, candidates should possess a professional qualification at CoC Class 3 or above and a degree in a relevant discipline. As for the Ship stream of the ASoS rank, a degree in naval architecture or related technology is required.

With reference to established pay principles, the Commission considered that the pay scales of AMO, ASoS (Engineer & Ship) and ASoS(Nautical) should be at MPS Points 19 to 27 while the pay scale of ASoS(Ship) should be at MPS Points 16 to 27;

- (b) introducing a degree in a relevant discipline as an academic entry requirement for the MO rank to align it with that of the proposed AMO rank. The starting pay of the MO rank should be revised from MPS Point 29 to 32 in order to help address the proven serious and persistent recruitment difficulties of the grade; and
- (c) reducing the post-corporate membership experience requirement of the Ship stream of the SoS rank from four to two years. This should help MD compete more effectively in a global market for a small pool of suitable candidates who possess the required qualification and experience in the field. The existing pay scale of SoS rank (MPS Points 34 to 44) should remain unchanged.

³ For details, see the Administration's paper [LC Paper No. CB\(4\)377/17-18\(05\)](#).

Members' deliberations

10. At the Panel meeting on 22 December 2017, the Administration briefed members on the findings and recommendations of GSR for MO and SoS grades conducted by the Commission. Members expressed support for the recommendations in principle. Their major concerns and views and the Administration's responses are summarized in the ensuing paragraphs.

Succession problem faced by MD

11. Some members were gravely concerned that a large number of directorate and senior officers of MD would retire in the coming few years, and that the MO and SoS grades, which were the two feeder grades of the senior directorate ranks in MD, had very high vacancy rates of 38% and 26% at the non-directorate level respectively. Suggestion was made that MD should consider grooming and developing officers in the SMO and SSoS ranks with good potential for advancement at a faster pace to the directorate level with a view to alleviating the serious succession problem of MD.

12. The Administration acknowledged that MD was facing acute succession problem as 16 out of the 17 directorate officers in MD would retire in five years' time and the average age of senior officers in MD was about 56 to 57. To address the serious succession problem, the MO and SoS grade officers with good potential were provided with promotion opportunities at a much faster pace than before. In addition, direct recruitment had been conducted for the SSoS rank, but due regard must be paid to the sentiments of the serving officers. MD had also employed retired officers under the Post-retirement Service Contract Scheme to help alleviate the manpower shortage problem.

Measures to attract young people to join MD

13. Some members called on the Administration to strengthen its efforts to attract young people with potential to join MD and asked whether the Government would provide financial incentives to encourage them to obtain the CoC qualification required for the two grades.

14. The Administration advised that it had launched a Maritime and Aviation Training Fund in 2014 to encourage young people to join the maritime industry. In particular, the Sea-going Training Incentive Scheme under the Training Fund offered a monthly subsidy of \$6,000 to deck or engineer cadets on ocean-going vessels for a maximum period of 18 months. However, among the students pursuing a study in logistics or maritime programmes, only a small number of students opted for sea-going deck cadet

training. As such, the supply of home-grown trained seafarers had been limited. MD also had to compete with the private sector for a small pool of suitable candidates.

15. A member remarked that the neglect of the development of some industries, such as the maritime industry, by the Government had led to their diminution. This had resulted in the shortage of home-grown experienced professionals to work in those industries, and hence the succession and recruitment difficulties in the MO and SoS grades faced by MD. The member called on the Administration to consider introducing measures to nurture local maritime professionals from junior grades, including non-degree grades, to take up the duties of these two professional grades.

16. The Administration explained that the Commission agreed with MD's proposal to create new assistant ranks, i.e. AMO and ASoS, for MO and SoS grades to attract younger candidates who were not yet fully qualified for entry at the MO and SoS ranks to join MD, and to provide designated training programmes to groom them to take up the duties of the professional ranks in due course. MD also proposed that the proposed assistant ranks should form a combined establishment of "AMO/MO" and "ASoS/SoS" to provide flexibility for MD to conduct recruitment at both the assistant and professional ranks.

17. The Administration further explained that the assistant rank officers were expected to meet the professional standard equivalent to CoC Class 1 qualification upon successful completion of the designated training and attain the required level of competency for undertaking the duties of the MO and SoS grades. Arrangements had also been made for the assistant rank officers to be on attachment to the shipping companies and classification societies for a short time. The training programmes would last for about four years. They would be qualified for advancement to the MO/SoS rank through a promotion step subject to meeting other necessary requirements set by the appointment authority. MD would at the same time continue with the existing arrangements of direct recruitment of MOs and SoSs.

Post-corporate membership experience requirement of SoS(Ship)

18. Noting that one of the recommendations made by the Commission was to reduce the post-corporate membership experience requirement of SoS(Ship) from four to two years, some members were concerned how MD would ensure SoS(Ship) possessed the required experience to perform its professional duties, in particular those concerning vessel safety.

19. The Administration explained that the supply of candidates for SoS(Ship) had been very limited due to the absence of a degree programme in naval architecture, which was the relevant qualification required for this post, in Hong Kong, and the number of overseas universities offering such degree course was on the decline. In addition, there were no longer any major shipyards in Hong Kong for students to accumulate the required working experience. In view of the severe recruitment difficulties of SoS(Ship), lowering the post-corporate membership experience requirement could be a way to attract more candidates at an early stage of their career to apply for the post. On-the-job coaching from experienced and senior SoSs would also be provided to new recruits to ensure their competency for undertaking their professional duties.

Latest position

20. The Chief Executive-in-Council decided at its meeting on 13 February 2018 that the recommendations of the Commission on the GSR for the MO and SoS grades should be accepted in full, and subject to the approval of the Legislative Council ("LegCo") the pay-related recommendations should be implemented with effect from the first day of the month immediately following the month of approval by LegCo or 1 August 2018, whichever is the later and the normal conversion arrangement⁴ should be adopted for all affected serving staff in the MO rank.⁵

21. The Administration will brief members on the decision of the Chief Executive-in-Council at the Panel meeting on 13 April 2018.

Relevant papers

22. A list of relevant papers is in the **Appendix**.

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⁴ Normal conversion refers to the arrangement to convert the salary point of each serving officer when the pay scale of the rank or grade to which such an officer belongs is revised as a result of the recommendations of the Commission. The overriding consideration is that no one should receive less pay on conversion.

⁵ For details, see the LegCo Brief (File Ref.: CSBCR/PG/4-085-001/59-1) issued by the Civil Service Bureau on 13 February 2018 ([http://sobfle02.legco.hksar/sharedoc/r&d/Grade Structure Review for Marine Officer and Surveyor of Ships Grades of Marine Department-e.pdf](http://sobfle02.legco.hksar/sharedoc/r&d/Grade%20Structure%20Review%20for%20Marine%20Officer%20and%20Surveyor%20of%20Ships%20Grades%20of%20Marine%20Department-e.pdf)).

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List of relevant papers

Date	Meeting/Event	References
22.12.2017	Panel on Public Service	<u>Administration's paper</u> <u>Updated background brief prepared by the Legislative Council Secretariat</u> <u>Minutes</u>

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