

For Discussion
on 19 December 2018

Legislative Council Panel on Economic Development

**Proposed Establishment Changes upon the Disbandment of
the Task Force on Reform in the Marine Department**

PURPOSE

This paper seeks Members' views of the proposed creation of two permanent posts, namely

- (a) one Administrative Officer Staff Grade B (AOSGB) (D3) post;
and
- (b) one Assistant Director of Marine (AD of M) (D2) post

in the Marine Department (MD) to strengthen the overall management of the department to enhance marine safety with effect from 1 June 2019 upon the disbandment of the Task Force on Reform (Task Force) in MD or with immediate effect upon approval of the Finance Committee (FC), whichever is later.

BACKGROUND

Before the Establishment of the Task Force

Deputy Director of Marine

2. Prior to the establishment of the Task Force in May 2013, the Director of Marine (D of M) (D6) was deputised by one Deputy Director of Marine (DD of M) (D3) from a professional stream of MD. DD of M

had to supervise five functional divisions¹, the Administration Branch² and the Marine Adviser (MA)³ stationed at the Hong Kong and Economic Trade Office in London. The organisation chart of MD before May 2013 is at **Annex A**.

Assistant Director/Shipping

3. Before May 2013, AD of M (D2) of the Shipping Division of MD, titled Assistant Director/Shipping (AD/S), had to supervise three branches, namely the Ship Safety Branch, the Shipping Registry and Seafarers' Branch and the Local Vessels Safety (LVS) Branch. LVS Branch was in charge of duties relating to the marine industrial safety as well as safety and certification of local vessels, while the other two branches were responsible for the delivery of a number of other core functions of MD, including the enforcement of ship safety standards; the surveys of ocean-going ships and river trade high-speed passenger craft; the safety management system audits of shipping companies and ships; the management of the Hong Kong Shipping Register and the Mercantile Marine Office; and the examination, certification and discipline of seafarers. The organisation chart of the Shipping Division before May 2013 is at **Annex B**.

Task Force on Reform

4. In response to the call for a systemic reform in MD by the Commission of Inquiry into the Collision of Vessels near Lamma Island on 1 October 2012, the then Secretary for Transport and Housing set up a Steering Committee on the Systemic Reform of the Marine Department (Steering Committee) in May 2013 to advise and steer D of M to undertake a comprehensive systemic review and reform of MD.

5. With the approval of FC, the Task Force, headed by an AOSGB (D3), titled Deputy Director (Special Duties) (DD(SD)) and underpinned by one AD of M, titled Assistant Director (Special Duties) (AD(SD)), one

¹ The five divisions, each headed by an AD of M (D2), are the Shipping Division, the Port Control Division, the Planning and Services Division, the Multi-lateral Policy Division and the Government Fleet Division.

² The Administration Branch comprises a Finance Section headed by a Chief Treasury Accountant (D1), an Administration Secretariat headed by a Departmental Secretary ranked at Principal Executive Officer (D1), and an Information and Public Relations Section headed by a Principal Information Officer (non-directorate officer).

³ The Marine Advisor, ranked at AD of M (D2), represents Hong Kong to attend meetings and functions of the International Maritime Organization.

Senior Principal Executive Officer (SPEO) (D2) titled SPEO (Special Duties) and 20 non-directorate officers, was set up in MD in May 2013. It was tasked to service and support the Steering Committee and to assist D of M to follow up on the deliberations and recommendations of the Steering Committee. The three priority areas identified by the Steering Committee for the Task Force to work on were regulatory and operational issues such as marine safety standards and work practices, manpower strategy and training for professional grades in MD, and organisational review on the business processes and work procedures of MD.

6. To achieve better synergy, AD(SD), who is responsible for improvement of business processes and work procedures in the LVS Section under the Shipping Division amongst other things, took over from AD/S the oversight of the daily operation of the LVS Section in addition to his own responsibilities. As the review and reform process continued, DD(SD) gradually took over the management of the Government Fleet Division and the Administration Branch in phases since 2015. The existing organisation chart of the Task Force is at **Annex C**.

7. The Task Force was first set up for an initial tenure of three years up to 31 May 2016. With the approval of FC, the three supernumerary directorate posts and 13 time-limited non-directorate posts of the Task Force were extended for a period of three years up to 31 May 2019.

JUSTIFICATION

Challenges after disbandment of the Task Force

8. Since the establishment of the Task Force, MD has made considerable progress in taking forward reform measures on the three priority areas recommended by the Steering Committee in paragraph 5 above.

9. Under the supervision of DD(SD) and AD(SD), the Codes of Practice on safety standards for local vessels have been amended to put in place new measures to enhance local vessel safety, and a number of legislative proposals, including those on navigational and communication equipment of vessels, training and examination of seafarers, third-party insurance of vessels, have been taken forward with a view to enhancing the regulatory regime of local vessels. In addition, DD(SD) steered and saw to the completion of the Grade Structure Review (GSR) for the

Marine Officer (MO) and Surveyor of Ships (SoS) grades, the recommendations of which would be instrumental in addressing the succession and manpower shortage problems in the two grades, and conducive to the long-term development of MD. The recommendations of the GSR are now being implemented. DD(SD) also supervised the revision of a number of departmental work procedures and guidelines on various aspects, including record-keeping, internal communication and performance monitoring, and the use of information technology, with a view to enhancing internal control and operational efficiency of MD. In addition, DD(SD) spearheaded an organisational review on the Government Fleet Division and oversaw the implementation of vessel procurement projects. A summary of the major reform/ improvement measures taken forward by the Task Force is at **Annex D**.

10. While the Task Force has made significant progress in taking forward reform measures, in view of the long-term commitment of the many reform recommendations and initiatives, we have reviewed and are satisfied that there is a need to create on a permanent basis one AOSGB (D3) post and one AD of M (D2) post to ensure continual dedicated directorate steer and policy input for the satisfactory and on-going delivery of the enhanced measures and initiatives hitherto implemented. In fact, the experience of the reform process in the past five years has shown that there is a need to revamp fundamentally the organisation structure of MD to rationalise responsibilities at the DD of M level as well as among divisions and sections; strengthen management and internal governance; and strengthen the regulatory regime of local vessels to enhance navigation and marine safety. Details of the staffing proposal are set out in the ensuing paragraphs.

Proposed creation of a permanent AOSGB (D3) post to strengthen senior directorate leadership and support in MD

11. We propose to create one permanent post of AOSGB (D3), to be titled Deputy Director of Marine (2) (DD2) to assist D of M in strengthening the management and internal governance of MD, sustaining the various reform measures implemented and changes in work culture introduced, and driving and directing the long-term manpower and business plans of MD. This proposal will enable D of M to be underpinned by two DDs of M – one with professional background to oversee navigational, maritime and marine safety issues while the other one with administrative background to oversee internal governance, management oversight and strategic planning issues.

12. DD2, to be filled by an AOSGB (D3) with rich government administrative and executive experience, broad exposure and strong political acumen, will support D of M in portfolios with international and business interface requiring dynamic adjustment of business and manpower strategies of the department. Such portfolios include –

- (a) developing the manpower development and training plans of the two professional grades (i.e. the MO and SoS grades) which are the feeder grades for the directorate ranks of MD;
- (b) providing guidance on the ongoing refinement of business processes and operational procedures, with a view to maintaining the standard, governance and efficiency of work and services of MD;
- (c) providing management oversight of the Government Fleet Division, which takes up more than 40% of the manpower and resources of MD;
- (d) formulating plans and strategies for the development of passenger and cargo port facilities; and
- (e) overseeing the administration, finance and public relations matters of MD.

13. Upon creation of the DD2 post, the existing DD of M post is proposed to be re-titled Deputy Director of Marine (1) (DD1). DD1 will be responsible for the delivery of core functions on the professional side, namely, the maintaining and enforcement of ship safety standards, ship surveying matters and managing the Hong Kong Shipping Register; port operations and navigation safety; and the formulation of local policies and legislation to implement international standards. The local vessel portfolio, including the continual development and improvement of the safety standards for local vessels, will be transferred from DD(SD) to DD1 upon the disbandment of the Task Force. DD2 will then take over from DD(SD) the supervision of Government Fleet Division, Administration Branch, Finance Branch, and Information and Public Relations Section, as well as Planning and Services Division currently under the existing DD of M. The proposed organisation chart of MD is at **Annex E**. The proposed job descriptions of DD1 and DD2 are at **Annex F** and **Annex G** respectively.

Proposed creation of a permanent AD of M (D2) post to sustain efforts for implementing reform measures on local vessels

14. To adopt a more focused and proactive approach to sustain efforts in implementing reform measures on local vessels, to educate the trade about the various new requirements, and to take the necessary enforcement actions on the reform measures rolled out, we propose to create one permanent AD of M (D2) post, to be titled Assistant Director/Local Vessels (AD/LV), to head a new Local Vessels (LV) Division. The LV Division will have three sections, namely Marine Industrial Safety Section, Local Vessels Safety Section and Quality Management Section. The former two sections, to be deployed from the existing LVS Branch in the Shipping Division, will continue to deliver their existing services on marine industrial safety and surveying and certification of local vessels, while the latter one on quality management is a new section to be set up to handle the new functions on the regulation and governance of local vessels to be implemented as detailed in paragraphs 15 to 16 below. The proposed organisation of the LV Division is at **Annex H**.

Major New Functions of the Proposed LV Division

15. The refinement of the regulatory regime of local vessels is an evolving process that calls for on-going review. Due to the unique nature of the marine environment of the Hong Kong waters, the manpower situation as well as the mode of operation of the local vessels trade, application of requirement and practices on local vessels have to be carefully planned with the local trade thoroughly consulted. There is a need for a dedicated AD of M (D2) post, i.e. AD/LV, to oversee matters related to local vessels and to lead the proposed LV Division to ensure effective delivery of the functions and measures in relation to local vessel safety.

16. Some of the major new functions in the pipeline to be carried out by the proposed LV Division among the on-going duties of strengthening the regulatory regime of local vessels are highlighted below –

- (a) ***Implementing the reform on local pleasure vessels*** – MD is reviewing the regulatory regime of local vessels. One of the proposed recommendations is to make it mandatory for local pleasure vessels intended to be let for hire and reward to obtain prior approval from MD and to conduct audit survey checks. AD/LV will oversee the implementation of the proposed

recommendations to enhance the regulatory regime of local pleasure vessels.

(b) ***Reviewing and updating Codes of Practice and relevant legislation and to enhance compliance of the reforms rolled out***

– The advances in ship-building technologies and the changes in the mode of operation of the local vessel trade mean that there is a need to regularly review and refine established survey and safety requirements to ensure that they are up-to-date and continue to be practicable from the trade’s perspective. AD/LV to review and update the Codes of Practice, as well as take forward legislative proposals to improve the marine industrial safety and local vessels safety. Such proposals include the enhancement of safety standard of local vessels and the enhancement of statutory requirements on the provision of lifejackets on local vessels, etc. In doing so, AD/LV will have to make reference to international best practices, give professional advice on practicability of proposals having regard to local circumstances, as well as to consult and communicate with the trade, with a view to formulating the most suitable and practicable proposals for Hong Kong.

17. In addition to the above, the directorate support of AD/LV would also be necessary to evaluate the feasibility of and to formulate workplan as appropriate for other potential comprehensive changes to the regulatory regime of local vessel currently under study, such as the safety management systems for passenger vessels. The job description of the proposed AD/LV is at **Annex I**.

Non-directorate support to DD2 and AD/LV

18. In order to provide the necessary resources to support to DD2 and AD/LV to effectively steer the tasks above and for the eventual implementation of measures developed and the delivery of on-going functions, in addition to the existing supporting staff, the proposed DD2 and AD/LV posts will be provided with enhanced manpower support of eight⁴ and six⁵ non-directorate staff respectively.

⁴ The eight non-directorate staff are one Senior Administrative Officer, one Chief Executive Officer, one Senior Executive Officer, one Senior Management Services Officer, two Management Services Officer II, one Personal Secretary I and one Assistant Clerical Officer.

⁵ The six non-directorate staff are one Senior Surveyor of Ships, one Surveyor of Ships/Assistant Surveyor of Ships, one Senior Ship Inspector, one Ship Inspector, one Executive Officer I and one Personal Secretary I.

ALTERNATIVES CONSIDERED

19. We have critically examined the possibility of absorbing the duties concerned by other directorate officers in MD upon the lapse of the Task Force, and concluded that all of them are fully committed to their designated portfolios and hence it is not possible for them to take on additional duties. Although AD/S has been relieved of the duties relating to safety and certification of local vessels, the incumbent is fully occupied with duties relating to the enforcement of ship safety standards, the surveys of ocean-going ships and river trade high-speed passenger craft, the safety management system audits of shipping companies and ships, the management of the Hong Kong Shipping Register and the Mercantile Marine Office; and the examination, certification and discipline of seafarers. The proposal is therefore a more rational distribution of work for both AD/S and AD/LV. To cope with the need for dedicated attention and oversight of the ongoing reform measures and regulatory work on marine safety, we see a strong need for the creation of one permanent AOSGB post (D3) and one permanent AD of M post (D2) in MD.

FINANCIAL IMPLICATIONS

20. The proposed two directorate posts will require an additional notional annual salary cost at mid-point of \$4,710,600, as follows –

<u>Permanent posts</u>	<u>Notional Annual Salary Cost at Mid-point (\$)</u>	<u>No. of posts</u>
AOSGB (D3)	2,530,800	1
AD of M (D2)	2,179,800	1
Total	<u>4,710,600</u>	<u>2</u>

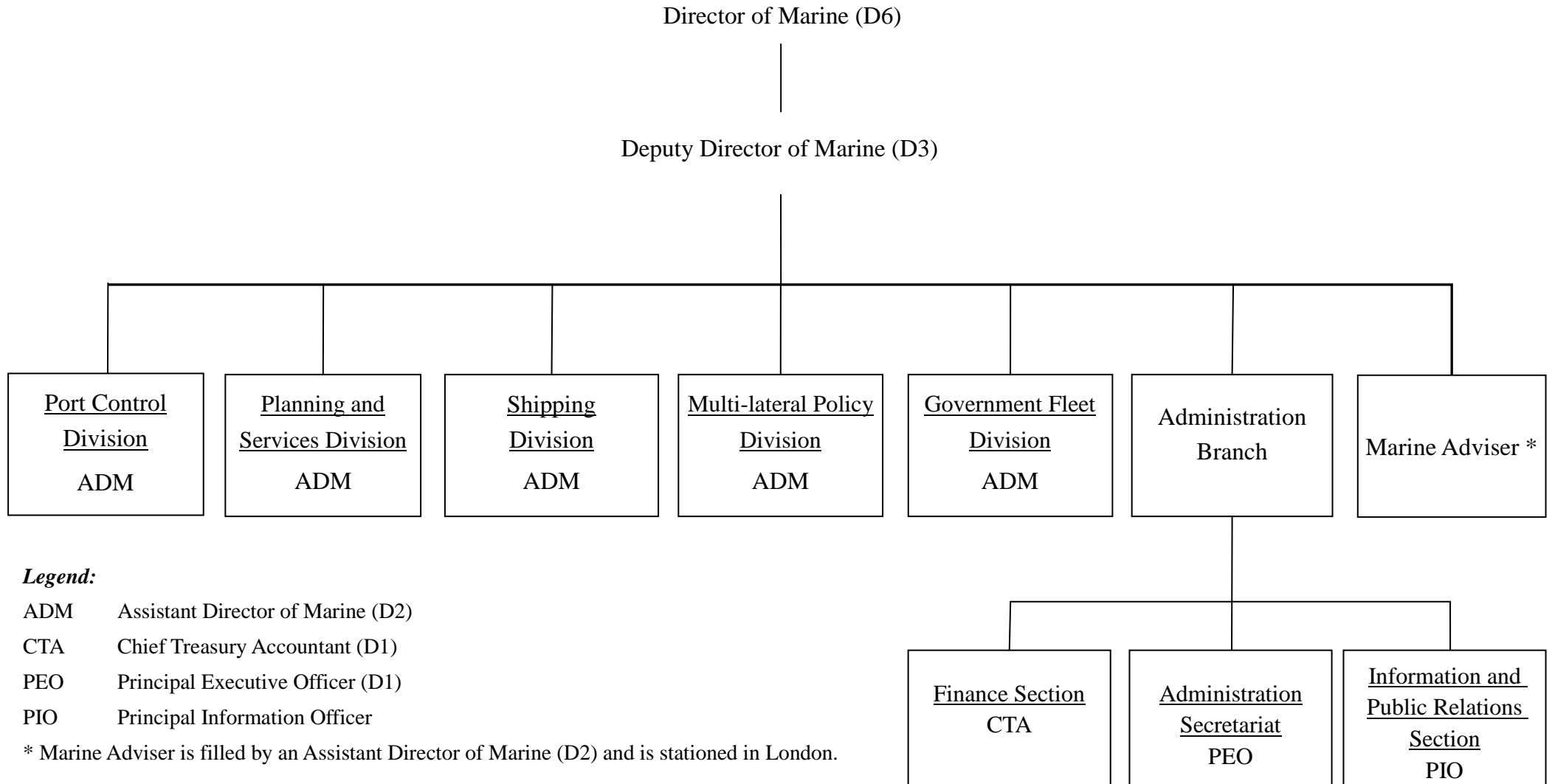
The additional full annual average staff cost, including salaries and staff on-cost, is about \$6,767,000. As regards the 14 non-directorate posts mentioned in paragraph 18, the additional notional annual salary cost at mid-point is \$11,777,250. The full annual average staff cost, including salaries and staff on-cost, is about \$16,838,000. We have earmarked sufficient funding provision to meet the staff costs.

ADVICE SOUGHT

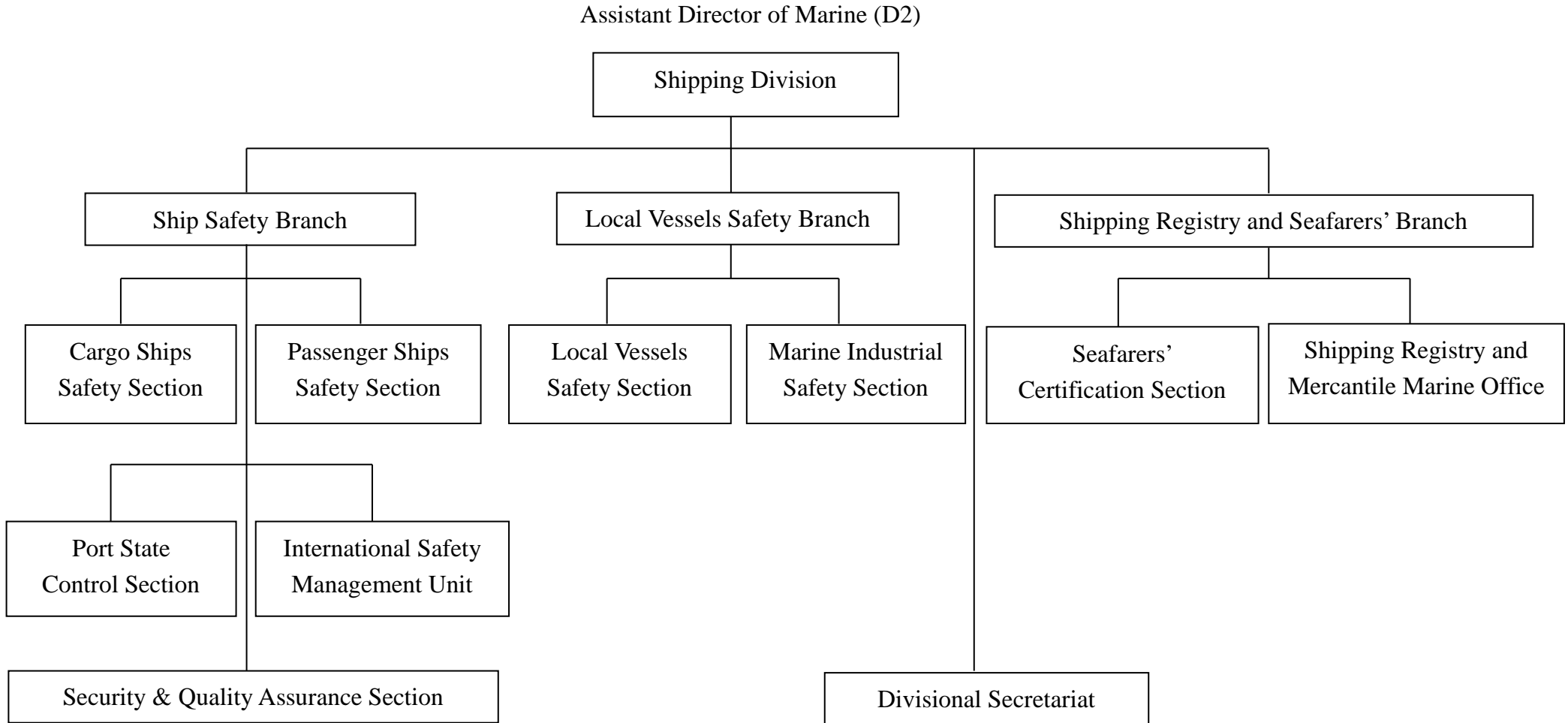
21. Subject to Members' comments, we intend to seek the necessary funding approval from the Legislative Council in accordance with the established procedures at the soonest opportunity.

**Transport and Housing Bureau
Marine Department
December 2018**

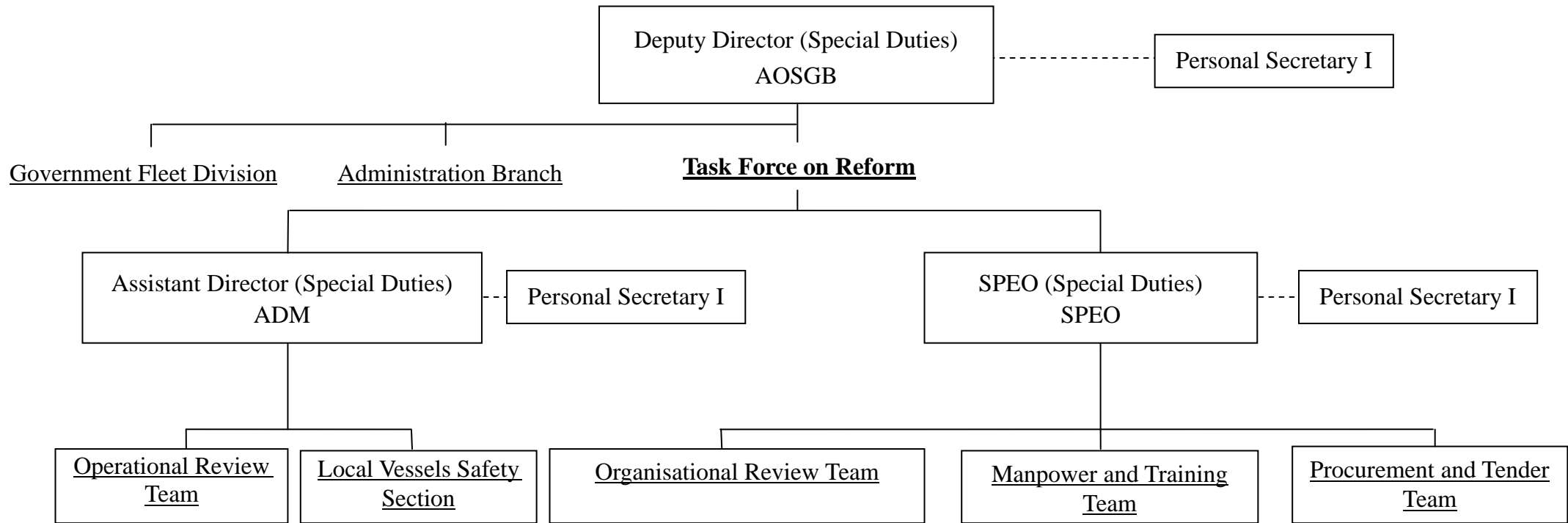
Organisation Chart of Marine Department before May 2013



Organisation Chart of Shipping Division before May 2013



Existing Organisation Chart of the Task Force on Reform



Legend :

AOSGB Administrative Officer Staff Grade B (D3)

ADM Assistant Director of Marine (D2)

SPEO Senior Principal Executive Officer (D2)

Summary of the Major Reform/Improvement Measures Taken Forward since the Establishment of Task Force on Reform in the Marine Department

(A) Under the recommendations of the Steering Committee on the Systemic Reform of the Marine Department (Steering Committee) on the three priority areas

(a) Regulatory and Operational Issues

Item	Progress/Remarks
1. First-phase Improvement Measures	<ul style="list-style-type: none">The Marine Department (MD) amended the relevant code of practice, including enhancing look-out by crew, requiring the provision of a muster list, reviewing the minimum safe manning scale, improving the signage and directives relating to lifejackets, and requiring fitting watertight-door alarms in wheelhouse. These measures were fully implemented in 2014.
2. Second-phase Improvement Measures	<p><u>Legislative Amendments Regarding the Installation and Operation of Navigational and Communications Equipment</u></p> <ul style="list-style-type: none">Legislative amendments to require the installation and operation of Automatic Identification System, radar and Very High Frequency radiotelephone (VHF radio) were enacted in February 2017. Most of the provisions commenced operation in April 2017, while the provisions relating to the VHF radio will be commenced separately by notice in the Gazette. <p><u>Legislative Amendments Regarding Enhanced Lifejacket Provision on Local Vessels</u></p> <ul style="list-style-type: none">Having consulted the trade, MD will consult the Panel on Economic Development (ED Panel) in December 2018 on the legislative proposal to enhance the lifejacket provision on board local vessels.To address the trade's earlier concerns, and to ensure that the proposed requirements are practicable, MD commissioned a subsidiary consultancy of the Hong Kong Polytechnic University (PolyU) in 2015 to explore the feasibility of developing a type of lifejacket that is suitable for use by both adults and children. The lifejacket, which has now been developed, will go into production soon.

Item	Progress/Remarks
	<ul style="list-style-type: none"> The trade had been briefed on the details of the production of the lifejacket developed by PolyU in September 2018.
<p>3. Third-phase Improvement Measures</p>	<p><u>Legislative Amendments Regarding Safety Measures for Major Events at Sea</u></p> <ul style="list-style-type: none"> Having consulted the trade, MD will consult the ED Panel in December 2018 on the legislative proposal to make two existing administrative requirements mandatory for implementation during major events at sea: (a) children to wear lifejackets at all times while on board; and (b) a passenger and crew list to be kept. <p><u>Training, Examination and Medical Examination of Coxswains</u></p> <ul style="list-style-type: none"> MD amended the applicable examination rules for Coxswain Grade 3 Certificate so that, with effect from January 2015, candidates are required to complete a recognised maritime course and the required in-service training. MD amended the applicable examination rules for Coxswain Grade 1 Certificate and Pleasure Vessel Operator Grade 1 Certificate (for pleasure vessels that are let for hire or reward only) so that, with effect from January 2018, certain candidates are required to pass a navigation simulation assessment. MD issued an administrative guideline in November 2016 to require the employers of coxswains operating Class I vessels permitted to carry more than 100 passengers to arrange medical examinations for their coxswains. <p><u>Measures Regarding the Standard for Attachment of Seats to the Deck</u></p> <ul style="list-style-type: none"> MD amended the relevant code of practice regarding the specification of a standard for the attachment of seats to the deck. The new requirements took effect in March 2015.

Item	Progress/Remarks
4. Other Medium- and Longer-term Measures	<p data-bbox="632 293 1407 360"><u>Legislative Amendments Regarding Third Party Risks Insurance</u></p> <ul data-bbox="632 389 1407 533" style="list-style-type: none"><li data-bbox="632 389 1407 533">• Legislative amendments to increase the third party risks insurance coverage for local vessels were enacted in May 2016. The new liability cover took effect in September 2016. <p data-bbox="632 600 1407 667"><u>Proposed Reform of the Regulatory Regime of Local Pleasure Vessels</u></p> <ul data-bbox="632 696 1407 1003" style="list-style-type: none"><li data-bbox="632 696 1407 875">• MD consulted the ED Panel on the proposed reform of the regulatory regime of local pleasure vessels on 23 April 2018. Panel Members passed a motion calling on the Government to revisit the details of the reform proposal and consult the ED Panel again.<li data-bbox="632 898 1407 1003">• Having further consulted the trade, MD has made adjustments to the reform proposal and will consult the ED Panel on the refined proposal in December 2018. <p data-bbox="632 1070 1407 1104"><u>Proposed Legislation Against Drink and Drug Boating</u></p> <ul data-bbox="632 1133 1407 1473" style="list-style-type: none"><li data-bbox="632 1133 1407 1379">• MD consulted the Local Vessels Advisory Committee, the Port Operations Committee, the Pilotage Advisory Committee and the High Speed Craft Consultative Committee in 2017 on the proposed legislation which aims to combat drink and drug boating. In parallel, MD has been working closely with relevant parties to develop the implementation details.<li data-bbox="632 1402 1407 1473">• MD plans to consult the ED Panel on the legislative proposal in early 2019. <p data-bbox="632 1541 1407 1608"><u>Periodic Revalidation Requirement of Coxswain Certificates</u></p> <ul data-bbox="632 1637 1407 2018" style="list-style-type: none"><li data-bbox="632 1637 1407 2018">• At present, the coxswain certificates of local vessels are valid until 65 years old of the holder upon issue. Maritime experts have advised earlier that a periodic revalidation requirement should be introduced. MD considers that, though the suggestion has merits, it involves fundamental changes to the coxswain certification system. The proposal has to be taken forward carefully in view of the implications for the trade which has been suffering from labour shortage. MD is formulating a regulatory regime having regard to overseas and local experience.

Item	Progress/Remarks
	<ul style="list-style-type: none"><li data-bbox="632 293 1406 398">• MD plans to incorporate the proposed legislative amendments relating to the attendance of refresher course into the same legislative exercise. <p data-bbox="632 461 1011 495"><u>Safety Management System</u></p> <ul style="list-style-type: none"><li data-bbox="632 521 1406 770">• It was recommended that operators of ferries and launches carrying more than 100 passengers should be required to implement a safety management system approved by MD. This involves fundamental changes to the modus operandi of the trade. MD will take a gradual approach to implement this recommendation, having regard to the manpower situation of the trade.

(b) Manpower Strategy and Training for Professional Grades in MD

Item	Progress/Remarks
<p>1. Grade Structure Review (GSR) for the Marine Officer (MO) and Surveyor of Ships (SoS) Grades</p>	<ul style="list-style-type: none"> ● In December 2016, the Government invited the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission) to conduct a GSR for the two grades. ● On 31 October 2017, the Standing Commission submitted its recommendations vide Report No. 57. One of the major recommendations is to create a new assistant rank each for the MO and SoS grades. ● The Finance Committee of the Legislative Council approved the proposal in June 2018 and the recommendations took effect on 1 August 2018. ● MD launched recruitment exercises for the assistant ranks of the two grades in August 2018. The first batch of new recruits is expected to join MD in early 2019.
<p>2. Designated Training Programmes for the new assistant ranks of the MO and SoS grades</p>	<ul style="list-style-type: none"> ● To groom the assistant rank officers, i.e. Assistant Marine Officer (AMO) and Assistant Surveyor of Ships (ASoS) to take up the duties of the MO and SoS ranks, designated training programmes have been designed for them to acquire the required professional and occupational knowledge. ● The training programmes were accredited/approved by the Institute of Marine Engineering, Science and Technology and the Hong Kong Institution of Engineers. ● AMOs and ASoSs are expected to complete the training programmes in about four years.
<p>3. Direct Recruitment of Senior Surveyor of Ships (SSoS) and Senior Marine Officer (SMO)</p>	<ul style="list-style-type: none"> ● To address the succession and manpower shortage problems of the SoS grade, direct recruitment to the SSoS rank was conducted in 2017. Three candidates were successfully appointed to fill the posts in the SSoS rank. ● The Department will keep in view the need to conduct direct recruitment to SSoS and SMO ranks.

(c) Organisational Review on the Business Processes and Work Procedures of MD

Item	Progress/Remarks
1. Organisational Review on MD – Phase I	<ul style="list-style-type: none">● In May 2013, the Steering Committee commissioned the then Efficiency Unit to conduct an organisational review with the Task Force on Reform to review the organisational structure and management work process of MD.● Following a scoping study to understand the key challenges and issues faced by MD, Phase I of the review took place between August 2013 and February 2014 with a view to enhancing the efficiency and effectiveness of MD in discharging its core functions and responsibilities in licensing, certification and related regulatory work for local vessels.● 18 recommendations were made on improving performance of key functions; enhancing operational efficiency and effectiveness; strengthening accountability and supervisory responsibility; optimising the use of competent surveyors; and enhancing the use of information technology (IT), such as –<ul style="list-style-type: none">■ strengthening staff resources to clear backlog on plan approval;■ developing structured guidelines and procedures for survey reporting and documentation;■ improving internal communications and collaboration amongst Sections;■ improving the performance monitoring system on competent surveyors; and■ enhancing existing IT systems to improve records management, information sharing, workflow support and compilation of management reports.● A Change Management Team (CMT) comprising representatives of relevant Sections was formed in March 2014 to take forward the implementation of the recommendations. Regular meetings were conducted for CMT members to discuss the issues encountered during implementation and fine-tune the recommendations. Implementation of the recommendations was completed.

Item	Progress/Remarks
<p>2. Organisational Review on MD – Phase II</p>	<ul style="list-style-type: none"> ● Subsequent to the completion of Phase I of the Organisational Review, the Steering Committee endorsed in February 2014 the work programme of Phase II of the review on enhancing the efficiency and effectiveness of MD in discharging its regulatory functions related to ship safety and navigational safety. The review took place between March 2014 and January 2015. ● 12 recommendations were made on strengthening the roles and functions of MD related to safety; control enhancement and monitoring; and the use of IT, such as – <ul style="list-style-type: none"> ■ streamlining operating procedures of the Vessel Traffic Centre (VTC); ■ enhancing reporting and documentation mechanism for follow-up actions of the quality assurance examination of the VTC and marine accident investigations; ■ harnessing optimal use of marine accident data to facilitate daily operation of relevant Sections; and ■ adopting e-submission for Recognised Organisations to submit information of safety certificates. ● Similar to Phase I of the review, a CMT comprising representatives of relevant Sections was formed in March 2015 to take forward the implementation of the recommendations. Implementation of the recommendations was completed.
<p>3. Organisational Review on Government Fleet Division (“GFD”)</p>	<ul style="list-style-type: none"> ● In the Final Report of the Steering Committee in April 2016, the Steering Committee supported that MD should replicate the good practices introduced in Phases I and II of the Organisational Review to address similar deficiencies in the business processes and operational procedures in other Divisions of MD, notably GFD which takes up over 40% of both the manpower and resources of MD. ● The Task Force on Reform conducted a scoping study on the operations of GFD to identify core issues of the Division and set review priority. Stage I Review on the Government New Construction Section and the Maintenance Section was subsequently conducted.

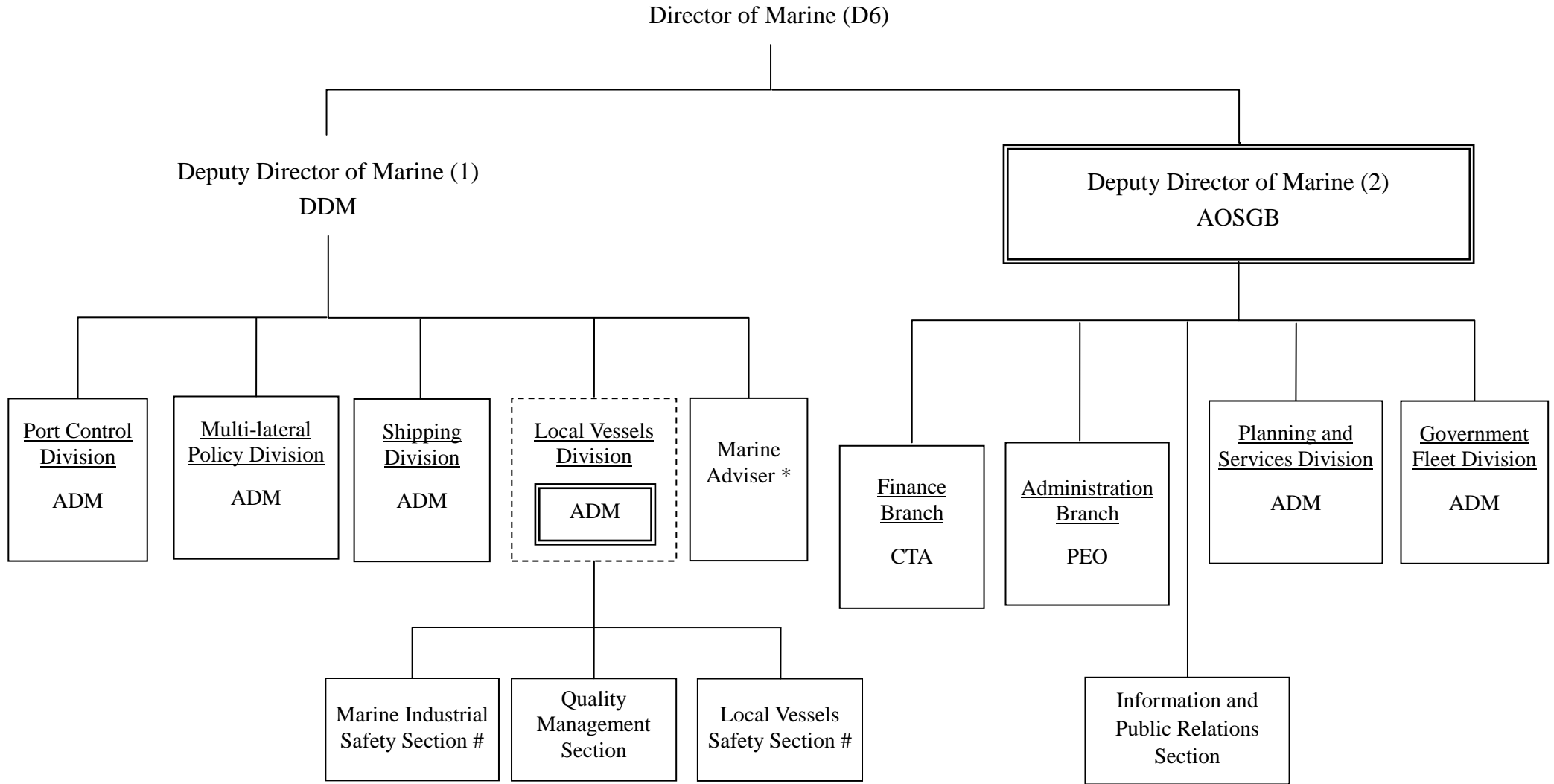
Item	Progress/Remarks
	<ul style="list-style-type: none"> ● 19 recommendations were made on formulating vessel replacement mechanism; streamlining vessel procurement processes; enhancing budget control on vessel maintenance; extending the use of maintenance contractors and term contracts; enhancing reporting and documentation work, etc., such as – <ul style="list-style-type: none"> ■ issuing the new GFD Circular on the procurement of government vessels and 10-year procurement plans for new/replacement of government vessels; ■ using term contracts for bulk procurement of vessels for the Leisure and Cultural Services Department; ■ revising the Arrival and Completion Form for enhancing the reporting and documentation of maintenance work; ■ bundling the vessel maintenance work under term contracts of higher value and extending the contractual period; and ■ enhancing existing IT system to achieve better budgeting and planning of vessel maintenance expenditure. ● Stage II Review on the Support Services Section and the Supplies Services Unit aims to review the procedures from raising procurement requests to issuance of vessel spare parts to enhance the stock and store management of MD. The study team is working with the relevant Sections and the IT system enhancement contractor to, inter alia, – <ul style="list-style-type: none"> ■ re-engineer the workflow in stock management with a view to adopting barcode or similar technologies in handling receipt and issue of maintenance materials; and ■ determine the re-order level of maintenance materials by analysing their past consumption rates and the ordering lead time etc. with a view to implementing a “just-in-time” stock strategy. <p>The system enhancements are targeted to be completed by mid-2019.</p>

(B) Other measures in strengthening management and internal governance implemented

Item	Progress/Remarks
1. Centralisation of the administration, finance and supplies management	To rationalise staffing support and to achieve consistency of the administration, finance and supplies management functions scattered in different divisions of MD in the past, the administration, finance and supplies management were centralised in MD Headquarters under the direction of Deputy Director of Marine (Special Duties) (DD(SD)) in phases between July 2016 and February 2017.
2. Review and refinement of administrative procedures and guidelines	MD had conducted reviews on the existing guidelines and procedures on various issues. Listed below are some of the examples – <ul style="list-style-type: none"><li data-bbox="632 891 1407 1144">● The appointment mechanism/composition of all advisory and statutory bodies under the purview of MD was reviewed in 2017 with a view to better balancing interests of different sub-sectors while achieving the objective of gauging comprehensive views from the trade. The new arrangements had already been implemented.<li data-bbox="632 1171 1407 1346">● To provide a broader perspective in the conduct of promotion and recruitment boards, starting from 2017, the ranks of Chairmen of such promotion/selection boards were escalated to facilitate the deliberation of the boards.<li data-bbox="632 1373 1407 1518">● To achieve consistency in the recruitment of professional grades and staff of Non-Civil Service Contract and Post-Retirement Service Contract, the assessment forms had been reviewed and standardised.<li data-bbox="632 1545 1407 1760">● As regards the undertaking of duty visits by professional and other departmental grades staff, MD had reviewed the arrangements with a view to rationalising the approving authorities and streamlining the application procedures. The relevant departmental circular was promulgated in January 2018.<li data-bbox="632 1787 1407 1921">● To tighten the control and administration of overtime work, annual review would be conducted and supplementary guidelines for professional grades were issued in August 2017.

Item	Progress/Remarks
3. Setting up of posting boards for professional grades and other departmental grades	<ul style="list-style-type: none">• To enhance operational efficiency as well as staff's career development through exposure to different postings in a more structured manner, the posting arrangement for MO and SoS grades officers in MD was formalised by setting up two posting boards respectively in September 2017. The boards are chaired by DD(SD) with Deputy Director of Marine (DD) and Assistant Directors (ADs) as members. Other departmental grades have also lined up posting boards as appropriate.
4. Strengthening training and development of staff	<ul style="list-style-type: none">• A departmental Training Committee was set up in March 2017 to review the training and development policy and strategy for staff regularly. The committee is chaired by DD(SD) with DD and grade managers at AD level as members.
5. Enhancing records management	<ul style="list-style-type: none">• An integrated Enterprise Information Management System is being implemented in MD, which comprises, amongst others, the setting up of an Electronic Recordkeeping System (ERKS) to manage paper and electronic records in an integrated and consistent manner. Phase I of the ERKS is expected to be launched in 2019.• Regular departmental file audit exercises have been conducted since 2017 to promote good records management practices in MD.

Proposed Organisation Chart of Marine Department



Permanent directorate posts proposed for creation



New division to be established upon creation of the proposed ADM post

* Marine Adviser is filled by an Assistant Director of Marine (D2) and is stationed in London

Sections to be deployed from the Shipping Division

Legend:

- DDM Deputy Director of Marine (D3)
- AOSGB Administrative Officer Staff Grade B (D3)
- ADM Assistant Director of Marine (D2)
- CTA Chief Treasury Accountant (D1)
- PEO Principal Executive Officer (D1)

**Proposed Job Description of
Deputy Director of Marine (1)
Marine Department**

Rank : Deputy Director of Marine (D3)

Responsible to : Director of Marine

Main Duties and Responsibilities -

1. To assist the Director of Marine in the formulation and implementation of initiatives and policies of the Marine Department, including implementation of international obligations and local legislation on marine and navigational safety, etc.; acting as the Chairman of consultative committees such as the Local Vessels Advisory Committee, Pilotage Advisory Committee, Port Operations Committee and Hong Kong Fleet Operation Advisory Committee.
2. To steer and oversee the Shipping Division in performing its functions on administration of the Hong Kong Shipping Register, enforcement of ship safety standards, inspection of ocean-going ships within Hong Kong waters as well as examination, certification, registration and discipline of seafarers.
3. To steer and oversee the Port Control Division in performing its functions on port operations, navigational safety, marine emergencies, search and rescue co-ordination, licensing and control of local craft.
4. To steer and oversee the Multi-lateral Policy Division in performing its functions on marine accident investigation, development of policies, standards and local legislation in line with international conventions applicable to Hong Kong; and to supervise the Marine Adviser based in the Hong Kong Economic and Trade Office in London in dealing with functions related to the International Maritime Organization and other maritime related international bodies in Europe.

5. To steer and oversee the Local Vessels Division in performing its functions on refinement of the regulatory regime of local vessels on a continuous basis with a view to enhancing navigational and marine safety, and ensuring effective delivery of services on marine industrial safety and local vessels safety matters.
6. To undertake any other duties as assigned by the Director of Marine.

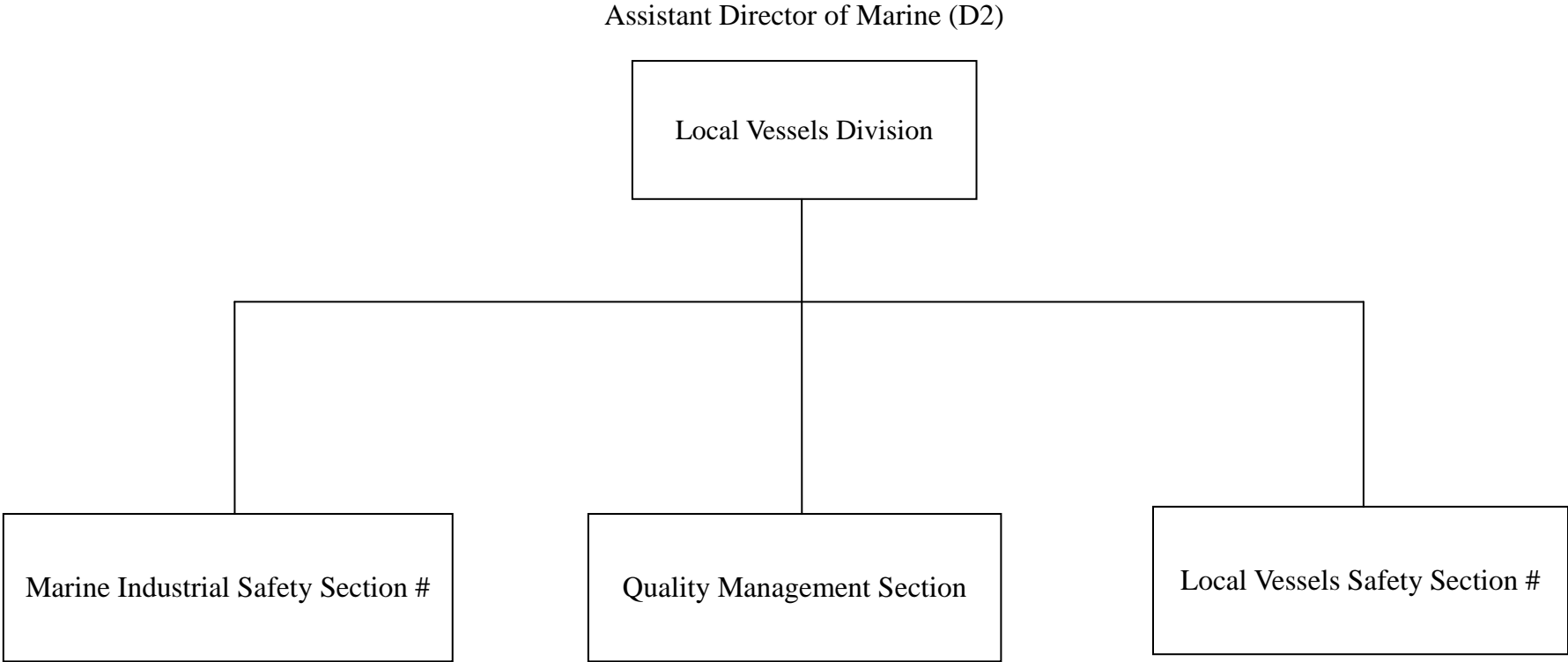
**Proposed Job Description of
Deputy Director of Marine (2)
Marine Department**

Rank : Administrative Officer Staff Grade B (D3)
Responsible to : Director of Marine

Main Duties and Responsibilities -

1. To develop strategy for and oversee progress of the manpower development and training plans of the two professional grades (i.e. the Marine Officer and Surveyor of Ships grades) which are the feeder grades for the directorate ranks of the Marine Department (MD).
2. To provide guidance and steer on the ongoing refinement of business processes and operational procedures, with a view to maintaining the standard, governance and efficiency of work and services as well as strengthening the management and internal governance of MD on a continuous basis.
3. To steer and oversee the Government Fleet Division in procuring and maintaining in the most cost-effective manner government vessels for user departments to conduct their business and provide effective service to the public.
4. To steer and oversee the Planning and Services Division in performing its functions on the strategic planning for port development, passenger terminals, pollution control, public cargo handling facilities, buoys and navigational aids and hydrographic services.
5. To lead and oversee the work of the Administration Branch, the Finance Branch and the Information and Public Relations Section to ensure their effective operation.
6. To undertake any other duties as assigned by the Director of Marine.

Proposed Organisation Chart of Local Vessels Division



Sections to be deployed from the Shipping Division

**Proposed Job Description of
Assistant Director / Local Vessels
Local Vessels Division
Marine Department**

Rank : Assistant Director of Marine (D2)

Responsible to : Deputy Director of Marine (1)

Main Duties and Responsibilities -

1. To plan and oversee the review and development of the local legislation, Code of Practices and work procedures as well as to drive their implementation with a view to enhancing marine safety and pollution prevention applicable to local vessels and to keeping the standards in line with corresponding changes in the international requirements.
2. To maintain close liaison with relevant stakeholders and associations, keep abreast of their views/requests, work out preventive measures and develop strategies to tackle issues relating to the enhancement of marine safety and pollution prevention for local vessels.
3. To lead the Local Vessels Division, to formulate and re-engineer its business processes, and to ensure adequate training is provided to staff to equip them with the necessary knowledge and skills with a view to enhancing the performance, effectiveness and efficiency of the Division as well as the quality of service provided to the public.
4. To direct and oversee reviews and audit checks on safety of local vessels and possible prosecution actions, including the measures to be implemented on local pleasure vessels, with a view to establishing and implementing a Safety Management System for local vessels.
5. To direct and oversee the promotion of navigational safety of local vessels and marine industrial safety including the issuance of safety guides and distribution of information to the trade.
6. To undertake any other duties as assigned by the Deputy Director of Marine (1).