

# 立法會

## *Legislative Council*

LC Paper No. CB(4)322/18-19(07)

Ref. : CB4/PL/EDEV

### **Panel on Economic Development Meeting on 19 December 2018**

#### **Background brief on the proposed establishment changes upon the disbandment of the Task Force on Reform in the Marine Department**

#### **Purpose**

This paper provides background information on the Task Force on Reform ("the Task Force") in the Marine Department ("MD"). It also summarizes the major views and concerns expressed by Members on relevant matters in previous discussions.

#### **Background**

##### Setting up of the Task Force

2. Subsequent to the vessel collision incident near Lamma Island on 1 October 2012, the Government appointed an independent Commission of Inquiry ("CoI") to look into the incident and make recommendations to prevent recurrence. To follow up on CoI's views and recommendations, the then Secretary for Transport and Housing set up the Steering Committee on Systemic Reform of MD ("the Steering Committee") in May 2013 to advise and steer the Director of Marine ("DM") to undertake a comprehensive systemic review and reform of MD with a focus on three areas of work, namely (a) the regulation of passenger safety and local vessels; (b) the MD's business processes and operational procedures; and (c) the MD's manpower strategy and training matters. The Task Force was set up in MD to service and support the Steering Committee, and to assist DM to follow up on the deliberations and recommendations of the Steering Committee.

3. At its meeting on 7 February 2014, the Finance Committee ("FC") approved the creation of three supernumerary directorate posts in MD from February 2014 to 31 May 2016 to lead the Task Force. The three posts are namely one Administrative Officer Staff Grade B (D3) titled Deputy Director

(Special Duties) ("DD(SD)"), one Senior Principal Executive Officer ("SPEO") (D2) titled SPEO(SD) and one Assistant Director of Marine ("AD of M") (D2) titled AD(SD). At the same meeting, FC also approved the creation of a supernumerary Deputy Principal Government Counsel (DL2) post designated as Senior Assistant Law Draftsman (Marine Legislation) in the Law Drafting Division ("LDD") of the Department of Justice ("DoJ") for the same period to head a dedicated Legal Team in DoJ to support the Transport and Housing Bureau ("THB") and MD to take forward relevant legislative exercises for bringing marine-related local legislation in line with the latest requirements under various conventions of the International Maritime Organization and the International Labour Organization.

4. The Steering Committee issued its final report in April 2016, concluding its work and setting out the next steps and general directions of the MD's reform. The conclusion made by the Steering Committee in its final report is at **Appendix I**.

5. In May 2016, FC approved the retention of the four supernumerary directorate posts as mentioned in paragraph 3 above for another three years up to 31 May 2019 to continue providing steer at the directorate level for the systemic reform in MD, and taking forward the outstanding marine-related legislative exercises. The organization charts of the Task Force and LDD of DoJ proposed by the Administration in 2016 are at **Appendices II and III** respectively.

#### MD's follow-up on the recommendations of CoI and the Steering Committee

##### *Regulation of passenger safety and local vessels*

6. According to the Administration, MD has been proactively following up on the various recommendations of CoI and the Steering Committee. Regarding marine safety enhancement measures, MD has implemented in phases various measures and many of which are in response to CoI's relevant recommendations. The five improvement measures in the first-phase were fully implemented in 2014. These included 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. As for the second-phase improvement measures, the legislative amendments to increase the third party risks insurance coverage took effect in September 2016, and the legislative amendments to require the installation of the relevant navigation and communications equipment on local vessels were passed in February 2017. Moreover, MD has also commenced trade consultations to prepare for legislative amendments to enhance the lifejacket provision on local vessels. The Administration plans to consult the Panel on Economic Development ("the Panel") on the relevant legislative proposal in end 2018. Furthermore, MD will continue to take forward the third-phase

improvement measures on enhancement of trainings for coxswains; and some of these measures (such as setting the standard for the attachment of seats to the deck) have already been implemented.

7. On the recommendation to introduce a periodic revalidation requirement in the certification of coxswains, MD is of the view that, while there are merits in the recommendation, it may involve a fundamental change to the coxswain certification system. As the trade has been facing acute labour shortage and that the recommendation may put a strain on already stretched workforce, MD will consider the recommendation carefully in consultation with the trade. Furthermore, regarding the recommendation to revamp the codes of practice of local vessels, MD has, after having consulted the Local Vessels Advisory Committee in March 2017, revised the contents in the codes of practice to make the requirements therein class-specific. MD will continue to make technical amendments to the relevant codes of practice with regard to the actual operational needs as appropriate.

#### *MD's business processes and operational procedures*

8. With respect to the business processes and operational procedures, MD has completed an organisational review in two phases and had implemented the recommendations of the review, such as enhancing communication between frontline staff and management, developing systems and procedures to improve reporting and documentation, and using information technology to improve the storage and sharing of information, etc.. After completing the two-phase organisational review, MD has progressively applied the reform measures to other divisions, notably the Government Fleet Division which takes up over 40% of both the manpower and resources of the whole department, in order to address inadequacies in their business processes and operational procedures. MD will continue with the comprehensive internal audit and compliance mechanism in the other divisions to ensure that the good practices introduced will be sustained and fully complied with.

#### *MD's manpower strategy and training matters*

9. As for the work relating to the Grade Structure Review for the Marine Officer ("MO") and Surveyor of Ships ("SoS") grades, FC approved the creation of assistant ranks for the two grades and other pay related recommendations on 15 June 2018. The relevant recommendations took effect on 1 August 2018. MD launched recruitment exercises for Assistant Marine Officer/Assistant Surveyor of Ships and Marine Officer/Surveyor of Ships in August and September 2018 respectively. It is expected that the new appointees would report for duty starting from the first quarter of 2019.

## **Major views and concerns expressed by Members in previous discussions**

10. The Panel discussed at its meetings on 27 May, 22 July and 25 November 2013, 24 March 2014 and 27 May 2015 the major follow-up actions taken by the Government since the release of the CoI Report on 30 April 2013, including the various measures being taken forward by MD on enhancing marine safety, and the reviews undertaken by the Steering Committee. The Panel was also consulted on the staffing proposals to create and retain the four supernumerary directorate posts at its meetings on 23 November 2013 and 26 January 2016 respectively. The related staffing proposals were discussed by the Establishment Subcommittee on 8 January 2014 and 31 March 2016, and endorsed by FC on 7 February 2014 and 13 May 2016 respectively.

11. Members in general were gravely concerned about the errors committed by MD as identified in the CoI Report. Concerns expressed by Members in previous discussions included measures for tackling the problems in MD identified by the Steering Committee and the Task Force, implementation of the reform measures to ensure marine safety, installation of navigational and communication equipment, measures relating to lifejackets, progress of the marine-related legislative amendment exercises, manpower shortage and training matters of MD, local manpower development of the maritime sector, etc..

12. In discussing the staffing proposal to retain the four supernumerary directorate posts in 2016, Members in general supported the proposal. Some Members were concerned about the work progress of the systemic review in MD undertaken by the Task Force and the expected deliverables of the Task Force in the coming years. Given that the four posts had been created for some two years, some Members expressed concern about the need to retain the posts for three more years.

13. The Administration advised that whilst considerable progress had been made in the work of the Task Force and DoJ's Legal Team, some essential tasks had yet to be completed. The work of the Task Force in the past years had revealed the need to tackle some fundamental issues on internal governance, regulatory regimes and practices, and manpower and training of MO and SoS grades in MD. These fundamental issues required more thorough studies, more extensive trade and staff consultations and more in-depth analysis before implementation arrangements could be finalised. As for the Legal Team, due to the technical nature and complexity of the marine-related international conventions, the time required for the legislative exercises had taken longer than originally conceived. In view of the complexity and diversity of the issues involved, it was necessary to retain the four supernumerary directorate posts up to 31 May 2019 to continue providing the requisite leadership at the directorate level for steering and driving the implementation of the reform measures in MD and to clear the backlog of necessary legislative amendments. The

Administration would keep in view the work progress of the Task Force and review the need for the posts if outstanding tasks could be completed earlier than expected.

14. Some Members were concerned about MD's consultation with industry stakeholders in formulating the improvement measures. The Administration advised that to enhance marine safety, THB and the Task Force had taken forward legislative exercises to bring marine-related local legislation in line with the latest requirements under various international conventions. Such legislative exercises, mainly concerned with ocean going vessels, did not require consultation with the local marine industry. On the other hand, MD had been liaising closely with the local marine industry and stakeholders on the implementation of enhanced safety measures for local passenger vessels, which included the provision of lifejackets on board, safety measures for major events at sea, etc.. To address the concern of the local marine industry about the increase in operating cost arising from the implementation of the enhanced safety measures, the Government had provided financial assistance to the trade, such as subsidies for the installation of radar and automatic identification system on relevant local vessels.

### **Council Question**

15. At the Council meeting on 7 November 2018, Hon James TO raised a Council question relating to the follow up actions in respect of the vessel collision incident near Lamma Island on 1 October 2012. Hyperlink to the Council question and the Administration's response is provided in **Appendix IV**.

### **Latest development**

16. The Administration will seek the Panel's endorsement on MD's proposed establishment changes upon the disbandment of the Task Force with a view to strengthening the overall management of the department and to enhancing navigational and marine safety at the Panel meeting on 19 December 2018.

### **Relevant papers**

17. A list of relevant papers available on the LegCo Website (<http://www.legco.gov.hk>) is at **Appendix IV**.

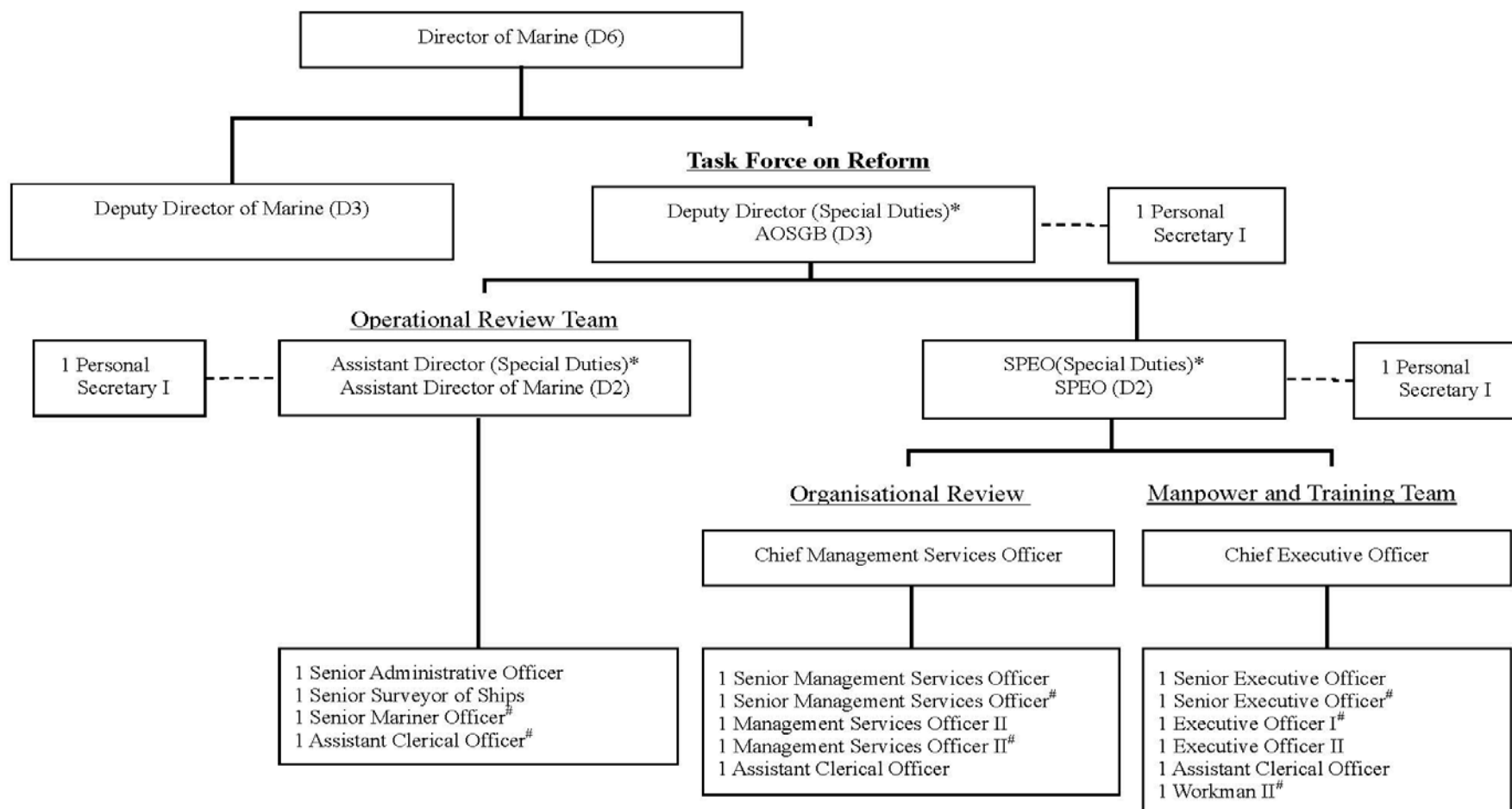
**V Conclusion**

- 5.1 MD is a Government department with a long history. It has many dated traditions and practices which needs to be fundamentally revamped to catch up with modern-day developments and international best practices as well as meet public expectations. Under the supervision of the Steering Committee, MD has undergone a host of changes in the past three years to transform itself into a maritime regulatory authority which can live with the public services needs of the day and rise to the challenges ahead. In taking forward the review and reform of MD in the past three years, it has revealed the need for MD to sustain the improvement measures implemented and further tackle some issues on the regulatory regimes of local vessels, internal governance, and manpower and training of the two professional grades in MD.
- 5.2 On the regulation on passenger safety and local vessels, MD should continue to take forward a review of the regulatory regime and practices for local pleasure vessels so as to align the regulation and standards of local pleasure vessels with the international norm; a review of the coxswain licensing system so as to introduce a periodic revalidation requirements for the certificate holders; and a re-write exercise of the codes of practice for local vessels so as to reflect the latest standards and make them more user-friendly.
- 5.3 On business processes and operational procedures, MD should make further use of IT to develop an EIMS to strengthen records management. MD should also replicate the good practices introduced in the LVSS and the Shipping Division to address similar deficiencies in the business processes and operational procedures in other Divisions of MD, notably the Government Fleet Division, and set up in longer term a more elaborate internal audit and compliance mechanism to ensure that the good practices introduced could be sustained and fully followed.
- 5.4 On manpower strategy and training matters, MD should review fundamentally the attributes and core competences required of the MO and SoS grades for drawing up a strategy on the recruitment of suitable candidates and the training and development arrangements for in-service officers for further progression in the Department. In this connection, MD should explore the

practicability of creating a new training or assistant rank through embarking on a grade structure review for the two professional grades.

- 5.5 The challenge ahead is to sustain the momentum of change and improvement in the Department and inculcate in the mindset of the officers in MD the need for change and to improve the business processes and practices on a continuous basis. This will be a long process and will take time. Based on the broad directions set out above, the Steering Committee was confident that MD would sustain the systemic reforms undertaken to further strengthen its capabilities to discharge its functions and responsibilities to rise to the challenges ahead.

Existing and Proposed Organisation Chart of the Task Force on Reform in Marine Department



**Legend**

AOSGB - Administrative Officer Staff Grade B

SPEO - Senior Principal Executive Officer

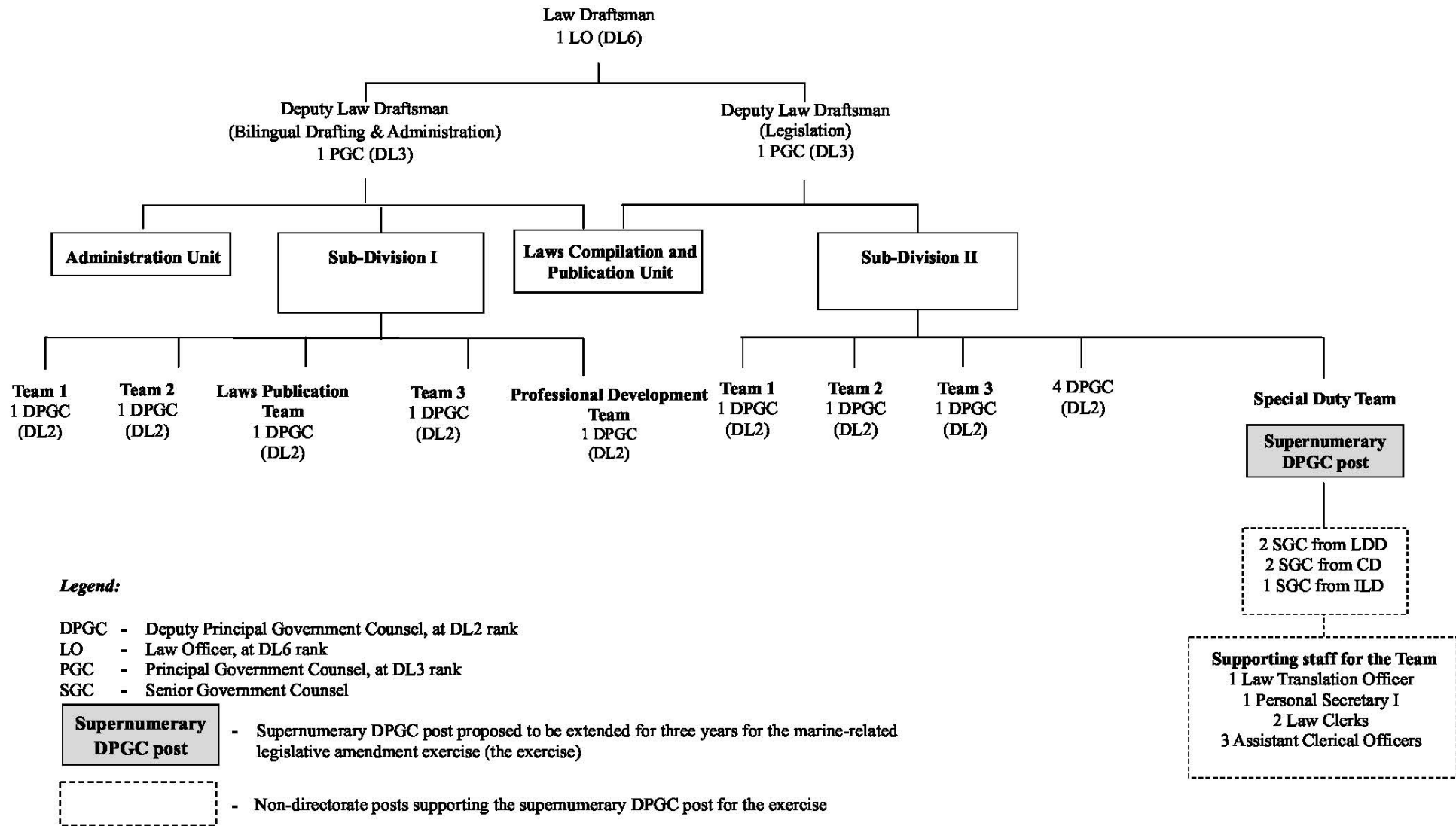
\* The three supernumerary directorate posts proposed for extension up to 31 May 2019

# The seven non-directorate posts to lapse on 1 June 2016

Source: Enclosure 1 to EC(2015-16)18



**Existing and Proposed Organisation Chart of the Law Drafting Division of the Department of Justice showing the Posts Proposed to be extended**



Source: Enclosure 3 to EC(2015-16)18

## List of relevant papers

Issued by	Meeting Date/ Issue Date	Paper
Panel on Economic Development	25 November 2013 (Item V)	<a href="#">Administration's paper Minutes</a>
	26 January 2016 (Item VII)	<a href="#">Administration's paper Background brief Minutes</a>
Establishment Subcommittee of Finance Committee	8 January 2014	<a href="#">Administration's paper Minutes</a>
	31 March 2016	<a href="#">Administration's paper Administration's follow-up paper Minutes</a>
Finance Committee	7 February 2014	<a href="#">Minutes</a>
	13 May 2016	<a href="#">Minutes</a>
Council meeting	7 November 2018	<a href="#">Council question on "Follow up actions in respect of the incident of the collision of vessels near the waters of Lamma Island" raised by Hon James TO</a>