

立法會
Legislative Council

LC Paper No. ESC51/19-20

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Establishment Subcommittee of the Finance Committee

**Minutes of the 5th meeting
held in Conference Room 1 of Legislative Council Complex
on Wednesday, 6 May, 2020, at 8:30 am**

Members present:

Hon Holden CHOW Ho-ding (Chairman)
Hon CHAN Chi-chuen (Deputy Chairman)
Hon James TO Kun-sun
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Steven HO Chun-yin, BBS
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, GBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon CHU Hoi-dick
Hon SHIU Ka-fai, JP
Hon SHIU Ka-chun
Hon YUNG Hoi-yan, JP
Dr Hon Pierre CHAN
Hon CHAN Chun-ying, JP
Hon Jeremy TAM Man-ho
Hon Tony TSE Wai-chuen, BBS

Member attending:

Hon Wilson OR Chong-shing, MH

Member absent:

Hon CHUNG Kwok-pan

Public Officers attending:

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| Mr Raistlin LAU Chun, JP | Deputy Secretary for Financial Services and the Treasury (Treasury) 1 |
| Mr Brian LO Sai-hung, JP | Deputy Secretary for the Civil Service 1 |
| Mr Joseph LAI Yee-tak, JP | Permanent Secretary for Transport and Housing (Transport) |
| Ms Angela LEE Chung-yan, JP | Deputy Secretary for Transport and Housing (Transport)5 |
| Dr Raymond SO Wai-man, BBS, JP | Under Secretary for Transport and Housing |
| Mr CHAN Nap-ming, BBS | Project Director 1 Task Force on Transitional Housing Transport and Housing Bureau |

Clerk in attendance:

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

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| Mr Hugo CHIU | Senior Council Secretary (1)4 |
| Ms Alice CHEUNG | Senior Legislative Assistant (1)1 |
| Miss Yannes HO | Legislative Assistant (1)7 |
| Ms Haley CHEUNG | Legislative Assistant (1)10 |

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The Chairman drew members' attention to the information paper ECI(2020-21)1, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the five items on the agenda. He 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. He also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

2. Mr CHU Hoi-dick said that in an email he sent to the Chairman on 5 May 2020 regarding the recent appointment of the then Director of Lands a newly-created post of Director (Health) Special Duties in the Food and Health Bureau's, he asked that the Chairman should request details of the new post from the Administration and explanation on whether creation of the post required the consideration and approval of the Establishment Subcommittee ("ESC") and the Finance Committee ("FC") respectively.

3. Deputy Secretary for Civil Service 1 ("DS(CS)1") responded that the Director (Health) Special Duties post was not a permanent directorate post or a supernumerary directorate post exceeding six months which would warrant Legislative Council ("LegCo")'s approval. The Administration followed the established mechanism to arrange Mr Thomas CHAN Chung-ching to fill the non-recurrent post to assist in the fight against the coronavirus disease 2019 ("COVID-19").

4. The Chairman remarked that he would relay Mr CHU's email to relevant government departments for a written reply.

(Post-meeting note: Mr CHU Hoi-dick's email and the reply of the Administration were circulated to members on 22 May 2020 vide LC Paper Nos. ESC46/19-20(01) and (02).)

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EC(2019-20)15 Proposed making permanent of one supernumerary post of Administrative Officer Staff Grade C (D2) in the Transport Branch of the Transport and Housing Bureau with effect from 1 April 2020 or with immediate effect upon approval of the Finance Committee, whichever is later to formulate, implement and oversee initiatives in fostering the sustainable development of the maritime trade in Hong Kong

5. The Chairman remarked that the staffing proposal was to make permanent a supernumerary Administrative Officer Staff Grade C ("AOSGC") (D2) post, designated as Principal Assistant Secretary for Transport and Housing (Transport)11 ("PAS(T)11"), with effect from 1 April 2020 or with immediate effect upon approval of FC, whichever was later to formulate, implement and oversee initiatives in fostering the sustainable development of the maritime trade in Hong Kong. The Chairman said that discussion of the item was carried over from the meeting on 22 January 2020.

Justifications for making the Principal Assistant Secretary for Transport and Housing (Transport)11 post permanent and duties of the post

6. Mr CHAN Chi-chuen pointed out that both the throughput and the world ranking of Hong Kong Port ("HKP") had declined in recent years. He questioned the cost-effectiveness of the work of PAS(T)11. He also enquired about the achievements and targets of the post in enhancing HKP's operational efficiency.

7. Pointing out that the duties of PAS(T)11 involved many time-limited tasks, Mr WU Chi-wai queried whether it was justifiable to make the post permanent, and was of the view that the post should be extended on a supernumerary basis. Mr WU also asked whether PAS(T)11 had analysed the challenges and opportunities faced by Hong Kong's maritime trade. For instance, some supply chains in the Mainland might be migrated to other regions in the future due to the trade conflicts between the Mainland and the United States ("US"), whereas the tax incentives proposed by the Administration might not be able to assist the maritime trade to respond to the challenges effectively. Besides, as Shanghai and London were eager to develop maritime arbitration services, he was concerned if PAS(T)11 had put in place any specific recommendations and development plans in this regard.

8. Permanent Secretary for Transport and Housing (Transport) ("PS(T)") advised that despite the decline in throughput and the world

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ranking of HKP in recent years, HKP still possessed certain competitive edges, including efficient clearance, free capital flow and availability of frequent container vessel services on a weekly basis connecting HKP with various destinations around the globe. Besides, HKP handled over 18 million containers in 2019, which exceeded the throughput of any major ports in Europe by a large margin. Given that about 90% of the cargoes handled in Hong Kong were maritime-oriented, port development would benefit Hong Kong's economic development and contribute to the development of the maritime trade and high value-added maritime services.

9. Regarding the cost-effectiveness of the PAS(T)11 post, PS(T) pointed out that Hong Kong's maritime trade comprised three sectors, namely the port and related sector, the shipping sector and the maritime services sector, and port development was just one of the duties of the post. In addition, the holder of the post would be responsible for formulating policies on fostering the development of the maritime trade and high value-added maritime services. Therefore, the work of PAS(T)11 should not be solely assessed on the basis of the growth in HKP's throughput. He further said that the efficacy of PAS(T)11 was evident from a number of indicators, including (a) the number of maritime-related companies in Hong Kong, which had increased from about 700 in 2015 to over 800 at present; (b) HKP's operational efficiency, where the average length of stay of vessels at HKP was about 11.5 hours; (c) the number of maritime arbitration cases handled in Hong Kong, which stood at more than 400 cases between 2013 to 2019; and (d) the number of vessels registered in Hong Kong, where, as at end October 2019, 2 610 ships with a total gross tonnage of around 128 million were registered with the Hong Kong Shipping Register, making Hong Kong the fourth largest shipping register in the world (the number of ships registered in Hong Kong had increased by around 7% over the past five years). PS(T) also pointed out that the Baltic and International Maritime Council ("BIMCO") announced in December 2019 their decision to list Hong Kong as the fourth arbitration venue in the standard dispute resolution clause of its maritime contract, which demonstrated that the international community had confidence in the maritime arbitration services of Hong Kong.

10. On improving port efficiency, PS(T) said that PAS(T)11 had assisted in the formulation of various relevant measures, including (a) the conduct of dredging at Kwai Tsing Container Terminals ("KTCT") to dredge the Kwai Tsing Container Basin and its approach channel from the previous depth of 15 metres to 17 metres below Chart Datum, thereby enabling ultra-large container ships getting in and out of KTCT at all tides; and (b) the exploring the feasibility of relaxing the air draft restriction at Tsing Ma Bridge to facilitate access of large ocean-going vessels.

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11. Mr WU Chi-wai said that despite BIMCO's listing of Hong Kong as an arbitration venue, London remained the leading global maritime arbitration centre. He was concerned whether PAS(T)11 had proposed any complementary measures on the development of maritime arbitration, including talent cultivation and attracting relevant industry clusters to Hong Kong. He also enquired if PAS(T)11 had any specific targets in promoting high value-added maritime services.

12. PS(T) and Deputy Secretary for Transport and Housing (Transport)5 ("DS(T)5") responded that for the development of Hong Kong's maritime industry, PAS(T)11 had to cooperate with the maritime sector and liaise with relevant bureaux/departments ("B/Ds"). For example, having been apprised on the needs of the maritime sector through PAS(T)11, the Department of Justice signed the "Arrangement Concerning Mutual Assistance in Court-ordered Interim Measures in Aid of Arbitral Proceedings by the Courts of the Mainland and of the HKSAR" with relevant Mainland authorities in October 2019 to promote Hong Kong's maritime arbitration services. DS(T)5 also pointed out that PAS(T)11 would undertake a number of long-term and on-going tasks, including periodic reviews and analysis on the changes to the environment of the industry to work out measures conducive to the development of the maritime trade (including different sub-sectors and areas of the shipping and maritime services). For instance, while emphasis was placed on port development in the past, efforts would be made to develop high value-added maritime services in the future. Given that the substantive work of the proposed post would be adjusted in light of global economic and maritime development, it would be difficult to set out details of the relevant long-term duties for the time being.

13. The Chairman remarked that co-development of relevant industry clusters was one of the important factors contributing to London's success in fostering ship finance and maritime arbitration services. He opined that PAS(T)11 should set out performance targets in this regard.

14. Sharing the view of the Chairman, PS(T) pointed out that, in applying the concept of cluster development, the Administration had categorized Hong Kong's maritime trade into three sectors for coordinated development. He said that the Administration was committed to attracting commercial principals to Hong Kong to drive the development of various high value-added maritime services.

15. Mr CHAN Chi-chuen enquired about the impact of the COVID-19 outbreak on the maritime trade and how PAS(T)11 would help the industry cope with the epidemic, and whether relevant performance targets would be formulated.

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16. DS(T)5 advised that under the influence of COVID-19, the growth of international trade had declined. The throughput of HKP in the first quarter of 2020 dropped 5.8% compared to the same period last year. Notwithstanding this, the Administration would continue to promote the development of high value-added maritime services, including introduction of the bills on profits tax concessions for ship leasing and marine insurance to LegCo.

Requirements for the Principal Assistant Secretary for Transport and Housing (Transport)11 post

17. Mr WONG Ting-kwong expressed support for this staffing proposal. He pointed out that Hong Kong had been facing competition from a number of Mainland ports in recent years, and agreed that Hong Kong should develop high value-added maritime services to maintain its status as an international maritime and aviation centre. He was concerned whether the candidate for the PAS(T)11 post would possess sufficient expertise and experience. Mr YIU Si-wing said that development of the maritime trade involved facilitating the cooperation between Hong Kong and its neighbouring regions, in particular the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"). He was concerned whether the candidate for the proposed post had the relevant experience and network.

18. PS(T) responded that in addition to the formulation of policy, PAS(T)11 would have to maintain close liaison with the industry and various stakeholders from time to time. As such, it was appropriate for an AOSGC with sufficient experience to take up the post. The incumbent PAS(T)11 had, over the past few years, undertaken many tasks for the development of high value-added maritime services, including matters relating to provision of profits tax concessions for ship leasing and marine insurance, as well as introduction of legislative amendments relating to delegation of power currently vested with Director of Marine in issuing exemptions to other officers of the Marine Department. Furthermore, the holder of the PAS(T)11 post had to be familiar with the development of GBA. PAS(T)11 had visited Mainland several times and attended relevant forums. Continual efforts would be made in this regard in the future.

Development of Hong Kong Port and the maritime industry

19. Mr YIU Si-wing enquired about the impact of the social incidents arising from the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 on the local maritime industry.

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20. DS(T)5 responded that as the Mainland and the US were Hong Kong's major trading partners, the performance of the maritime trade in 2019 had been mainly affected by the US-Mainland trade conflicts, which led to a drop of 6.6% in HKP's throughput in 2019 as compared with the previous year. In spite of this, Hong Kong still played an important role in international maritime and transshipment services.

21. Ir Dr LO Wai-kwok expressed support for this staffing proposal, which he believed would be conducive to the development of Hong Kong's maritime trade (especially high value-added maritime services). As he understood, many regions would make reference to the experience of Hong Kong in developing HKP, whereas many cities were having Hong Kong companies taking part in the management of their container terminals. Ir Dr LO asked how the Hong Kong Maritime and Port Board ("HKMPB") had helped facilitate the development of Hong Kong's maritime trade since its establishment in 2016.

22. PS(T) advised that the initiative on profits tax concessions for ship leasing was proposed by HKMPB. HKMPB would soon conduct a study on the introduction of tax incentive measures to attract commercial principals to Hong Kong and drive the development of various high value-added maritime services. Over the longer run, HKMPB would study how the maritime trade could enhance their operational efficiency through the use of innovative technologies.

Duties of the Transport Branch of the Transport and Housing Bureau

23. Mr Tony TSE expressed support for this staffing proposal, and hoped that the Transport Branch of the Transport and Housing Bureau ("THB(TB)") would strengthen the cooperation between Hong Kong and its neighbouring regions. He noted that PS(T) was underpinned by a number of directorate officers (including 5 Deputy Secretaries, 1 Head (Airport Expansion Project Coordination Office) and 11 PAS), each of whom was responsible for an extensive scope of work. He was concerned whether the work among the directorate officers was distributed evenly, and whether THB(TB) would review the work arrangements for those officers periodically.

24. PS(T) responded that THB(TB) recognized the importance of cooperation with the Mainland, and it would be mindful of how the Central Government would position Hong Kong in relation to the development of the nation's maritime industry. Division of work between HKP and Mainland ports would be based on their respective strength. While HKP would be mainly responsible for transshipment, Mainland ports would focus on developing import and export businesses. He added that

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THB(TB) would make adjustments to the duties of each directorate officer where necessary.

Voting on the item

25. There being no further questions from members, the Chairman put the item EC(2019-20)15 to vote. At the request of members, the Chairman ordered a division, and the division bell rang for five minutes. Eleven members voted for the item and 7 against it. The Chairman declared that the Subcommittee agreed to recommend the item to FC for approval. The votes of individual members were as follows:

For

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| Mr WONG Ting-kwong | Ms Starry LEE |
| Mr WONG Kwok-kin | Mrs Regina IP |
| Mr Steven HO | Mr YIU Si-wing |
| Ms Elizabeth QUAT | Mr POON Siu-ping |
| Ir Dr Hon LO Wai-kwok | Ms YUNG Hoi-yan |
| Mr Tony TSE | |
| (11 members) | |

Against

| | |
|--------------------|-------------------|
| Mr WU Chi-wai | Mr CHAN Chi-chuen |
| Dr Fernando CHEUNG | Mr Alvin YEUNG |
| Mr CHU Hoi-dick | Mr SHIU Ka-chun |
| Mr Jeremy TAM | |
| (7 members) | |

26. Mr WU Chi-wai requested that the item be voted on separately at the relevant FC meeting.

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EC(2020-21)2 Proposed creation of one supernumerary post of Administrative Officer Staff Grade C (D2) in the Housing Department with immediate effect upon approval of the Finance Committee up to 31 March 2025 to oversee the operation of the Task Force on Transitional Housing ("TFTH"), including the implementation of the funding scheme to support transitional housing projects by non-government organizations ("NGOs") and other initiatives in facilitating transitional housing projects proposed and implemented by NGOs

27. The Chairman remarked that the staffing proposal was to create a supernumerary Administrative Officer Staff Grade C ("AOSGC") (D2) post in the Housing Department ("HD"), to be designated as the Deputy Head of the Task Force on Transitional Housing ("Deputy Head, TFTH"), with immediate effect upon FC's approval up to 31 March 2025 to oversee the operation of TFTH, including the implementation of the funding scheme to support transitional housing projects by non-government organizations ("NGOs") and other initiatives in facilitating the transitional housing projects proposed and implemented by NGOs.

28. Mr Wilson OR, Chairman of the Panel on Housing, reported that the Panel had discussed this staffing proposal at the meeting on 4 November 2019. At the meeting, questions were raised regarding the proposed organization structure of TFTH, and whether the Administration had previously set up any team in which directorate officials were led by an Under Secretary of a government bureau. The Panel also discussed the funding scheme proposed by the Administration and passed four motions requesting the Administration to impose a rental ceiling on transitional housing; tackle the pressure on community facilities brought about by transitional housing projects through inter-departmental working groups; engage the Hong Kong Housing Authority, the Hong Kong Housing Society and the Urban Renewal Authority to plan for the construction of transitional housing; and reserve some transitional housing units for use as interim housing. Individual members enquired whether funding provided to projects approved by the funding scheme would be used for payment of salary for staff of the project applicant organizations, and whether the Government would purchase or resume the land lent to private developers to provide public housing. Members requested the Administration to provide supplementary information on the above issues after the meeting. Members supported submission of the proposal to the Establishment Subcommittee ("ESC") for consideration.

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29. Mr Wilson OR remarked that the Administration's response to the motions and the supplementary information requested by members were issued to all Members on 6 March 2020 vide LC Paper No. CB(1)235/19-20 (01). Approval was given to the funding proposal for the funding scheme by FC at its meeting on 6 March 2020.

Implementation of transitional housing projects

30. Mr CHAN Chi-chuen asked THB, in taking forward transitional housing projects, whether it would, in addition to giving funding scheme support to NGOs, consider implementing such projects in a more proactive manner, including building transitional housing units itself. Mr CHAN said that in the meetings of FC when the funding proposal for the funding scheme was discussed, he had asked the Administration to take into account his view.

31. Regarding the target of providing 15 000 flats in three years, Ir Dr LO Wai-kwok found it a tight schedule as far as implementation of the transitional housing projects was concerned. He enquired about the progress of site selection and identification of prospective NGOs.

32. Mr Tony TSE expressed support for this staffing proposal. He pointed out that in Report No. 74 of the Director of Audit, the Lands Department ("LD") was criticized for poor management of vacant Government sites for short-term uses. In his view, the Government should make optimal use of the land resources for building housing units, and he asked whether THB would explore the feasibility of building transitional housing at the Government sites administered by LD.

33. Under Secretary for Transport and Housing ("USTH") responded that in addition to overseeing the implementation of the funding scheme and facilitating the implementation of the transitional housing projects, the Administration was also extensively involved in the preliminary work of the projects. As transitional housing projects involved construction of transitional housing units at Government and idle private sites, application for planning permission was required under the Town Planning Ordinance (Cap. 131), which covered assessments on environmental, ecological and transport impact, etc. TPTH would provide professional advice to participating NGOs on the actual conditions of the sites (including topography, terrain, technical constraints or infrastructure required, etc.). It would also advise NGOs on the requirements and specific details of these facilities during the detailed design stage, and liaise with relevant departments to facilitate implementation of the proposals. Besides, the Administration forged a partnership with participating NGOs by providing them with preliminary and consultation services such as identification of

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suitable sites. The Administration also welcomed suggestions from other NGOs interested in taking part in the transitional housing projects with a view to identifying more prospective partners.

34. On selection of sites and identification of land, USTH responded that the transitional housing projects targeted at providing 15 000 units in three years, and the sites for building 10 000 such units had been announced. The Administration planned to build the remaining 5 000 units at vacant Government, Institution or Community sites located on suitable terrain with appropriate facilities, and relevant feasibility studies had already commenced. Subsequent to confirmation of such sites, participating NGOs would make announcements in due course. He said that the Government had been liaising closely with LD on selection of sites for transitional housing projects. TFTH members had also inspected vacant Government land from time to time to study whether the land was actually suitable for building transitional housing. The Government would also convert vacant Government and private premises to make optimal use of land resources for provision of more transitional housing units.

35. The Chairman welcomed the Government's efforts in implementing the transitional housing projects. He pointed out that it generally took the Administration over three years to build public housing. He asked whether consideration would be given to applying the model of implementation and planning to public housing projects in order to alleviate housing issues expeditiously if the target of providing 15 000 units in three years under the transitional housing projects was achievable.

36. USTH remarked that units provided under the transitional housing projects were temporary in nature. The standards and planning guidelines (e.g. facilities and population density, etc.) applicable to such projects were different from normal housing projects. For instance, normal housing projects might include such facilities as car parking spaces, but as the target residents of transitional housing projects might have lower income and might not be car owners, parking lots would not be included in such projects.

Adoption of Modular Integration Construction in the construction of transitional housing units

37. Mr Tony TSE noted that Modular Integration Construction ("MiC") might be adopted for building some of the transitional housing units to shorten construction time. He suggested that TFTH should enhance coordination with relevant departments in devising the modes and standards for MiC adoption in order to enhance the efficiency of the

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on-going development of transitional housing projects or relevant initiatives. He asked why it had taken three years to complete the first transitional housing project (Nam Cheong Street in Sham Shui Po) with MiC blocks built on vacant private land.

38. Mr YIU Si-wing asked about the life span of transitional housing units built with MiC and whether consideration would be given to repairing and reusing transitional housing units to further alleviate housing problems.

39. USTH replied that units built with MiC were used for transition purpose with a life span of around 20 years in general, or up 30 to 40 years if they were well-maintained. The Government would enter into agreement with the NGOs responsible for the transitional housing projects, under which the NGOs would be made responsible for the repairs and maintenance of the housing projects. Besides, MiC units could be dissembled, relocated and reused in other transitional housing projects. Upon completion of the first transitional housing project adopting MiC, the Administration would have accumulated relevant experience to achieve a higher degree of standardization in preparing the outline sketch design and assembling MiC projects. Regarding the timetable of the transitional housing project in Sham Shui Po, he advised that funding application was made with the Community Care Fund in mid-2018 for the project. From securing funding approval, project completion to occupancy, the project took less than two years.

40. Ir Dr LO Wai-kwok expressed support for this staffing proposal for expeditious implementation of the transitional housing projects. He noted that in addition to transitional housing projects, MiC had been adopted in the construction of the quarantine centres (for tackling the COVID-19 outbreak) at Penny's Bay, the Junior Police Call Permanent Activity Centre cum Integrated Youth Training Camp, and at Lei Yue Mun. MiC was also adopted in the InnoCell built earlier at the Hong Kong Science Park. The engineering industry apparently had mastered the technique in using of MiC. Ir Dr LO suggested that once the COVID-19 epidemic was under control, the Administration could consider providing additional ancillary facilities at the existing quarantine centres or isolation centres for conversion into transitional housing units in order to alleviate the housing pressure of the people in need.

41. USTH advised that TFTH members had visited the InnoCell when it was under construction. They learned about MiC and explored the feasibility of adopting MiC for provision of transitional housing units. He noted Ir Dr LO's views on conversion of quarantine and isolation centres.

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Supporting facilities for transitional housing projects

42. Dr Fernando CHEUNG expressed concern that, in implementing transitional housing projects, the Administration might focus on meeting the target of providing 15 000 units in three years' time and overlook the needs of the residents other than their housing needs. For instance, if the project was located on a remote site, residents might be reluctant to move in as they had to travel across districts for work or schooling. He suggested that the Administration should conduct a study on the different needs of the target resident communities (e.g. singletons, new-arrival families and ethnic minorities, etc.) prior to implementing the projects and making adjustments in site selection as well as supporting facilities accordingly. Dr CHEUNG enquired whether TPTH would conduct relevant studies at the planning stage of the projects to ensure the needs of target residents would be met.

43. Mr YIU Si-wing suggested that the Administration should set out the planning standards for transitional housing projects. For instance, the projects should include general community facilities and ancillary transport facilities, etc. to cater for residents' basic needs. Mr YIU enquired if provision of basic facilities were made a criterion in the planning standards of transitional housing projects; and if so, whether it would affect the progress of providing 15 000 units in three years' time.

44. USTH replied that participating NGOs, each having visions of their own, would take forward the transitional housing projects in line with their respective visions. Community services and supporting facilities would be provided in light of the needs of individual communities who were occupants of the units of the housing projects. As an illustration, he said that the NGO responsible for the project at Electric Road in North Point had engaged ethnic minority residents in project development, while different community services and facilities such as small retail shops would be available at the new project in Kong Ha Wai. He added that prior to the commencement of those projects, the NGOs concerned were required to comply with various regulations and procedures, such as submission of reports on facilities and potential impacts (e.g. environmental impact assessment reports and traffic impact assessment reports, etc.) to the Town Planning Board for approval, as well as conducting district consultations. He stressed that the Government would ensure that transitional housing projects would be located at areas with sufficient ancillary transport facilities and basic community facilities (e.g. small supermarkets and offices). The NGOs would liaise with the Transport Department regarding the availability of ancillary transport facilities for the projects and conduct visits upon occupancy to identify areas where there was room for improvement.

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Structure of Task Force on Transitional Housing and division of duties among posts in different ranks

45. Mr CHAN Chi-chuen enquired about details of the duties of the proposed post in overseeing TFTH's work and the division of duties with USTH in his capacity as Head of TFTH.

46. USTH replied that the supernumerary post of Deputy Head, Task Force on Transitional Housing ("Deputy Head, TFTH") was proposed to be created for reducing the increasing workload of Head of TFTH. He pointed out that the tight manpower under the existing structure of TFTH was not conducive to its effective operation. The post of Deputy Head, TFTH proposed to be created would have under it three teams, namely the Facilitation/Advisory Team, the Policy Team and the Vetting/Audit Team for enhanced efficiency in the implementation of the funding scheme.

47. Mr WU Chi-wai noted that in addition to the proposed creation of the Deputy Head, TFTH post, 21 time-limited non-directorate posts would be created. He enquired about the arrangements for those 21 posts subsequent to completion of the transitional housing projects.

48. USTH responded that with FC's approval for the \$5 billion funding for the implementation of the funding scheme, there would be a significant increase in TFTH's workload. As a result, it was necessary to create the post of Deputy Head, TFTH and the 21 non-directorate posts. Creation of the supernumerary post of Deputy Head, TFTH and other time-limited non-directorate posts were proposed by the Government having taken into account the implementation timetable and estimated workload of the transitional housing projects.

49. Project Director 1, TFTH added that in general, time-limited posts would be created for government departments to take forward time-limited tasks, whereas established mechanisms were in place in the Government to avoid staff redundancy. Upon completion of the relevant work, the posts would normally be subject to natural wastage or absorbed by other vacant posts.

50. Mr Jeremy TAM noted that while Deputy Head, TFTH was a civil service post, the Head of TFTH, being his/her immediate supervisor, was USTH, who was a politically-appointed official. As far as he understood, except for a handful of special civil service posts, immediate supervisors of civil servants were generally civil servants instead of politically-appointed officials. Mr TAM asked whether this structure would affect Deputy Head of TFTH in discharging his/her duties of overseeing and steering the work

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of the civil servants in TFTH or assessing their performance. He also asked if the Government would introduce the new structure to other B/Ds.

51. USTH advised that the Chief Executive had announced six new housing initiatives in June 2018, including the establishment of a task force under THB to provide one-stop, coordinated support to facilitate the implementation of transitional housing projects by more NGOs. Subsequently, USTH took up the post of Head, TFTH. A supernumerary post of Deputy Head, TFTH was proposed to be created to offer assistance to Head of TFTH in discharging his duties of overseeing and steering new initiatives on transitional housing. He stressed that this structure was in line with the arrangements as set out in the Code for Officials under the Political Appointment System issued by the Chief Executive's Office, which stated that civil servants shall report direct, and enjoy direct access, to the principal officials, through their Permanent Secretaries, and that undersecretaries and political assistants shall have no direct line of command vis-à-vis Permanent Secretaries. As the duties of Deputy Head was to offer assistance to USTH in discharging his duties of overseeing the operation of the task force, the relevant work arrangements had been made in light of actual needs.

52. Project Director 1, TFTH added that the candidate for the Deputy Head, TFTH post would have to offer assistance to USTH in discharging his duties of overseeing and steering the implementation of transitional housing projects by TFTH; meanwhile, he/she would be a civil service officer serving a team led by a Permanent Secretary under a "dual-track" management approach. As the aforesaid tasks would be taken forward by Head of TFTH, USTH would be involved in assessing the work performance of the relevant officers.

53. The Chairman agreed that public consultation and town planning procedures relating to transitional housing projects could be complex and time-consuming. He enquired whether the proposed post of Deputy Head, TFTH would have sufficient authority to coordinate with relevant B/Ds to ensure that the policy objective of providing 15 000 transitional housing units in three years could be achieved.

54. USTH advised that TFTH, since its inception, had held seven cross-bureaux/cross-departmental meetings (chaired by him) to review various transitional housing projects, discuss streamlining some of the relevant regulations and procedures and project planning for the purpose of building more transitional housing units expeditiously. The Administration expected that the post of Deputy Head, TFTH proposed to be created could enhance the coordination with different B/Ds.

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55. Noting that the tenure of the proposed supernumerary post was five years, Mr CHAN Chi-chuen asked if the transitional housing projects co-implemented by TFTH would take as long to complete, and whether the \$5 billion funding for the funding scheme for which FC approval had been given was sufficient to cover expenses of the projects for five years.

56. Mr WU Chi-wai pointed out that while the Administration estimated that construction of transitional housing would take around three years to complete, the tenure of the proposed post of Deputy, TFTH was five years. He asked whether that meant the post would continue to oversee another batch of transitional housing projects.

57. USTH responded that at the current stage, the Government aimed to achieve the target of providing 15 000 transitional housing units in three years as soon as possible. Once the target was achieved, the Government would consolidate the experience gained from the projects regarding the use of land and review the targets of future transitional housing projects. Considering that the transitional housing projects would operate for two to three years in general and taking into account the time needed for building the units, the Government considered it appropriate that the post of Deputy Head, TFTH be created for a period of five years. The Government would review whether it would be necessary to extend the post in light of the prevailing operational needs before the expiry of the tenure of the post.

58. The Chairman remarked that as some members were still waiting for their turn to ask questions, the Subcommittee would continue the discussion on this item at the meeting on 20 May 2020.

59. There being no other business, the meeting ended at 10:26 am.