

Re-organisation of the Government Structure

Purpose

This paper briefs Members on the current-term Government's proposal of re-organising the government structure for consideration by the next-term Government.

Background

2. To enhance the effectiveness of governance, the Chief Executive has put forward a number of initiatives¹ in the 2021 Policy Address delivered on 6 October 2021, including five initial ideas about re-organising the government structure to better complement the policy focuses of the Hong Kong Special Administrative Region (HKSAR) and meet social expectations². As the tenure of the current-term Government will end on 30 June 2022, the Chief Executive said that the current-term Government shall consult various stakeholders to work out a detailed re-organisation proposal for discussion by the Seventh Term Legislative Council (LegCo) formed on 1 January 2022. The Chief Executive has subsequently explained that such move has taken into account the need for LegCo's approval with respect to such issues as legislative amendments, funding and staffing establishment involved in any major restructuring. Meanwhile, the formation of the new-term Government will take place when the Chief Executive-elect, returned by election on 27 March 2022, who after nominating and reporting to the Central People's Government for appointment of principal officials in accordance with Article 48(5) of the Basic Law, swears in with the governing team on 1 July. As such, what the current-term Government intends to do is to consolidate the views of

¹ Apart from re-organising the government structure, other initiatives to enhance the effectiveness of governance include strengthening the governing team, selecting and appointing senior levels of the civil service in accordance with the principle of meritocracy, advocating dedicated positions with specific responsibilities, and enhancing Government's capability in information dissemination and public communication. Please see paragraphs 32 to 37 of the 2021 Policy Address for details.

² Including (i) setting up a Culture, Sports and Tourism Bureau; (ii) splitting the Transport and Housing Bureau; (iii) exploring, upon the split, whether there is room to rationalise the work of the Housing Bureau and the Development Bureau; (iv) expanding the Innovation and Technology Bureau into the Innovation, Technology and Industry Bureau; and (v) re-organising the Home Affairs Bureau into the Youth and District Affairs Bureau.

the community (including the LegCo) for consideration by the next-term Government. After the election of the Chief Executive on 27 March 2022, the current-term Government will submit the proposal together with the views of Members for the Chief Executive-elect to consider whether it should be implemented by the next-term Government and, if so, seek formal approval of the LegCo with respect to the proposed legislative amendments, and funding and staffing requirements involved in the re-organisation.

3. There are three Secretaries of Departments (SoD) and 13 Directors of Bureaux (DoB) under the current-term Government structure (the organisation chart is at [Annex 1](#)).

Principles

4. The proposed re-organisation has taken into account the following principles:

- (i) it should focus on the distribution of policy functions among policy bureaux and the corresponding reshuffling of departmental functions among the bureaux. Revamping or splitting departments should be avoided as far as possible;
- (ii) it should complement the major policy work of the HKSAR in the foreseeable future, including the development of Hong Kong as centres/hubs in various sectors as supported in the National 14th Five-Year Plan and livelihood issues of public concern such as housing and healthcare;
- (iii) it should ensure relatively even distribution in the functions across various bureaux while providing room for review on district administration; and
- (iv) the new posts involved should largely be confined to additional posts of directors of the proposed new bureaux and staff of their respective offices to minimise the financial implications.

Latest Proposal

5. The latest re-organisation proposal is as follows:
- (i) to set up a new Culture, Sports and Tourism Bureau to take over the culture, arts and sports portfolios from the Home Affairs Bureau, as well as the film, creative industries and tourism portfolios from the Commerce and Economic Development Bureau;
 - (ii) to split the Transport and Housing Bureau into two policy bureaux, namely the Transport and Logistics Bureau and the Housing Bureau. While the former will focus on Hong Kong's external and internal transport policy matters (including maritime transport, air services, land transport and city transport) as well as logistics development, the latter will specialise in handling housing matters;
 - (iii) to re-title the Innovation and Technology Bureau as the Innovation, Technology and Industry Bureau to reflect its mission of driving re-industrialisation with innovation and technology (I&T) and smart production;
 - (iv) to re-organise the Home Affairs Bureau into the Home and Youth Affairs Bureau to step up district-based efforts, and to formulate and implement more comprehensive youth policy and initiatives; upon re-organisation, the Home and Youth Affairs Bureau will have the capacity to handle the review on District Councils (DC) and the follow-up work;
 - (v) to expand and re-title the Environment Bureau as the Environment and Ecology Bureau to take over the policies on environmental hygiene, food safety, agriculture and fisheries, and veterinary public health etc. which are currently under the purview of the Food and Health Bureau;
 - (vi) to revamp the Food and Health Bureau as the Health Bureau which will be dedicated to medical and health policies; and
 - (vii) to consolidate and rationalise certain policy portfolios and related

division of work in order to establish dedicated policy desks for such policies and to reduce dispersed functions, including:

- consolidating the policy portfolios on manpower development, poverty alleviation and retirement protection currently dispersed under the Chief Secretary for Administration's Private Office, the Labour and Welfare Bureau and other policy bureaux, and transferring them to the Labour and Welfare Bureau³;
- transferring the portfolio on children's rights under the Constitutional and Mainland Affairs Bureau to the Labour and Welfare Bureau which is responsible for child policy;
- transferring the policy portfolios on women and the Community Investment and Inclusion Fund under the Labour and Welfare Bureau to the Home and Youth Affairs Bureau which is responsible for family issues and promoting community development;
- transferring the Hong Kong Observatory under the Commerce and Economic Development Bureau to the Environment and Ecology Bureau which is responsible for addressing climate change; and
- transferring the public fill management policy under the Environment Bureau to the Development Bureau which is responsible for works programmes and issues related to the construction industry.

³ Specifically, on manpower development, the portfolio on human resources planning currently under the purview of the Human Resources Planning and Poverty Co-ordination Unit (HRPPCU) of the Chief Secretary for Administration's Private Office and the policy matters on the admission of talents and professionals under the purview of the Security Bureau will be transferred to the Labour and Welfare Bureau; on poverty alleviation, the Secretariat of the Commission on Poverty and the related work currently under the charge of the HRPPCU will be transferred to the Labour and Welfare Bureau; and on retirement protection, the retirement protection policy aspect of the Mandatory Provident Fund will be transferred from the Financial Services and the Treasury Bureau to the Labour and Welfare Bureau.

Justifications

6. The re-organisation proposal set out in paragraph 5 above is drawn up after taking account of the past governing experience and stakeholders' views. It has also taken into account the future policy focuses to better meet public expectations and allow the governing team to address livelihood issues and seize new economic opportunities with dedicated efforts. The justifications are elaborated below.

Housing Bureau

7. Housing has been the most pressing issue for Hong Kong and is expected to remain to be one of the top priorities of the next-term Government. The re-organisation proposal suggests splitting the Transport and Housing Bureau, with the dedicated Housing Bureau taking full charge of the housing policy, especially in expediting public housing production to enable people to be housed as early as possible; optimising the use of existing public housing resources to help the needy; supporting households who have been waiting for public rental housing allocation for a long time; enriching the housing ladder by making home ownership more affordable; and closely monitoring the private residential market, etc. The Secretary for Housing will focus on steering the Hong Kong Housing Authority/Housing Department in implementing the full range of new initiatives on housing introduced by the current-term Government (please see Annex 2 for details), review and adjust the measures in a timely manner, as well as maintain close liaison with other public organisations including the Hong Kong Housing Society, the Urban Renewal Authority and the MTR Corporation Limited.

8. The 2021 Policy Address has mentioned that the Government will explore whether there is room to rationalise the work of the Housing Bureau upon the split and the Development Bureau in order to expedite land supply for housing. After detailed deliberations, we are of the view that the merger of the Housing Bureau and the Development Bureau is not the most appropriate option. As the policy bureau so created upon the merger would be too large and its portfolio overwhelming, the advantage of the original idea of having a DoB and his team dedicated to tackling the housing problem will be lost. In fact, over the years, the current Planning

and Lands Branch and the Works Branch of the Development Bureau and the departments under its purview, such as the Planning Department, the Lands Department, and the Civil Engineering and Development Department, have established team work and rapport conducive to expediting housing land supply. Hence, a more effective approach would be for the Financial Secretary, who currently chairs the Steering Committee on Land Supply, to step up co-ordination between the Housing Bureau and the Development Bureau under the proposed new government structure, or even consider creating a Deputy SoD⁴ post to enhance the co-ordination of large-scale land supply for housing with a view to achieving better results.

Health Bureau

9. An ageing population coupled with the COVID-19 epidemic has posed tremendous challenges to the public healthcare system. Looking ahead, in order to safeguard public health and strengthen the provision of services, the Government will not only have to continue to fight the COVID-19 epidemic, it will also need to take forward a number of major initiatives including implementing the two Ten-year Hospital Development Plans, drawing up the Primary Healthcare Development Blueprint, improving hospital services through I&T and other measures, promoting the development of Chinese medicine, and introducing legislative amendments to implement various recommendations put forward in the Report of the Strategic Review on Healthcare Manpower Planning and Professional Development promulgated in 2017. To ensure the sustainable development of our public healthcare system and strengthen our capacity to tackle various kinds of diseases and viruses, there is also a pressing need for Hong Kong to review our public health strategies, step up efforts in monitoring and facilitating the development of health technology and the research and development of drugs, and resolve the problem of medical manpower shortage. Meanwhile, clinical data, clinical trials and drug registration are some of the key areas essential to promoting the development of life and health technology. The Hospital Authority and the Department of Health have to conduct a comprehensive review of their

⁴ According to Article 48(5) of the Basic Law, the principal officials nominated and reported by the Chief Executive to the Central People's Government for appointment include, among others, Secretaries and Deputy Secretaries of Departments and DoBs.

current practices to support the development of the health technology industry. With the transfer of the policy portfolios on environmental hygiene, food safety, agriculture and fisheries, and veterinary public health currently under the Food and Health Bureau to the Environment and Ecology Bureau, the future Health Bureau will be able to focus on medical and health policies and press ahead with the key initiatives.

10. We have considered combining the policy portfolios of health and social welfare and setting up a Health and Welfare Bureau accordingly to foster medical-social collaboration to provide users, especially the elderly, with more comprehensive care and better service transition. However, given that the two policy areas of health and social welfare have already accounted for nearly 40% of total recurrent government expenditure, such a policy bureau so merged would be too large and difficult for the DoB and his team to focus on handling medical and health as well as social welfare issues. Thus, we have not taken on board the recommendation. Indeed, the welfare sector also has reservations on the idea of combining the policy portfolios of health and welfare.

Home and Youth Affairs Bureau

11. After the unprecedented challenges over the past two years, Hong Kong has restored order from chaos and got back on the right track. We have to rethink how to unite society, in particular the positioning and focus of district affairs and youth policies. With the transfer of the culture, arts and sports policies to the new Culture, Sports and Tourism Bureau, the Home and Youth Affairs Bureau upon re-organisation can strengthen work at the district level to address district issues of daily concern to the public. It can also step up efforts in promoting collaboration among social enterprises through initiatives like the Community Investment and Inclusion Fund and the Enhancing Self-Reliance through District Partnership Programme, building up social capital, and enhancing social solidarity. Furthermore, the Home and Youth Affairs Bureau will review and formulate the overall youth policy and a blueprint for youth development so as to encourage young people to participate in public affairs, and promote, co-ordinate and oversee the implementation of youth work by various policy bureaux.

12. Under the proposed distribution of work, while the portfolio and workload of the Home and Youth Affairs Bureau may not be as heavy as that of the other policy bureaux, it is designed in that way so that the new policy bureau can have the capacity to conduct a comprehensive review on district administration and the way forward of DCs. As a matter of fact, the current-term 18 DCs have not been able to fully perform their functions owing to the resignation or disqualification of a large number of members. The recent change in direct elections through geographical constituencies under the improved electoral system of the HKSAR also calls for the Government to re-consider the future of district administration. It has been more than 15 years since the last review of the functions of the DCs was conducted.

Culture, Sports and Tourism Bureau

13. To capitalise on the support for Hong Kong to develop into an East-meets-West centre for international cultural exchange under the 14th Five-Year Plan, the HKSAR Government should provide a top-level leadership for the effective promotion of cultural development. The current arrangement with relevant policies dispersed under the Home Affairs Bureau and the Commerce and Economic Development Bureau is undesirable. In fact, there is no clear boundary between arts and culture and creative industries, particularly in respect of popular culture where so many common stakeholders are involved. Consolidating the work of these two bureaux can foster the integration of different arts and cultural genres, creating synergy to further facilitate the development of arts, cultural and creative industries.

14. In addition, arts and culture, creative industries, sports and tourism can not only complement but reinforce each other's developments. A diversified environment where Chinese and Western cultures meet, the availability of world-class cultural and sports facilities and a wide variety of cultural and sports events and performances are valuable tourism resources in Hong Kong attracting tourists who are interested in culture and sports. A flourishing tourism sector can help facilitate the development of arts and cultural industries, strengthen our support for elite sports, maintain Hong Kong as a centre for major international sports events, promote sports in the community, enhance professionalism in the sports

sector, and develop sports as an industry. The setting up of the Culture, Sports and Tourism Bureau may also pool together relevant departments and advisory and statutory bodies such as the Leisure and Cultural Services Department, Create Hong Kong, the Hong Kong Academy for Performing Arts, the Hong Kong Arts Development Council, the West Kowloon Cultural District Authority, the Hong Kong Arts Centre and the Hong Kong Film Development Council to strengthen the steer and promotion of the development of cultural industries in Hong Kong.

Transport and Logistics Bureau

15. Upon the split of the Transport and Housing Bureau, the policy bureau responsible for transport matters will be renamed as the Transport and Logistics Bureau to highlight the close ties between transport and logistics, as well as the significance of the logistics industries to Hong Kong's economy. With respect to Hong Kong's internal and cross-boundary transport, the Transport and Logistics Bureau will focus on steering and co-ordinating a number of major policies, including planning and developing local and cross-boundary transport infrastructure under the transport infrastructure-led approach; taking forward various strategic railway projects in line with the principle of using railways as the backbone of passenger transport system; improving services of public transport such as franchised buses, minibuses, taxis and ferries; promoting "Smart Mobility"; and fostering a pedestrian-friendly environment. Besides, the Transport and Logistics Bureau will be better positioned to focus on taking forward and following through various long-term strategic studies, including the "Traffic and Transport Strategy Study" and the "Strategic Studies on Railways and Major Roads beyond 2030" to meet Hong Kong's development needs in the long run.

16. In addition to handling matters relating to Hong Kong's internal and cross-boundary transport, the Transport and Logistics Bureau will also have to better manage and deepen work on our external transport strategies, in particular capitalising on the opportunities brought by the 14th Five-Year Plan and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to develop the transportation industry supporting the growth of logistics services. On air transport, the Bureau should play an active role in assisting the Airport Authority Hong Kong to implement the entire Three Runway

System in 2024 as scheduled, so as to enhance the passenger and cargo handling capacity of the Hong Kong International Airport, and continue to develop high-end logistics services and expand our aviation network, as well as to increase competitiveness by co-operating with the Mainland cities, in order to reinforce Hong Kong's status as an international aviation hub. In respect of maritime transport, the Transport and Logistics Bureau should step up efforts to promote the development of a "Smart Port" and high value-added logistics and maritime business services, and increase productivity through wider use of technology to enhance Hong Kong's status as an international transportation centre.

Innovation, Technology and Industry Bureau

17. The 14th Five-Year Plan indicates clear support for Hong Kong's development into an international I&T hub. The current-term Government's leadership and investment in supporting I&T development has been well recognised by the sector and has achieved remarkable results. The current-term Government has so far invested over \$130 billion in developing infrastructure, promoting research and development (R&D), nurturing talent, and supporting the industry, etc. Hong Kong's I&T industry is flourishing at the moment, and the positive interaction among the Government, industry, academia and research sectors has also been strengthened significantly. The number of start-ups has increased by 68% from 2 229 in 2017 to a record high of 3 755 in 2021. At present, there are 12 unicorns in Hong Kong, with several of them incubated at Cyberport or the Science Park. While we have laid a solid foundation for I&T development in Hong Kong, we still need to build a robust I&T ecosystem, which fully covers R&D, financing, production and even commercialisation, in order to escalate our I&T development to an even higher level. Promoting I&T-driven production or re-industrialisation is an area that Hong Kong needs to do much more in future.

18. In fact, the Innovation and Technology Bureau has done a lot of work in promoting re-industrialisation, including providing support to the Committee on Innovation, Technology and Re-industrialisation, encouraging the setting up of hi-tech smart production lines in Hong Kong through various funding schemes, and assisting the Hong Kong Science and Technology Parks Corporation with the upgrading and transformation

of three industrial estates and the construction of new advanced manufacturing centres. The re-titling as Innovation, Technology and Industry Bureau clearly indicates re-industrialisation as a standing policy function and work focus of the bureau in future, and relevant stakeholders will know which policy bureau will be their counterpart. To tie in with the development of the San Tin Technopole in the Northern Metropolis, the future Innovation, Technology and Industry Bureau will formulate and implement policies including those on land grant to attract more high value-added and technology-intensive manufacturing processes and production lines to set up operations in Hong Kong to enhance the I&T ecosystem.

Commerce and Economic Development Bureau

19. It is proposed that the Commerce and Economic Development Bureau upon re-organisation will no longer take charge of tourism and creative industries. Instead, it will focus on trade and commerce and strive to consolidate and enhance Hong Kong's status as an international trade centre under the 14th Five-Year Plan, as well as develop Hong Kong into a regional intellectual property trading centre. In fact, the COVID-19 epidemic and geo-political developments in recent years have created many uncertainties affecting Hong Kong's business environment. Fortunately, the 14th Five-Year Plan, the development of the GBA, the expansion of the Qianhai Co-operation Zone as well as the Belt and Road Initiative have presented vast opportunities for Hong Kong. We must get prepared for this new engine of economic development and speed up integration into the overall development of our country, so as to enhance the level and capacity of Hong Kong's economic development. The Commerce and Economic Development Bureau will actively seek accession to the Regional Comprehensive Economic Partnership Agreement, strive to forge Free Trade Agreements and Investment Agreements with more economies, strengthen commercial, trade and investment relations with our trading partners through Invest Hong Kong and our overseas Economic and Trade Offices, and enhance support measures for small and medium enterprises to assist them to explore more business opportunities both in the Mainland and overseas markets.

20. In addition, the Commerce and Economic Development Bureau will continue to promote the development of telecommunications and broadcasting, including monitoring the work of Hongkong Post and Radio Television Hong Kong.

Environment and Ecology Bureau

21. The policy functions of the Environment Bureau will be enlarged to take over environmental hygiene, food safety, agriculture and fisheries, and veterinary public health from the Food and Health Bureau. The Bureau will then be renamed as the Environment and Ecology Bureau to better reflect its mission, including driving climate action, promoting biodiversity and related work in these areas etc. Transferring the above policy portfolios from the Food and Health Bureau to the Environment and Ecology Bureau can achieve synergy in a number of policy areas. For example, on waste reduction and recycling, bringing the collection, recycling, delivery and treatment of waste, currently managed by two bureaux as separate processes, under the same roof and within the purview of the Environment and Ecology Bureau will allow the Bureau to effectively consolidate and transform the 3 000 refuse collection points in the territory into integrated waste management facilities for one-stop collection and recycling of household refuse for greater cost-effectiveness and enhanced support for community recycling of resources, so as to better align with the policy principle of waste reduction and recycling. An integrated waste handling process will also facilitate the implementation of municipal solid waste charging in future. On the other hand, the development of the agriculture and fisheries industries requires a favourable ecological environment. As a policy advocate of ecological conservation, the Environment and Ecology Bureau will help facilitate the development of modern agriculture and fisheries industries in a sustainable manner, including promoting the integration of agriculture and fisheries activities with natural ecology, so as to help identify diversified development opportunities for local agriculture and fisheries industries other than production.

22. Besides, in terms of organisational structure, upon the proposed re-organisation, the Environment and Ecology Bureau shall be solely in charge of the Agriculture, Fisheries and Conservation Department which

currently falls under the purview of two policy bureaux. Co-operation between the Environmental Protection Department and the Food and Environmental Hygiene Department will be strengthened. As the work of the Hong Kong Observatory is crucial to climate change, it will also be more logical to transfer it from the Commerce and Economic Development Bureau to the Environment and Ecology Bureau.

Rationalising Other Policy Work

23. At present, policy functions with respect to manpower development, retirement protection and poverty alleviation are dispersed under different policy bureaux, which is undesirable. According to the re-organisation proposal, policy areas which are closely related will be put under one single policy bureau. This will address the problem of dispersed functions across different bureaux and reduce the need for cross-bureaux co-ordination, thereby enhancing efficiency in governance and improving the policy formulation process.

24. We also propose to take the opportunity of this re-organisation to achieve a more balanced division of responsibilities between the Chief Secretary for Administration and the Financial Secretary. Nine policy bureaux will be put under the supervision of the Chief Secretary for Administration, while the Financial Secretary will oversee the remaining six. As stated in paragraph 8, the current-term Government is of the view that the creation of the post of Deputy SoD to provide higher level co-ordination for large-scale regional developments such as the Northern Metropolis and the Lantau Tomorrow Vision, as well as cross-bureaux issues such as national security, climate change and manpower policy, etc. could be considered. However, since whether the post of Deputy SoD should be created or not is a matter of the style of governance, it is proposed that the decision should be left to the Chief Executive-elect. By the same token, while it is proposed in the re-organisation that the time-limited Human Resources Planning and Poverty Co-ordination Unit under the Chief Secretary for Administration's Private Office should be dissolved with its major duties transferred to the Labour and Welfare Bureau, the way forward with respect to the Policy Innovation and Co-ordination Office, which reports directly to the Chief Executive, would be considered by the Chief Executive-elect.

Proposed New Structure

25. According to the re-organisation proposal set out in paragraph 5, the number of policy bureaux will increase from 13 to 15 under the new government structure. The new government organisation chart is at Annex 3. Among the 15 policy bureaux, the work and structure of the following two policy bureaux will remain unchanged:

- (i) Civil Service Bureau
- (ii) Education Bureau

The remaining 13 policy bureaux, which are either newly established or re-organised in various degrees, include:

With changes in structure:

- (iii) Commerce and Economic Development Bureau
- (iv) Culture, Sports and Tourism Bureau
- (v) Environment and Ecology Bureau
- (vi) Health Bureau
- (vii) Home and Youth Affairs Bureau
- (viii) Housing Bureau
- (ix) Transport and Logistics Bureau

With areas of work reshuffled:

- (x) Constitutional and Mainland Affairs Bureau
- (xi) Development Bureau
- (xii) Financial Services and the Treasury Bureau
- (xiii) Labour and Welfare Bureau

(xiv) Security Bureau

Re-titled to reflect existing functions:

(xv) Innovation, Technology and Industry Bureau

26. Under the re-organisation proposal, the increase in manpower in accordance with the principle stated in paragraph 4(iv) mainly involves the relevant staff of the offices of the two newly-created DoBs, including two DoBs, two Under Secretaries, two Political Assistants, two directorate civil servants (i.e. Administrative Assistant to the DoB) and a certain number of supporting staff (such as Press Secretaries, Personal Secretaries and clerical staff). Making reference to the average estimated expenditure (covering salaries and office overhead) of the existing offices of the DoBs in the current financial year, the annual total expenditure of each DoB office amounts to approximately \$16 million. However, as individual offices may have different establishments and expenditures given their work nature, a more accurate estimate could only be made upon consideration of the re-organisation proposal by the Chief Executive-elect. In addition, we propose that the next-term Government should seek the approval of the LegCo for the reinstatement of the post of the Director of Environmental Protection to alleviate the workload caused by the previous merger of the Environment Bureau and the Environmental Protection Department, particularly in taking forward the Hong Kong's Climate Action Plan 2050. We also propose that the existing time-limited positions in relevant bureaux be retained in view of policy needs. The LegCo will be briefed on the details of the financial implications of the staff establishment in due course.

Public Reaction

27. Following the delivery of the 2021 Policy Address, the Chief Executive, SoDs and DoBs have listened to the views of stakeholders, including representatives of organisations/groups and relevant personalities from various sectors. The majority of them have expressed support for the direction of the re-organisation.

Way Forward

28. The DoBs concerned will brief Members on the latest re-organisation proposal at relevant panels and listen to Members' views. Members may also express their views during the debate on the motion of thanks on the 2021 Policy Address.

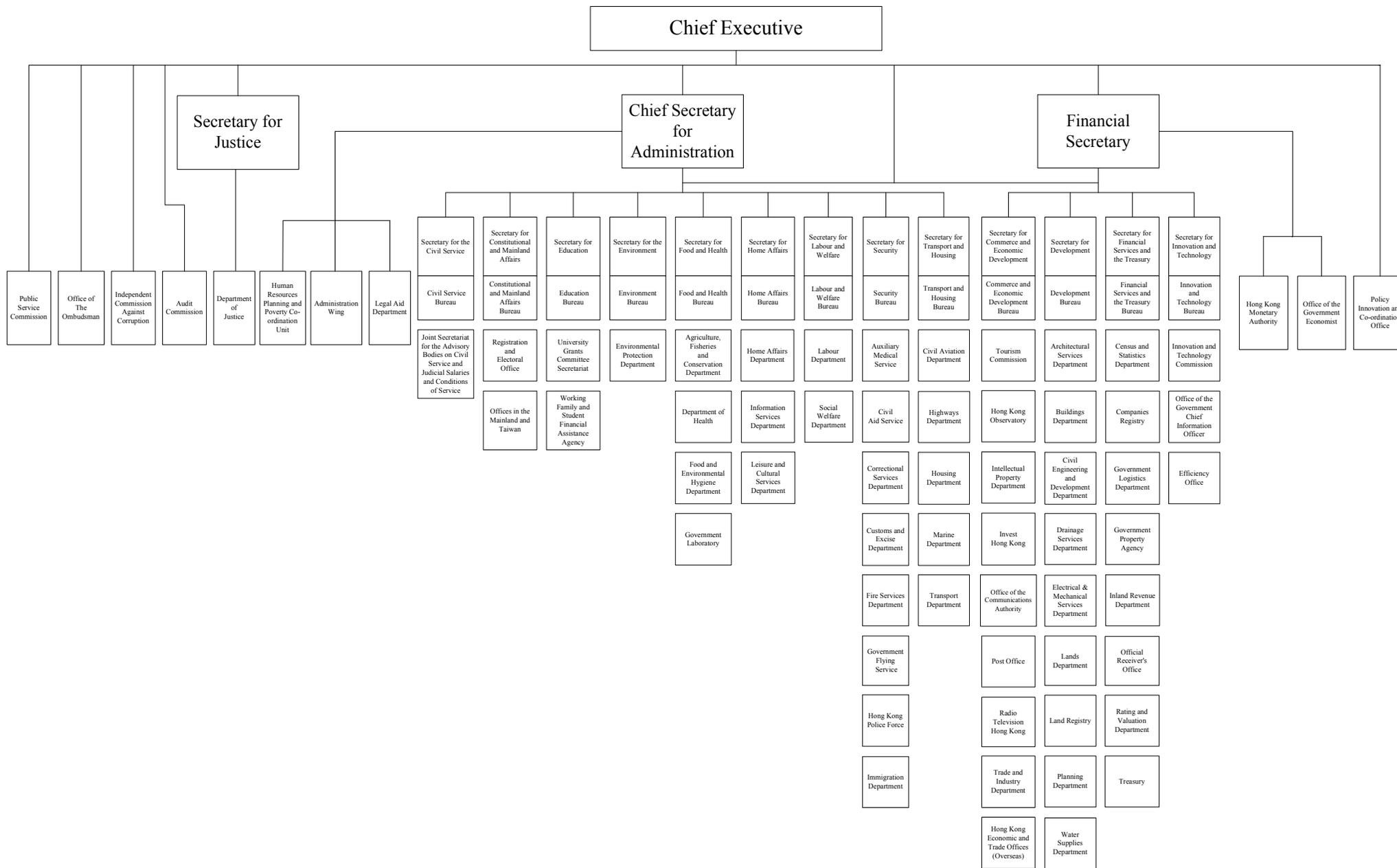
29. As mentioned in paragraph 2 above, we aim to submit the proposal and Members' views for the Chief Executive-elect's consideration after the Chief Executive Election on 27 March 2022. The current-term Government will render full support by submitting to the LegCo the re-organisation proposal that is deemed appropriate by the Chief Executive-elect, and introducing the necessary legislative amendments for scrutiny⁵ by the LegCo as soon as possible. The staffing and financial proposals involved in the re-organisation will be submitted to the Establishment Subcommittee and the Finance Committee for scrutiny and approval respectively. All vetting and approval procedures concerned should be completed by early June 2022 to allow sufficient time for the Chief Executive-elect to complete the constitutional procedures of appointing principal officials, so that the new government structure will come into operation starting from 1 July 2022.

Hong Kong Special Administrative Region Government

12 January 2022

⁵ Some of the relevant statutory functions exercised by SoDs and DoBs have to be transferred as a result of the re-organisation of the Government. According to Section 54A of the Interpretation and General Clauses Ordinance (Cap. 1), the Legislative Council may by resolution provide for the transfer to any public officer of statutory functions of another public officer.

ORGANISATION CHART OF THE CURRENT-TERM GOVERNMENT



New Housing Initiatives

Announced by the Current-term Government

Overall Strategies

- Enrich the housing ladder to meet the needs of different families.
- Launch the Starter Homes (SH) Pilot Project for Hong Kong Residents.
- Revise the public/private split of new housing supply from 60:40 to 70:30 with housing land allocation further tilted towards public housing.
- Increase housing land supply – 350 hectares of land have been identified to produce 330 000 public housing units, which will be sufficient to meet the public housing demand in the coming ten-year period (i.e. from 2022-23 to 2031-32) under the Long Term Housing Strategy (LTHS); secure 170 hectares of land in the coming ten years for the provision of 100 000 private housing units through land sales or putting up railway property developments for tender.
- Re-allocate private housing sites for public housing.
- Raise domestic plot ratio for public housing sites by up to maximum 30% where technically feasible to increase supply.
- Delink the price of Home Ownership Scheme (HOS) flats from market prices and price the Green Form Subsidised Home Ownership Scheme (GSH) and SH units on HOS basis to make home ownership for members of the public more affordable.
- Regularise the GSH and White Form Secondary Market Scheme.
- Put up for sale recovered Tenants Purchase Scheme flats with the sale of HOS and GSH flats.
- Release the unsold GSH flats of Ching Fu Court and Dip Tsui Court for purchase by applicants holding a valid Public Rental Housing application for more than a year.
- Tighten alienation restrictions on HOS and GSH flats.
- Revise the land premium arrangement for the Hong Kong Housing Society (HKHS) to allow HKHS to maintain financial viability in building public housing.

Expediting Public Housing Construction

- Provide personal steer and monitoring by the Chief Executive on the 120 public housing projects involving more than 200 000 units in the latter five-year period (i.e. from 2027-28 to 2031-32) of the coming ten years under the LTHS to ensure timely land and housing production.
- Adopt more widely Modular Integrated Construction and innovative construction technology.
- Adopt new design and construction contracts to optimise the housing construction process with more market participation.

Support for Households Waitlisted for Public Rental Housing for a Long Period of Time

- Launch the three-year Cash Allowance Trial Scheme to provide cash allowance to eligible General Applicant households for public rental housing.
- Impose tenancy controls on subdivided units.
- Launch the Funding Scheme to Support Transitional Housing Projects by Non-government Organisations (NGOs) to provide 20 000 transitional housing units in total.
- Launch the Pilot Scheme to Subsidise Using Rooms in Hotels and Guesthouses as Transitional Housing to support NGOs in making use of rooms in hotels and guesthouses as transitional housing.

Optimal Use of Existing Public Housing Resources

- Implement the Full Rent Exemption Scheme for Elderly Under-occupation Households by the Hong Kong Housing Authority (HKHA) to enable elderly under-occupation households with all family members aged 70 or above and other eligible elderly households to enjoy lifetime full rent exemption upon their transfer to suitably sized units.
- Facilitate the launch of the Flat for Flat Pilot Scheme for Elderly Owners by HKHS.
- Launch the enhanced Letting Scheme for Subsidised Sale Developments with Premium Unpaid by HKHS and HKHA.

Collaborate with Public Sector to Increase Supply

- Provide more SH or other types of subsidised sale flats by the Urban Renewal Authority (URA) in its redevelopment projects.
- Commence pilot Civil Servants' Co-operative Building Society Scheme redevelopment projects by the URA with some sites allocated to develop public housing units.
- Press ahead with the development at Siu Ho Wan Depot site by MTRCL to provide public and private housing units.
- Entrust HKHS to develop three urban squatter areas into public housing projects.

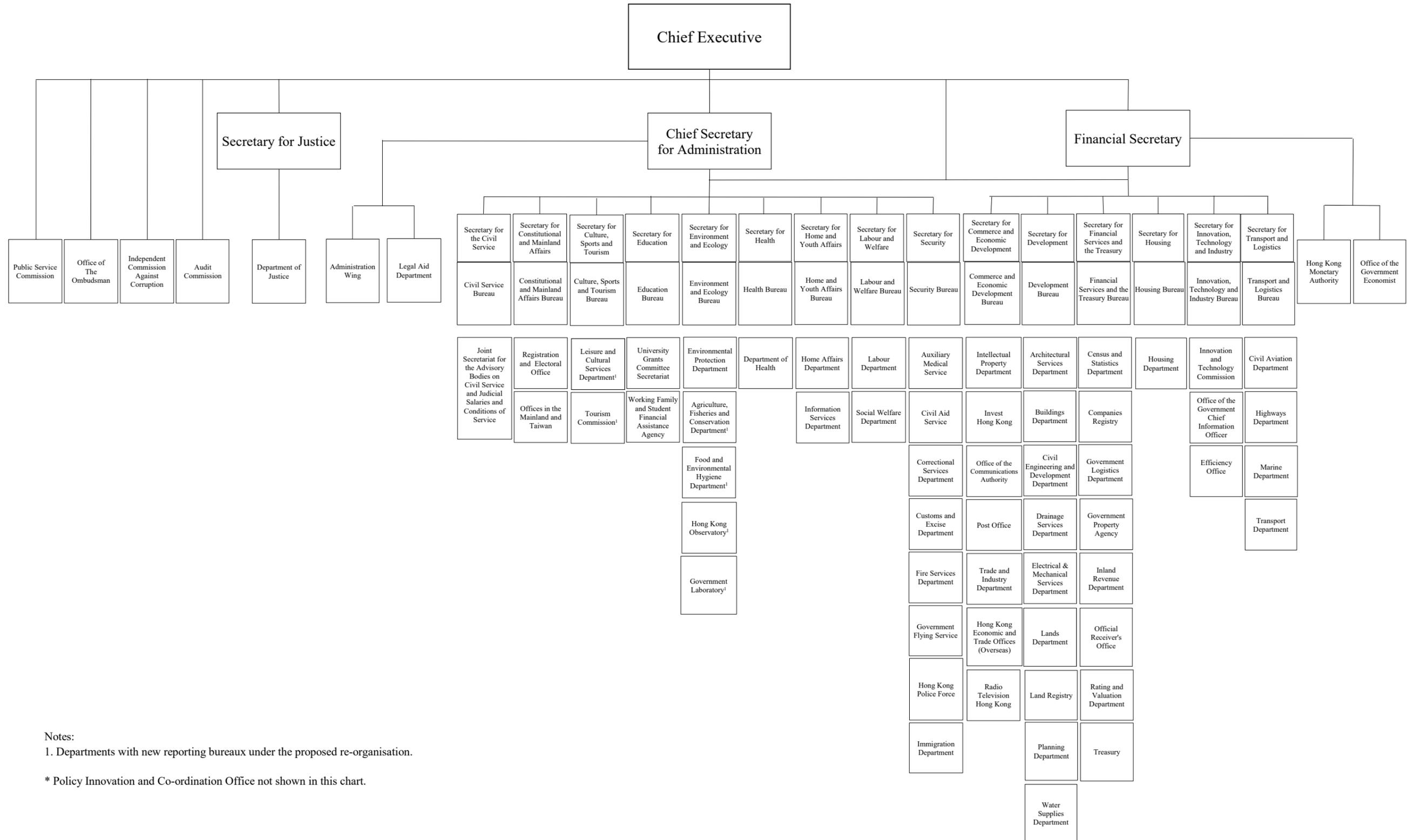
Unlocking Land Potential through Redevelopment

- Redevelop four HKHA's factory estates as public housing.
- Invite HKHA to study the redevelopment of Sai Wan Estate and Ma Tau Wai Estate.
- Redevelop Shek Lei Interim Housing.
- Redevelop Tai Hang Sai Estate to provide units for re-housing existing tenants and SH units.

Maintaining Healthy Development of Private Residential Market

- Amend the Lands Department Consent Scheme requiring developers to offer for sale no less than 20% of the total number of residential units that are subject to the relevant pre-sale consent at each turn of sale.
- Raise the maximum property value eligible for mortgage loans for first-time home buyers and other buyers under the Mortgage Insurance Programme.

ORGANISATION CHART OF THE GOVERNMENT UNDER THE PROPOSED RE-ORGANISATION



Notes:
1. Departments with new reporting bureaux under the proposed re-organisation.

* Policy Innovation and Co-ordination Office not shown in this chart.