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Paper for the House Committee

Report of Subcommittee to Study the Proposal for Reorganizing the Government Structure and Related Matters

Purpose

This paper reports on the deliberations of the Subcommittee to Study the Proposal for Reorganizing the Government Structure and Related Matters ("the Subcommittee").

Background

2. Under the fifth-term Government structure, there are three Secretaries of Departments ("SoDs"), namely the Chief Secretary for Administration ("CS"), the Financial Secretary ("FS") and the Secretary for Justice ("SJ"), and 13 Directors of Bureaux ("DoBs") who each heads a policy bureau, who are politically appointed officials ("PAOs"). To enhance the effectiveness of governance, the Chief Executive ("CE") has put forth, among others, initial ideas about reorganizing the government structure in her 2021 Policy Address delivered on 6 October 2021 to better meet social expectations and complement the policy focuses of the Government of the Hong Kong Special Administrative Region ("HKSARG"). CE presented to the Legislative Council ("LegCo") a detailed reorganization proposal on 12 January 2022² for further discussion by Members at different platforms, with a view to enabling the current-term Government to

The initial ideas about reorganizing the government structure include (a) setting up a Culture, Sports and Tourism Bureau; (b) splitting the Transport and Housing Bureau; (c) exploring, upon the split, whether there is room to rationalize the work of the Housing Bureau and the Development Bureau; (d) expanding the Innovation and Technology Bureau into the Innovation, Technology and Industry Bureau; and (e) reorganizing the Home Affairs Bureau into the Youth and District Affairs Bureau.

The current-term Government's reorganization proposal is accessible at the website of LegCo at https://www.legco.gov.hk/yr2022/english/counmtg/papers/cm20220112-ppr20220112-e.pdf.

consolidate the views of the community (including LegCo) for consideration by the Chief Executive-elect ("CE-elect") after the sixth-term CE election.

3. In his election manifesto, CE-elect has pledged to improve governing effectiveness by considering the proposal on the reorganization of the government structure developed by the current-term Government, and explore a reorganization with the aim of strengthening the strategic planning, policy research and overall coordination efforts; and refine the roles and responsibilities of PAOs to improve collaboration within the government, with a view to improving governance capability. Following the CE election on 8 May 2022, CE met with CE-elect on the next day to discuss, among other things, the proposal on the reorganization of the government structure.

The finalized proposal for reorganizing the government structure

- 4. The proposed new government structure envisaged by CE-elect ("the reorganization proposal"), taking into account the current-term Government's reorganization proposal, to be in place from 1 July 2022 is as follows:
 - (a) creating three new positions for PAOs at the rank of Deputy Secretary of Department ("DSoD"), namely a Deputy Chief Secretary for Administration ("DCS"), a Deputy Financial Secretary ("DFS") and a Deputy Secretary for Justice ("DSJ"), to share the heavy workload of CS, FS and SJ;
 - (b) strengthening the existing offices of CS, FS and SJ by adding to each office one directorate officer, and creating a Political Assistant post to support SJ;
 - (c) setting up a new Culture, Sports and Tourism Bureau ("CSTB") to take over the culture, arts and sports portfolios from the Home Affairs Bureau ("HAB"), as well as the film, creative industries and tourism portfolios from the Commerce and Economic Development Bureau ("CEDB");
 - (d) splitting the Transport and Housing Bureau ("THB") into two policy bureaux, namely the Transport and Logistics Bureau ("TLB") and the Housing Bureau ("HB");
 - (e) retitling the Innovation and Technology Bureau ("ITB") as the Innovation, Technology and Industry Bureau ("ITIB");

- (f) reorganizing HAB into the Home and Youth Affairs Bureau ("HYAB");
- (g) expanding and retitling the Environment Bureau ("ENB") as the Environment and Ecology Bureau ("EEB") to take over from the Food and Health Bureau ("FHB") the policies on environmental hygiene, food safety, agriculture and fisheries, veterinary public health, etc.;
- (h) revamping FHB as the Health Bureau; and
- (i) implementing a number of policy transfers between bureaux and offices to rationalize and consolidate policy responsibilities.

The justifications for items (c) to (i) above, which are proposals devised by the current-term Government and endorsed by CE-elect in full, are set out in paragraphs 8 to 26 of the LegCo Brief (File Ref.: PICO CR 6/5/4 C) issued by the Constitutional and Mainland Affairs Bureau ("CMAB") and the Policy Innovation and Co-ordination Office ("PICO") on 17 May 2022. Details of items (a) and (b) above which are additional proposals put forth by CE-elect are set out in paragraphs 27 to 29 of the LegCo Brief.

Legislative amendments

- 5. To effect the changes in the government structure from 1 July 2022, the current-term Government needs to move a resolution under section 54A of the Interpretation and General Clauses Ordinance (Cap. 1) at a Council meeting to provide for the transfer of statutory functions (including powers and duties) currently exercisable by a certain public officer by virtue of Ordinances set out in the resolution to another public officer who will take charge of the relevant policy responsibilities following the reorganization.
- 6. Besides the proposed resolution, a notice will be made by CE in Council under section 55 of Cap. 1 to effect the changes in the relevant titles concerning the retitling of ITB to ITIB,³ and an order will be made by CE in Council under section 62(3) of Cap. 1 to amend the list of public officers specified in Schedule 6 to Cap. 1 to reflect the changes in the list of public officers who are empowered

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The power to make the notice under section 55 of Cap. 1 is vested in CS. In the absence of an acting arrangement for CS, the notice can be made by CE in Council pursuant to section 45 of Cap. 1 which provides that such subsidiary legislation can be made by CE in Council if there is no post holder for CS.

to signify the exercise of statutory powers or the performance of statutory duties by CE.⁴ The notice and the order are subject to negative vetting by LegCo.

7. The draft proposed resolution, notice and order are set out in Annexes K, L and M to the LegCo Brief respectively. According to the Administration, all three legislative instruments shall come into force on 1 July 2022.

The Subcommittee

8. At the House Committee meeting on 13 May 2022, members agreed to form a subcommittee to study the reorganization proposal and related matters, including the relevant proposed resolution to be submitted by the Administration to LegCo. Hon Mrs Regina IP and Ir Dr Hon LO Wai-kwok have been elected as Chairman and Deputy Chairman of the Subcommittee respectively. The membership list of the Subcommittee is in the **Appendix**. The Subcommittee has held two meetings with the Administration and the Office of the CE-elect.

Deliberations of the Subcommittee

9. While members support the reorganization proposal in principle, they have expressed concerns over various issues during the course of study. The major deliberations of the Subcommittee are set out in the ensuing paragraphs.

Scope of work of the Chief Secretary for Administration and the Financial Secretary

- 10. Members note that under the reorganization proposal, CS will oversee nine policy bureaux, namely the Civil Service Bureau, CMAB, CSTB, Education Bureau, EEB, Health Bureau, HYAB, Labour and Welfare Bureau ("LWB") and Security Bureau, the Administration Wing and the Legal Aid Department; whereas FS will supervise six policy bureaux, namely CEDB, Development Bureau ("DEVB"), Financial Services and the Treasury Bureau, HB, ITIB and TLB, so as to achieve a more balanced division of responsibilities. Given that housing will be a top priority of the sixth-term Government, there is a concern that the putting of DEVB and the proposed HB under the supervision of FS will render FS less focused on financial and monetary development.
- 11. Secretary-General of the Office of the CE-elect ("SG/CEEO") has explained that the allocation of responsibilities for the proposed HB and DEVB under FS will be conducive to achieving one of the core objectives of the sixth-

⁴ To reflect the new government structure, the order should be published in the Gazette after the passage of the proposed resolution and promulgation of the notice.

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term Government to provide more housing and better living. HB will take full charge of the housing policy and the supply and planning of land use falls within the portfolio of DEVB. FS will continue to spare no efforts in overseeing policy formulation and implementation of financial, monetary, economic, trade and development as well as innovation and technology matters.

Proposal to create three Deputy Secretaries of Departments to strengthen top-level steer

- 12. Members have sought elaboration on the justifications for the proposal of creating the positions of DCS, DFS and DSJ. Some members are particularly concerned about the need for creating a DSJ position to share the work of SJ who heads only the Department of Justice ("DoJ") with six legal divisions, namely the Civil Division, Constitutional and Policy Affairs Division, International Law Division, Law Drafting Division, Prosecutions Division and National Security Prosecutions Division.
- SG/CEEO has advised that in view that the scope of work of CS, FS and 13. SJ is very wide with heavy workload, CE-elect has proposed to establish three DSoD positions as provided for under Article 48(5) of the Basic Law to share the work of the three SoDs. The proposed DCS and DFS will assist CS and FS respectively in supervising the policy bureaux under the two SoDs and coordinating the formulation and implementation of policies which cut across various bureaux or departments. Where necessary, they may also be assigned to plan, coordinate or take charge of specific policy areas or projects as directed by CE and/or the two SoDs so as to strengthen HKSARG's governance and to meet public expectations. The proposed DSJ will assist SJ in discharging the duties to supervise and coordinate the work of the six Law Officers in DoJ. addition, DSJ will assist SJ or act as directed by SJ, in taking charge of the promotion of the Constitution and the Basic Law; enhancing the legal exchanges and liaison with the Mainland and the overseas, as well as promoting international legal cooperation arrangement; conducting external promotion on Hong Kong's rule of law, judicial independence and legal system; and enhancing Hong Kong's status as a centre for international legal and dispute resolution services in the Asia-Pacific region.
- 14. Members in general hope that CE-elect can define clearly and make public as early as possible the specific duties to be discharged or projects to be spearheaded by the three proposed DSoDs, including whether they will take up the chairmanship of certain advisory committees. There is a suggestion that reference can be made to the proposal put forth in 2012 for reorganizing the government structure that DCS be tasked to coordinate the formulation and implementation of policy pertaining to human resources, and DFS be responsible

for coordinating the formulation and implementation of policy pertaining to economic development as well as the development of trade and industries.

- 15. SG/CEEO has assured members that there will be a clear delineation of work between SoDs and the proposed DSoDs. CE-elect, who places great emphasis on team culture, will work with his governing team after its formation and make public the arrangement in due course. One consideration is for DFS to take charge of the proposed Task Force on Public Housing Projects and the proposed Steering Committee on Land and Housing Supply to be established by the next-term Government.
- 16. On the question about the lines of command of DSoDs and DoBs under the reorganization proposal, SG/CEEO has advised that CS and FS will together continue to head the Government Secretariat and supervise the work of DoBs. It is proposed that DSoDs will be a tier between SoDs and DoBs, and DCS, DFS and DSJ will be accountable to CS, FS and SJ respectively.

Strengthening governance capability and accountability

- 17. Some members consider it worthwhile to pursue the proposed creation of an additional layer of political appointment positions (i.e. the three DSoDs) and their private offices, and the proposal to strengthen the existing private offices of the three SoDs, which will entail an additional annual salary cost of about \$62 million, if they will point to better coordination in the formulation and implementation of policies that straddle across bureaux and enhanced governance capability. In their view, there is a need to strengthen the monitoring of the effectiveness of the work of PAOs and enhance their accountability by setting key performance indicators ("KPIs").
- 18. SG/CEEO has advised that as pledged in his election manifesto, CE-elect will adopt a result-oriented approach and set clear targets and KPIs for selected tasks within the first 100 days of the new administration. On the question about how to ensure that the top tier of officials will work well with the civil servants to build a solution-driven administration, SG/CEEO has advised that CE-elect will strive to ensure that senior government officials will lead proactively, intervene in the problem-solving process early, and guide teams to quickly resolve problems for effective governance.
- 19. There are views that PAOs of the next-term Government should strengthen their political work such as defending government policies and lobbying stakeholders to secure the requisite support for the Government's initiatives. There is also a concern that the existing delineation of work between DoBs and Deputy Directors of Bureaux ("DDoBs") is not clear. SG/CEEO has assured

members that efforts will be made by the next-term Government to strengthen the political work.

20. With development over the years since its establishment, the then Central Policy Unit under the fourth-term Government was mainly responsible for, among others, conducting policy research and analyzing major policy issues with a view to providing to the most senior echelon in the Government with independent and alternative advice. It has been revamped as PICO under the current-term Government to be responsible for policy research and innovation, as well as high-level coordination, amongst other things. Members have enquired whether CE-elect has any plan to enhance the capacity of the next-term Government in policy research, particularly in the area of medium- and long-term planning, and the way forward for PICO. SG/CEEO has advised that CE-elect attaches great importance to policy research. The way forward for PICO will be determined by CE-elect in due course.

Proposal for setting up a new Culture, Sports and Tourism Bureau

- 21. Members have expressed support for the setting up of the proposed CSTB. Some members have considered that the Government should promote the development of culture and sports as industries, so as to create more opportunities for upward mobility of young people. There is also a view that the proposed CSTB should report to FS to give added impetus to the market development of the culture and sports industries.
- 22. According to the Administration, the proposed CSTB will strive to enhance professionalism in the cultural and sports sectors and develop culture and sports as industries, with a view to diversifying the economy and providing multiple pathways for young people in the long run. However, as FS will oversee the work of the proposed HB and TLB as well as DEVB to enhance coordination of housing development which is the highest priority of the Government, it is proposed that the proposed CSTB should report to CS to ensure a more balanced division of responsibilities between CS and FS.
- 23. Pointing out that heritage are valuable tourism resources in Hong Kong, some members have expressed a view that the Antiquities and Monuments Office ("AMO") under DEVB should be transferred to the proposed CSTB to enhance heritage conservation and facilitate the promotion of historical and heritage tourism. The Administration has advised that as heritage conservation involves considerations on land use and planning which are development-related, it is more appropriate for AMO to remain under the purview of DEVB. Notwithstanding, DEVB and the proposed CSTB can explore more collaboration

opportunities in future to optimize the use of heritage resources so as to promote the development of heritage tourism.

Proposal for splitting the Transport and Housing Bureau

- 24. Members are in general supportive of the proposed splitting of THB into HB and TLB. Some members have considered that the proposed HB should place more emphasis on the housing supply in the private residential market. There is an enquiry as to whether the policy bureau that will take charge of the work of the Hong Kong Housing Society ("HKHS") and the Urban Renewal Authority ("URA") will be changed after the setting up of the proposed HB.
- 25. The Administration has advised that while the proposed HB will focus on increasing public housing production, it will also monitor the private residential market. The proposed HB will be the policy home for HKHS, while DEVB will continue to provide policy oversight for URA. Notwithstanding this, the proposed HB will maintain close liaison with public and private organizations to ensure that they act in concert with the Government to increase housing production through private sector market forces.
- 26. Some members consider it opportune for the Government to review the arrangement for the Permanent Secretary of the proposed HB to take up the post of Director of Housing at the same time. There is also a suggestion that a dedicated department or a think-tank should be set up under the proposed HB to formulate policies to improve the living quality of Hong Kong people. The Administration has advised that the reorganization proposal focuses on the distribution of policy functions among policy bureaux and the corresponding reshuffling of departmental functions among the bureaux. Therefore, the revamping and splitting of departments are kept to a minimum in this reorganization exercise. Notwithstanding this, the next-term Government can further review the organizational structure of departments as and when necessary.
- 27. Some members consider that a designated department of logistics should be established under the proposed TLB to support the development of the logistics industry. The Administration has advised that the proposed TLB will continue to be supported by various professional departments that come under the charge of the new bureau in promoting the development of the logistics industry. DoB and DDoB of the proposed TLB will also devote full-time attention and strengthen high-level steer for the transport and logistics portfolios. This apart, the proposed TLB, together with other policy bureaux directly involved in land and housing development, will be put under FS's supervision. This will help facilitate identification of more land resources to support the development of the logistics industry.

Proposal for retitling the Innovation and Technology Bureau as the Innovation, Technology and Industry Bureau

- 28. Members note that the proposed retitling of ITB will highlight reindustrialization as a standing policy function and work focus of the policy bureau. In this light, some members consider that the Trade and Industry Department ("TID"), which is currently under the purview of CEDB, should be put under ITIB to complement the development of re-industrialization. There is also a suggestion that ITIB should take over the role of CEDB in overseeing the Intellectual Property Department ("IPD") as intellectual property is an integral part of innovation and technology.
- According to the Administration, ITIB focuses on driving re-29. industrialization through innovation and technology and attracting more high value-added and technology-intensive manufacturing processes and production lines to set up operations in Hong Kong, as well as helping traditional industries transform to high value-added manufacturing processes. To this end, one of the priorities of ITIB is to promote the development of the 240-hectare San Tin Technopole in the Northern Metropolis and formulating and implementing land grant and other facilitation policies to attract the re-location of smart production lines to Hong Kong with a view to nurturing a complete innovation and technology ecosystem. On the other hand, TID is committed to, inter alia, providing support to enterprises (especially traditional industries and small and medium enterprises) in various aspects such as financing, brand promotion, and upgrading and restructuring, with a view to enhancing their competitiveness. Furthermore, as the tourism and creative industries portfolios and the Hong Kong Observatory ("HKO") currently under CEDB will be transferred to the proposed CSTB and the proposed EEB respectively, the Administration considers it more appropriate for TID and IPD to remain under the purview of CEDB to achieve a more balanced division of work.

Proposal for reorganizing the Home Affairs Bureau into the Home and Youth Affairs Bureau

30. Members have expressed support for the proposed reorganization of HAB into HYAB to recognize the importance of youth development. As youth matters straddle the policy areas of multiple policy bureaux, some members have expressed concern about the capability of the proposed HYAB to supervise the implementation of youth work by these bureaux, which are on the same level in the hierarchy of the Government Secretariat. Some members hope that the reorganized HYAB can establish synergy between youth affairs and district administration. Noting that the Home Affairs Department ("HAD") will be

responsible for providing support to the implementation of youth development work, some members have expressed concern as to whether HAD can spare additional resources to handle youth policy work. In their view, a dedicated department should be established instead.

- 31. According to the Administration, the proposed HYAB will review and formulate in a more holistic manner an overall youth policy and a blueprint for youth development. The institutional set-up will be strengthened by establishing a dedicated branch, entitled Youth Affairs Branch, to oversee the formulation and execution of overall policies, strategies and blueprint to promote youth development. To increase the policy, coordination and delivery capacity for youth development work, the proposed Youth Affairs Branch will step up directorate staffing support led by a Deputy Secretary for Home and Youth Affairs.
- 32. Some members have enquired whether matters relating to the licensing of hotels and guesthouses will continue to be under the purview of the proposed HYAB or be transferred to the proposed CSTB. The Administration has advised that HAD will be accountable to the proposed HYAB and will continue to handle the issuing of licenses for hotels and guesthouses after the reorganization. In addition to issuing licenses for hotels and guesthouses, HAD has been handling matters relating to the issuance of various licences over the years. Therefore, the Administration has considered that allowing HAD to continue with the work on issuing licences for hotels and guesthouses will enable shared use of relevant resources and technical know-hows to achieve synergy.
- 33. Some members have expressed dissatisfaction with the Government's performance in dismissing fake information and explaining government policies. These members are of the view that the Information Services Department ("ISD"), currently under the purview of HAB, should report to CS direct to strengthen its media and public relations work. The Administration has advised that the reorganized HYAB will continue to take charge of the housekeeping work of ISD. Notwithstanding this, the Administration agrees that there is room to enhance the Government's effectiveness in information dissemination and explanation of policies to the public, which has also been stated in CE's 2021 Policy Address.

Proposal for revamping the Food and Health Bureau as the Health Bureau

34. Some members have expressed concern over the ageing population which poses tremendous challenges to the public healthcare system. They have enquired about the actions that the proposed Health Bureau will take to address such challenges in a sustainable manner. There is also a suggestion that the

organizational structure of the proposed Health Bureau should be enhanced to promote the development of Chinese medicine.

35. The Administration has advised that the proposed Health Bureau will focus on medical services and public health policies after the revamp. The new bureau will continue to fight the coronavirus disease 2019 epidemic as its top priority. This apart, it will also accord priority to enhancing primary healthcare services and reviewing the problems of the public and private healthcare systems as revealed by the fifth wave of the epidemic, especially enhancing the response and coordination capabilities of the relevant departments in tackling health crisis. The proposed Health Bureau will also allocate more resources to step up promotion of Chinese medicine and medical services and collaboration between Chinese and Western medicine.

Proposal for rationalizing other policy work

- 36. Some members have suggested that broadcasting the and telecommunications portfolio (including Radio Television Hong Kong ("RTHK") and the Communications Authority) should be transferred from CEDB to the proposed CSTB or the retitled ITIB. According to the Administration, RTHK is positioned as the public service broadcaster in Hong Kong and is facilitating the promotional efforts of various bureaux and departments, including those on anti-epidemic work, the Constitution and the Basic Law, and other public education programmes like racial equality and harmony. Taking into account that broadcasting and telecommunications facilities are one of the major infrastructures for commerce and economic development, it will be more appropriate for CEDB to continue to take charge of the broadcasting and telecommunications portfolio.
- 37. Some members are of the view that the work of HKO has a closer tie with the policy functions of the proposed TLB or the retitled ITIB and hence, HKO should be transferred to either one of the two bureaux instead of the proposed EEB. The Administration has advised that as the proposed EEB will be in charge of climate change matters and the work of HKO is crucial to climate change, it will be more logical to transfer it from CEDB to the proposed EEB.
- 38. Some members have asked about the justifications for the proposed transfer of the policy work on children's rights, ethnic minority affairs and women affairs. The Administration has advised that as LWB has all along been overseeing child policy, it is proposed that the work on children's rights under CMAB be transferred to LWB. The transfer of the secretariat work of the Steering Committee on Ethnic Minority Affairs from the Human Resources Planning and Poverty Co-ordination Unit of the CS's Private Office to CMAB is

based on the rationale that CMAB is responsible for promoting elimination of discrimination and equal opportunities. Separately, as the proposed HYAB will be in charge of family-related matters, it is proposed that the policy portfolios on women under LWB be transferred to the reorganized HYAB.

Proposed resolution under section 54A of Cap. 1

- 39. Some members have enquired whether the Administration will revise the draft proposed resolution in the light of the views and suggestions made by members in respect of rationalizing the functions of various policy bureaux. The Administration has advised that the proposed resolution was drafted based on the reorganization proposal developed by the current-term Government which has attempted to balance different considerations. The reorganization proposal was also considered and generally supported by relevant LegCo Panels in February 2022. It is believed that the proposed policy bureaux structure will tie in with the policy work priorities of the new-term Government and enhance the efficiency in policy implementation and further changes may be considered in future as and when appropriate.
- 40. Members note that the Travel Industry Ordinance (Commencement) Notice 2022 (L.N. 58 of 2022) was gazetted on 6 May 2022. Under L.N. 58 of 2022, the uncommenced provisions of the Travel Industry Ordinance (Cap. 634) will come into operation in batches on 4 July and 1 September 2022 respectively, with the Travel Agents Ordinance (Cap. 218) repealed on 1 September 2022 by virtue of the coming into operation of the relevant provisions of Cap. 634 on the same day. A question has been raised as to whether the draft proposed resolution has provided for the transfer of the statutory functions exercisable by the Secretary for Commerce and Economic Development ("SCED") under these two Ordinances to the proposed Secretary for Culture, Sports and Tourism ("SCST").
- 41. According to the Administration, the objective of Schedule 2 to the draft proposed resolution is to implement the recommendation for the proposed CSTB to take over the tourism portfolios upon reorganization. According to Part 1 of Schedule 2 to the draft proposed resolution, the legislation that needs to be amended will include Cap. 218 and Cap. 634. Section 1(1)(a) and (g) and section 1(2) under Part 2 of Schedule 2 to the draft proposed resolution set out the specific amendments to transfer the statutory functions of SCED under Cap. 218 and Cap. 634 to the proposed SCST (including the power to specify the effective date), which has already covered both existing and uncommenced provisions under Cap. 634. As such, the draft proposed resolution has provided the legal basis for the transfer of the relevant statutory functions.

- 42. In response to the enquiries raised by the Legal Adviser to the Subcommittee on the draft proposed resolution, the Administration has explained that the enactment mentioned in section 1(1)(ze) of Part 2 of Schedule 3 (i.e. Waste Disposal (Designated Waste Disposal Facility) (Amendment) Regulation 2004 (L.N. 165 of 2004)) is not included in the enactments listed in Part 1 of Schedule 3 on the ground that it is already covered by the principal Ordinance (i.e. Waste Disposal Ordinance (Cap. 354)) listed in Item 5 of Part 1 of Schedule 3. Regarding the proposed amendments to the Secretary for Home Affairs Incorporation Ordinance (Cap. 1044), the Administration has clarified that while Schedule 6 and Schedule 7 deal with the transfer of functions of the Secretary for Home Affairs and The Secretary for Home Affairs Incorporated respectively, section 2(2) of Part 2 of Schedule 7 covers the amendment to the reference to "Secretary for Home Affairs Incorporation Ordinance" in Cap. 1044 (i.e. the short title in section 1 of Cap. 1044). In relation to the reference to "Transport and Housing Bureau" in the note to section 3 of the Inland Revenue (Double Taxation Relief on Income from Aircraft Operations) (United Mexican States) Order (Cap. 112BC), the Administration has explained that the enactment is not included in Part 1 of Schedule 9 and the note is not included in section 1(1) of Part 2 of Schedule 9 because the note is an editorial note rather than a statutory According to the Administration, an editorial amendment to the note to section 3 of Cap. 112BC will be made after the reorganization takes effect.
- 43. The Subcommittee has scrutinized the draft proposed resolution and no difficulties in relation to the legal and drafting aspects of other parts of the draft proposed resolution have been identified. According to the Administration, the provisions of the proposed resolution, in its final version, ("the proposed resolution") will be the same as those in the draft proposed resolution studied by the Subcommittee.

Draft notice to be made under section 55 of Cap. 1

44. On sections 3 and 4 of the draft notice which seek to amend the Electronic Transactions Ordinance (Cap. 553) to reflect the change in titles, a question has been raised as to whether it is a proper approach to make the relevant amendments by way of a notice. The Administration has advised that according to section 55 of Cap. 1, a change in title of any public officer or public body, or of any person referred to in any Ordinance may be declared by notice in the Gazette. Since the proposed retitling of ITB to ITIB does not involve any transfer of functions currently exercisable by a public officer to another officer, the changes in the relevant titles concerning the retitling can be made by a notice issued under section 55 of Cap. 1.

45. The Subcommittee has considered the draft notice and no difficulties have been identified in relation to the legal and drafting aspects of the draft notice. As advised by the Administration, the notice will be published in the Gazette on 17 June 2022. The notice is subsidiary legislation subject to the negative vetting procedure under section 34 of Cap. 1 and will come into force on 1 July 2022.

Draft order to amend Schedule 6 of Cap. 1

46. The Subcommittee has considered the draft order and no difficulties have been identified in relation to the legal and drafting aspects of the draft order. As advised by the Administration, the order will be published in the Gazette on 24 June 2022. The order is subsidiary legislation subject to the negative vetting procedure under section 34 of Cap. 1 and will come into force on 1 July 2022.

Latest development

47. After the Chairman of the Subcommittee made a verbal report of the deliberations of the Subcommittee to the House Committee at its meeting on 27 May 2022, the Secretary for Constitutional and Mainland Affairs gave on the same day the notice of moving the proposed resolution under section 54A of Cap. 1 at the Council meeting of 15 June 2022.

Advice Sought

48. Members are invited to note the deliberations of the Subcommittee.

Council Business Division 2
<u>Legislative Council Secretariat</u>
8 June 2022

Subcommittee to Study the Proposal for Reorganizing the Government Structure and Related Matters

Membership list

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