

Chapter XVIII : Civil Service

18.1 At the invitation of the Chairman, the Secretary for the Civil Service (SCS), Mr Joseph Y P WONG, highlighted the main focus of the policy commitments of Civil Service Bureau (CSB), with particular reference to the progress in containing the size of the civil service and upholding the quality of public service (Appendix V-17).

Employment of non-civil service contract staff

18.2 Members noted the large number of non-civil service contract (NCSC) staff employed in some government departments, notably the Leisure and Cultural Services Department (LCSD) and the Post Office (PO) which employed more than 2 000 and 1 500 NCSC staff respectively. Some members pointed out that some NCSC staff had been employed by the same department for quite a long period with their contracts renewed continuously and required to perform the same duties as the civil servants at comparable ranks but remunerated on less favourable pay and conditions of service. They considered that there might have been abuse of the NCSC scheme, resulting in unfair treatment for NCSC staff. Mr CHEUNG Man-kwong requested that an overall review on the relevant policy should be conducted as soon as possible. Mr LEE Cheuk-yan also opined that CSB should review the situation of individual departments and, where justified, allow NCSC staff retained on a long-term basis to have the chance to be employed on civil service terms in view of Financial Secretary's announcement of the lifting of the freeze on recruitment to the civil service. While supporting the call for an overall review, Miss Emily LAU stated full support for the Administration's ongoing efforts to contain the size of the civil service and to contract out public services to enhance the efficiency and effectiveness of the civil service.

18.3 In response, SCS pointed out that there was no unfair treatment to NCSC staff as their employment package had been kept under constant review. Having regard to market conditions, the arrangements for the employment of NCSC staff had in fact been revised recently to allow for greater flexibility in the offering of better terms and conditions to NCSC staff where justified. He considered that given the size of the civil service, it was essential to delegate an appropriate level of authority and responsibility to Heads of Department/Grade (HoDs/HoGs) to decide on how best the services of their departments/grades should be delivered and on the appropriate choice of means of meeting their service needs.

18.4 Mr LEE Cheuk-yan expressed his dissatisfaction that CSB, as the policy bureau charged with the central management of the civil service, had failed

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to take responsibility to review the matter from a policy perspective and instead, had left the decisions to individual departments/grades. Notwithstanding the lifting of the recruitment freeze, Mr LEE was concerned that given the requirement to achieve productivity gains under the Enhanced Productivity Programme, NCSC posts would still be regarded as a substitute for civil service posts. Hence, the departments concerned would be reluctant to appoint NCSC staff to suitable civil service posts as this would invariably lead to an increase in staff costs. Mr LEE was of the view that CSB should review the nature of NCSC posts to see if it was more appropriate for them to be changed to civil service posts.

18.5 The Deputy Secretary for the Civil Service (1) (DS(CS)1) explained that the objective of the NCSC scheme was to provide greater flexibility to individual departments to engage staff outside the civil service establishment on NCSC terms to meet service needs that were short-term or fluctuating, or where the mode of delivery of that service was under review or likely to be changed. Hence, NCSC staff were employed for such purposes and the circumstances of their employment were different from the normal recruitment of civil servants. While HoDs/HoGs were vested with full authority and responsibility for the employment of NCSC staff, CSB would monitor the situation by requesting for regular up-dates.

18.6 Disputing the Administration's explanation, Mr LEE Cheuk-yan quoted a paper previously provided by the Administration to the LegCo Panel on Public Service which clearly stated that "Given the imminent operational needs and the freeze of recruitment into the civil service, SWD (Social Welfare Department) has decided to recruit ... short-term non-civil service contract staff ...". He considered that the NCSC staff recruited during the recruitment freeze, such as those by SWD, should be given priority to fill civil service vacancies of the departments concerned. He also requested the Administration to provide supplementary information on the expenditures incurred by the departments concerned during the recruitment freeze on salaries and allowances of NCSC staff.

18.7 DS(CS)1 pointed out that during the recruitment freeze, individual departments/grades might apply for exemption on justifiable grounds. In this connection, approval had been given for some departments/grades, such as the disciplinary and professional grades, to recruit civil servants to meet their service needs in the long run. In the wake of the lifting of the recruitment freeze, it was for individual departments/grades to consider the need to fill their civil service

vacancies. If it was considered necessary to do so, NCSC staff who met the entry requirements for the civil service posts might apply through the open recruitment exercises. In recognition of the relevant experience gained by these staff while performing similar duties, HoDs/HoGs would be given the discretion to reduce the probation period in respect of individual new appointees by not more than half of the normally required probation period, having regard to their previous performance records.

18.8 At the request of Mr HUI Cheung-ching, DS(CS)1 undertook to provide members with information on the proportion of NCSC staff to civil servants in LCSD and PO.

Provision of expert counselling services to civil servants

18.9 Miss Emily LAU sought clarification on the purpose of the pilot scheme to provide expert counselling services to help civil servants cope with work pressure. As the majority of the users of the counselling services were from the Housing Department, Water Supplies Department, Food and Environmental Hygiene Department, LCSD and Department of Health, she asked whether the scheme was in fact targeted at those departments which had been faced with major changes such as restructuring or outsourcing to address the anxiety of their staff.

18.10 While acknowledging that the scheme was proposed in the midst of changing circumstances surrounding the civil service, the Deputy Secretary for the Civil Service (3) (DS(CS)3) stated that the scheme was not intended to target at any departments in particular. She explained that before the two phases of the pilot scheme were implemented, all government departments had been invited to indicate their needs, and selection was then made on the basis of their returns. Given that the said departments had relatively large establishments, it was only natural that more of their staff would make use of the services. She also pointed out that the work-related problems raised by the users were predominantly about relationship between colleagues and with supervisors. Other concerns such as those related to personal health and family problems were also quite common. To supplement, SCS stated that CSB would conduct an overall review on the effectiveness and desirability of the pilot scheme in 2001-02.

Payment of Overseas Education and Local Education Allowances

18.11 Noting the provision of \$712.4 million for Overseas Education Allowance (OEA) and Local Education Allowance (LEA) in the draft estimates for 2001-02 which represented a substantial increase of 29.5% when compared with the revised estimate for 2000-01, Mr SIN Chung-kai expressed grave concern about the increasing amount of financial resources to be committed by the Government in this respect. Echoing this concern, Miss Emily LAU questioned the justifications for the continued entitlement of civil servants to such out-dated and excessive allowances. Given the shortage of funding for education in Hong Kong, she opined that these valuable resources would be put to a better use if they could be channelled back to the local education system.

18.12 In response, the Deputy Secretary for the Civil Service (2) (DS(CS)2) advised that with the cessation of the OEA and LEA schemes for new recruits since August 1996 and April 2000 respectively, the actual expenditure in relation to these allowances would eventually fade out with the decline of the number of eligible serving officers.

18.13 On the hefty 44.1% increase for OEA, DS(CS)2 explained that the adjustment was made in line with the established mechanism approved by the Finance Committee. As a majority of children under the scheme were studying in the United Kingdom (UK) where the average primary and secondary school fees had increased by more than 50% since the freezing of the existing OEA rates at 1997-98 level, adjustment of the OEA rates was needed to honour the Government's contractual obligations to the eligible staff. Responding to Mr SIN Chung-kai's question, DS(CS)2 reported that the maximum rates for children receiving primary and secondary education in UK were £7,692 and £9,540 respectively in 1998-99, and £12,657 and £14,440 respectively in 1999-2000.

18.14 In reply to Miss Emily LAU's enquiry about the ceilings for OEA and LEA schemes, DS(CS)2 stated that there were limits as to the amount of claim individual eligible officers could submit, both in terms of the number of children covered and the maximum rate of reimbursement. To facilitate members' understanding, he agreed to provide more detailed information on how the cap on expenditure worked, the actual and expected numbers of civil servants who benefited from OEA and LEA schemes in 2000-01 and 2001-02, and the amount they received.

General expenses of the civil service

18.15 Referring to the outsourcing of medical examination services for civil servants and government employees, Miss LI Fung-ying noted that the provision for the Department of Health had been substantially reduced by some \$9 million. As the costs of such services would have to be met by individual government departments, she sought information on the amount of real savings to be achieved by the Government as a whole. DS(CS)1 responded that on the basis of the fees charged by the outsourced contractors, it was estimated that the total expenditure for such services would be about \$3 million. Thus, the net savings would be in the region of \$6 million.

18.16 In response to Mr CHAN Kwok-keung's enquiry, DS(CS)3 confirmed that the level of expenditure on legal assistance fluctuated from one year to another, depending on the number of applications actually received and the complexity of the cases concluded in a given year. She undertook to provide members with details of those cases which gave rise to the significant increase in the relevant expenditure in 2000-01.