

立法會
Legislative Council

LC Paper No. CB(1) 580/00-01
(These minutes have been seen
by the Administration)

Ref : CB1/PL/PS/1

Legislative Council
Panel on Public Service

Minutes of meeting
held on Monday, 18 December 2000 at 10:45 am
in the Chamber of the Legislative Council Building

Members present : Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon LI Fung-ying, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching
Hon CHAN Kwok-keung
Hon Howard YOUNG, JP
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP

Member attending : Hon Abraham SHEK Lai-him, JP

Members absent : Hon Andrew WONG Wang-fat, JP
Hon Michael MAK Kwok-fung

Public officers : **Item III**
attending

Mr R D POPE
Director of Lands

Mr CHAN Hak
Deputy Director of Lands (Survey and Mapping)

Mr Gary YEUNG
Principal Assistant Secretary (Lands)
Planning and Lands Bureau

Mr D W PESCOD
Deputy Secretary for the Civil Service (2)

Mr Colin SANKEY
Head, Efficiency Unit

Mr Peter CHAN
Principal Executive Officer (Special Duties)
Department of Lands

Items IV and V

Mr Joseph W P WONG, GBS, JP
Secretary for the Civil Service

Ms Anissa WONG, JP
Deputy Secretary for the Civil Service (1)

Mr D W PESCOD, JP
Deputy Secretary for the Civil Service (2)

Clerk in attendance : Miss Salumi CHAN
Chief Assistant Secretary (1)5

Staff in attendance : Mr FU Ping-hong
Senior Assistant Secretary (1)7

Action

**I. Confirmation of minutes of meeting and matters arising
(LC Paper No. CB(1)319/00-01)**

Confirmation of minutes of meeting

The minutes of the meeting held on 30 October 2000 were confirmed.

Matters arising

2. The Chairman reported that so far, no member had responded to the circular issued by the Clerk on 21 November 2000 inviting proposals for the Panel to conduct overseas duty visits. Members agreed that there was no need for the Panel to conduct such visits during the financial year.

II. Date of next meeting and items for discussion

(LC Paper No. CB(1)318/00-01(01) — List of outstanding items for discussion

LC Paper No. CB(1)318/00-01(02) — List of follow-up actions)

3. Members noted the list of outstanding items for discussion and agreed to discuss the following items at the next regular meeting to be held on 15 January 2001:

- (a) Follow-up discussion on the three-year Training and Development Programme for civil servants;
- (b) Exercise of the delegated authority for creation of supernumerary directorate posts for not longer than six months; and
- (c) Staffing proposal for Protocol Division under the Chief Secretary for Administration's Office.

(Post-meeting note: At the request of the Administration and with the concurrence of the Chairman, an item on the staffing proposal for the Central Policy Unit was added to the agenda for the Panel meeting on 15 January 2001.)

III. Corporatization of the Survey and Mapping Office of the Lands Department — Impact on the staff concerned

(LC Paper No. CB(1)318/00-01(03) — Paper provided by the Administration

LC Paper No. CB(1)318/00-01(04) — Information provided by the five staff associations concerned

LC Paper No. CB(1)334/00-01(01) — Letter dated 15 December 2000 from Mr LEE Cheuk-yan)

4. The Chairman advised that the corporatization of the Survey and Mapping Office (SMO) had been discussed at two meetings of the Panel on Public Service in the first term of the Legislative Council (LegCo) on 17 January and 21 February 2000 respectively. The subject was recently referred to the Panel for consideration by the

Duty Roster Members after their meeting with five staff associations of SMO on 10 November 2000.

5. The Chairman drew members' attention to the Administration's reply, tabled at the meeting, responding to Mr LEE Cheuk-yan's letter dated 15 December 2000.

(Post-meeting note: The Administration's reply was issued to members vide LC Paper No. CB(1) 350/00-01 on 19 December 2000.)

6. At the invitation of the Chairman, Director of Lands (D of L) briefed members on the latest development of the corporatization of SMO. He advised that the Administration was confident that the corporatization proposal was very promising. The preliminary business plan showed that the new corporation would be a very robust organization and would have a sound financial future. The business plan, which was based on prudent and conservative revenue estimates, was being finalized and would be ready in late January. The Administration was prepared to brief members of the details of the business plan in early February.

7. As regards the impact of the corporatization of SMO on the staff concerned, D of L assured members that there would be no forced redundancy. Staff would be given two options. They could either retain their civil servant status and be seconded to the new corporation; or retire voluntarily, and take up employment with the new corporation. Those who opted to retire voluntarily would receive a compensation package similar to that offered to those retired under the Civil Service Voluntary Retirement Scheme, and they would not have their pensions suspended when working for the new corporation. Moreover, staff would be transferred to the new corporation at their current salary levels. Civil servants and corporation staff would have equal opportunities for promotion in the new corporation. D of L said that he had issued a letter the previous week to all the staff of SMO, advising them of their position under the proposal.

8. Referring to the Administration's response to Mr LEE Cheuk-yan's letter dated 15 December 2000, D of L highlighted that the Administration did not have any plan for privatization of the new corporatization at a later stage.

Justifications for corporatization proposal

9. Mr LEE Cheuk-yan and Mr CHAN Kwok-keung queried the need for corporatization, as 70% of the revenue of the new corporation would come from the government. D of L advised that the Administration believed that corporatization was the right step forward because the new corporation could operate more effectively and efficiently in the business world for the production of digital mapping, geographical information systems (GIS) and global positioning systems (GPS). Free from the government rules and regulations, the new corporation would be able to develop more

business opportunities. These would generate more profits for the new corporation. The government, as a shareholder, would also benefit.

10. Mr CHAN Kwok-keung asked why private companies would not venture into the business if the prospects were so good. D of L advised that to some extent private companies could do so, but the investment involved would pose an entry barrier. The new corporation would have an advantage because of the facilities, experts and more technical information available to develop its systems.

11. Members considered that in the absence of the business plan, it was difficult for them to assess whether the prospects of the new corporation were as promising as described by the Administration. They requested the Administration to provide the details of the business plan, including the sources of revenue. D of L agreed to brief members on the full details at the next Panel meeting to be held on 19 February 2001.

12. Mr Howard YOUNG said that he was inclined to support corporatization proposals, having regard to the successful precedent cases such as the Kowloon-Canton Railway Corporation.

Implications on staff concerned

Job security

13. Members noted that staff representatives of SMO were staging a demonstration outside the LegCo Building while the meeting was in progress, showing their grave concern about the corporatization proposal. Members appreciated the staff concern about job security after corporatization. In response to Mr Howard YOUNG's enquiry, D of L advised that the Administration was proposing a two-year option period for the staff concerned. Mr CHEUNG Man-kwong requested the Administration to guarantee that in case of financial deficit of the new corporation, the civil servants seconded to the new corporation would not be made redundant, but would be allowed to return to the civil service to take up posts at the same salary levels. D of L assured members that for staff who opted to retain their civil servant status, their job security would be guaranteed as provided in the Civil Service Regulations (CSRs). Deputy Secretary for the Civil Service (2) (DSCS2) confirmed that the only authority to lay off civil servants was CSRs. If the new corporation needed to adjust its staffing situation, it could do so on the corporation staff.

14. Mr LEE Cheuk-yan pointed out that CSRs actually provided for the abolition of office and forced redundancy. DSCS2 clarified that such provisions would only apply to posts which were no longer needed, but not to this case. The Administration would honour its commitment that there would be no forced redundancy arising from the corporatization of SMO.

15. Mr CHEUNG Man-kwong stressed the importance of job security to the staff concerned. He requested the Administration to undertake that the civil servants

seconded to the new corporation would not be made redundant when the new corporation was in deficit, and to clarify on the arrangements to be made for the civil servants concerned if there was no comparable post in the civil service to accommodate them. He requested the Administration to respond to these two points in writing. Mr LEE Cheuk-yan queried whether there was any comparable post in the civil service, having regard to the fact that the departmental grade staff of SMO were technical staff. In response, D of L reiterated that the Administration was confident that the new corporation had a very bright future. Reduction in staff level was therefore not envisaged.

Pay and fringe benefits

16. Mr LEE Cheuk-yan noted that the staff concerned would be transferred to the new corporation at their current salary levels. He was however concerned that the new corporation would reduce their pay and fringe benefits after their transfer. D of L believed that the new corporation would be a good employer who would take care of its staff properly. Mr LEUNG Fu-wah queried how D of L was sure about this. D of L pointed out that none of the business corporations set up by the government in the past had been accused of being a bad employer. Mr LEUNG requested the Administration to advise in writing on whether any mechanism would be put in place to monitor the performance of the new corporation.

Job nature

17. Mr LEE Cheuk-yan was concerned that the new corporation might change the job nature of the technical staff and ask them to perform sales and marketing duties. In response, D of L pointed out that a majority of work of the new corporation was survey and mapping work, which should continue to be carried out by the technical staff. For those technical staff who were civil servants, they could refer to their job descriptions. DSCS2 added that civil servants were employed with general job descriptions. If the civil service or the organization they were working in wished to change the nature of their jobs, the prime consideration was whether it was relevant to their general job descriptions. If it was relevant, the changes could be introduced.

18. Mr Howard YOUNG opined that some technical staff might wish to take up sales and marketing jobs in order to enhance their career prospects. He asked whether there were job opportunities for the survey and mapping staff in the private sector, and whether the business plan would take into consideration the general market demand for the technical staff concerned. D of L advised that the largest employer of the technical staff concerned was the government, but there were land surveying companies in the private sector that employed similar categories of technical staff. No assumption was made in the business plan that the staff concerned would retire voluntarily, and then take up employment with a private company.

Promotion opportunity

19. Mr LEE Cheuk-yan and Mr LEUNG Fu-wah expressed concern about the promotion opportunity for the civil servants seconded to the new corporation. D of L advised that there would be a similar set-up in terms of posts in the new corporation, and that the Administration would ensure that the civil servants and corporation staff would be considered on equitable terms for promotion. DSCS2 also pointed out that there were well-established mechanisms for the promotion of civil servants on secondment to outside organizations.

Business operation of new corporation

20. Referring to paragraph 9 of the paper provided by the Administration, Mr HUI Cheung-ching sought clarification on how the new corporation would work closer with the private sector. D of L advised that it could approach the private companies and introduce to them the new GIS and GPS systems. Companies that owned fleets of taxis, buses or delivery vehicles could use the systems to locate their vehicles, or to plan their delivery routes. In response to Mr HUI's further question, D of L advised that private companies could buy the maps from the new corporation and develop their own GIS and GPS systems.

Way forward

21. Mr LEUNG Fu-wah urged the Administration to seriously discuss with the staff associations concerned and secure the staff support for corporatization before submitting the proposal to LegCo. Members requested the Administration to brief the Panel on the proposed employment package for the corporation staff and the conversion arrangement for the existing staff of SMO.

22. To conclude, the Chairman requested the Administration to provide the Panel with a paper giving full details of the corporatization exercise, including the information requested by members at the meeting, for further discussion on the subject at the next meeting to be held on 19 February 2001. D of L agreed to provide the relevant information.

(Post-meeting note: The relevant information provided by the Administration was circulated to members on 13 February 2001 vide LC Paper No. CB(1) 579/00-01.)

IV. Pay, fringe benefits and employment protection for government employees serving on agreement terms (LC Paper No. CB(1)318/00-01(05) — Paper provided by the Administration)

Pay levels of non-civil service contract staff

23. Mr LEE Cheuk-yan was concerned that there was no protection for non-civil service contract staff in respect of their pay levels and that they were subject to reduction in salaries from time to time. Mr LEE said that he had received a complaint from some non-civil service contract staff of the Leisure and Cultural Services Department about a hefty cut of \$5,000 in their monthly salaries from \$21,000 to \$16,000 when their contracts were renewed two months ago. He considered that the government, as a good employer, should offer reasonable pay and fringe benefits to the non-civil service contract staff. The Administration should provide a pay scale for them and grant them incremental points wherever appropriate.

24. Secretary for the Civil Service (SCS) pointed out that non-civil service contract staff were employed by government departments to meet short-term or reasonable manpower needs. They were not civil servants and therefore, not provided with a pay scale and increments. Their pay levels were protected by the terms and conditions specified in the contract, and should not be reduced during the contract period. When the contract was renewed, however, the Heads of Department (HoDs) might adjust the pay level after taking into account a number of factors, including the market situation. In the light of experience in the previous two years, the Administration was considering to relax the employment arrangements for non-civil service contract staff so that HoDs would have greater flexibility to offer better terms and conditions based on market conditions. SCS referred members to the four proposed measures stated in paragraph 19(a) to 19(d) of the paper provided by the Administration.

25. On paragraph 19(a) of the paper provided by the Administration, Mr LEUNG Fu-wah noted that HoDs would be given the flexibility to offer non-civil service contract staff higher pay than the minimum salary point of comparable civil service ranks, subject to a ceiling not exceeding the salary mid-point of those ranks. He requested the Administration to modify the proposal to specify that the pay levels of the staff concerned should not be reduced upon renewal of contracts. SCS pointed out that as a matter of principle, the pay levels of contract staff were subject to review upon renewal of contracts.

26. The Chairman asked whether HoDs had reduced the pay levels of their contract staff in order to achieve the Enhanced Productivity Programme (EPP) targets. SCS considered that there should be no direct link between the two. To maintain the quality of services, HoDs were aware of the need to offer reasonable pay to attract suitable candidates.

Employment protection for non-civil service contract staff

27. Mr LEE Cheuk-yan and Mr LEUNG Fu-wah urged the Administration to provide non-civil service contract staff with employment protection by allowing them to join the civil service after completing a number of contracts. SCS considered the

proposal not feasible. Basically, there might not be suitable civil service posts to accommodate the staff concerned. More importantly, under the current policy, civil service posts were normally filled by open recruitment and non-civil service contract staff who were interested in the posts might submit applications. All candidates would be treated the same and it was not appropriate to give priority to any particular group of candidates.

Duration of contracts of non-civil service contract staff

28. Mr LEE Cheuk-yan noted that under the current policy, non-civil service contract staff were employed for a period of up to three years. However, he was aware of some cases in which the staff concerned had been working in the Post Office for seven years, and some other staff in the Leisure and Cultural Services Department for more than three years. They had been performing more or less the same duties as full-time civil servants in the departments. Deputy Secretary for the Civil Service (1) (DSCS1) explained that because of the seasonal needs for extra manpower support, the Post Office had a long-standing practice of hiring temporary contract staff to cope with fluctuations in the volume of work. Mr LEE clarified that the non-civil service contract staff in the cases he mentioned were not part-time staff. He requested the Administration to provide a breakdown on the lengths of service of the 7 564 non-civil service contract staff working in various government departments, and to review the work contents of the staff concerned, such as those in the Post Office, to assess whether they were doing similar jobs as full-time civil servants at comparable ranks. DSCS1 undertook to provide the information.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members on 15 January 2001 vide LC Paper No. CB(1) 465/00-01.)

Handling of complaints from non-civil service contract staff

29. Mr LEUNG Fu-wah and Mr LEE Cheuk-yan considered that the Labour Tribunal should be conferred the statutory powers to handle complaints about employment terms by non-civil service contract staff. SCS advised that provisions of the Employment Ordinance (Cap. 57) and the Labour Tribunal Ordinance (Cap. 25) were not applicable to government employees, including non-civil service contract staff. All government employees might lodge complaints on employment and related matters through the existing complaint channels to their HoDs, or to SCS or even higher authorities. In view of the relatively small number of complaints, the Administration did not see the need to devise a new mechanism to replace the existing one.

Government school teachers employed on non-civil service contract terms

30. Referring to a discussion item at the Finance Committee meeting on

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15 December 2000, Mr CHEUNG Man-kwong expressed concern about the terms of employment of the 290 teachers employed by government schools after the introduction of the civil service recruitment freeze with effect from 1 April 1999. Because of the recruitment freeze, the 290 teachers had been employed on non-civil service contract terms. With the agreement of the Civil Service Bureau, the Education Department would be exempted from the recruitment freeze and allowed to resume recruiting teachers on civil service terms from the 2001-02 school year. It was expected that the 290 teachers concerned would be employed under the new entry system, i.e. be first appointed on probationary terms for three years, and those who passed the probation would be appointed on agreement for another three years. Mr CHEUNG considered this arrangement unfair to the teachers concerned and that their service completed on non-civil service contract terms should be counted towards the three-year probationary period. SCS undertook to review the case with the Education and Manpower Bureau.

V. Mandatory Provident Fund arrangements for government employees who are not exempt from the Mandatory Provident Fund Schemes Ordinance

(LC Paper No. CB(1)318/00-01(06) — Paper provided by the Administration

LC Paper No. CB(1)201/00-01(02) — Submission from the Hong Kong Chinese Civil Servants' Association)

31. The Chairman advised that the subject under Agenda Item V had been discussed at the meeting of the Panel on Public Service in the first term of LegCo on 19 June 2000.

32. At the invitation of the Chairman, DSCS1 briefed members on the various mandatory provident fund (MPF) arrangements the Administration had made for the government employees who were not exempt from the Mandatory Provident Fund Schemes Ordinance (MPFSO) (Cap. 485). She pointed out that before the proposed changes to the provision of end-of-contract gratuity arrangements were made in mid-December 1998, the Administration had consulted the four central staff consultative councils. The staff sides of the Senior Civil Service Council (SCSC) replied that they had noted the change in the provision of contract gratuity; the others had no comments.

Views of staff sides

33. Referring to the submission dated 18 November 2000 from the Hong Kong Chinese Civil Servants' Association (HKCCSA), the Chairman noted that HKCCSA reiterated its objection to the new arrangement under which the government's MPF contributions would be deducted from the end-of-contract gratuity of the contract staff

concerned. As stated in the paper provided by the Administration, the staff sides of SCSC had questioned the new arrangement during their regular meetings with the Administration in February, April, June and September 2000. The Chairman considered that the Administration should have informed the Panel of the objection raised by the staff sides when the same subject was discussed at the Panel meeting on 19 June 2000. DSCS1 pointed out that the staff sides of the four central staff consultative councils had not raised any objection when consulted on the new arrangement in mid-December 1998. Moreover, the queries raised by the staff sides of SCSC in 2000 had been addressed and clarified.

Percentage of retirement benefits in contract gratuity

34. Referring to paragraph 10 of the paper provided by the Administration, Mr CHEUNG Man-kwong queried whether it was justified for the Administration to claim that end-of-contract gratuity included the element of retirement benefits, having regard to the fact that in some cases, the gratuity rate was only 5%. He asked whether there was a minimum gratuity rate for contract staff. In response, DSCS1 confirmed that end-of-contract gratuity covered three elements, including retirement benefits. According to the statistics as at 1 July 2000, 5 537 of the 7 564 non-civil service contract staff had no end-of-contract gratuity, whereas 2 008 had a gratuity at a rate of 10% to 15%, and 19 had a gratuity at a rate below 10%. SCS undertook to provide a breakdown by gratuity rates of the 19 staff concerned, and to advise in writing whether the Administration had set a minimum on the rate of gratuity.

(Post-meeting note: The supplementary information provided by the Administration was circulated to members on 10 January 2001 vide LC Paper No. CB(1) 447/00-01.)

35. Mr LEE Cheuk-yan cited a case where a non-civil service contract staff who had completed his contract was unwilling to sign a new contract because of the low gratuity rate. Mr LEE asked whether HoDs had the flexibility to offer non-civil service contract staff a gratuity without any deduction for MPF contributions, or to offer them a higher gratuity rate. DSCS1 advised that HoDs had the discretion to offer non-civil service contract staff end-of-contract gratuity, provided that the gratuity, plus the government's MPF contributions, was not more than 15% of the total basic salary drawn during the contract period for those required to perform skilled jobs, and not more than 10% for those required to perform non-skilled jobs.

36. In response to Mr CHAN Kwok-keung's enquiry, DSCS1 advised that if a contract staff left the government before completing his contract, the MPF contributions made by the government during the period of his employment would be retained in his MPF account until he reached the age of 65. As he failed to complete his contract, he was not eligible for the end-of-contract gratuity.

VI. Any other business

37. There being no other business, the meeting ended at 1:00 pm.

Legislative Council Secretariat
13 February 2001