

立法會

Legislative Council

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Report of the Panel on Public Service for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Public Service from October 2000 to June 2001. It will be tabled at the meeting of the Legislative Council (the Council) on 4 July 2001 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

The Panel

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000 for the purpose of monitoring and examining Government policies and issues of public concern relating to civil service and Government-funded public bodies, and public service matters. The terms of reference of the Panel are in **Appendix I**.

3. For the 2000-2001 session, the Panel comprises 11 members. Hon TAM Yiu-chung and Hon LI Fung-ying were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix II**.

Major Work

Containing the size of the civil service

4. The Panel noted that following the Financial Secretary's announcement in March 2000 of the initiative of reducing the civil service establishment by 10 000 from 198 000 to 188 000 by the end of 2002-03, the civil service establishment had already been reduced to 190 000 by the end of 2000-01 and was expected to be further reduced to 181 000 by the end of 2002-03. Members expressed grave

concern about the substantial reduction of civil service establishment and its implications on the quality of public services and workload of the remaining staff. Members were however assured by the Administration that the policy to contain the size of the civil service was based on two major principles, i.e. to maintain the quality of public services and to ensure that no serving staff would be affected or made redundant.

5. Despite the Administration's commitments, members noted that the number of applications for the Voluntary Retirement (VR) Scheme and the funds required for the VR payment far exceeded the Administration's estimates. A great majority of the around 11 000 applications from staff of the 59 designated grades involving 71 departments had been approved. Members called for careful planning for the release arrangements, so that the large number of VR-takers would be released in an orderly manner and the quality of public services would not be affected. In this regard, the Administration undertook to ensure that the departure of VR-takers would take place by phases, with 8 000, 2000 and 500 staff to be released in 2001, 2002 and 2003 respectively, to tie in with departments' redeployment, re-engineering and contracting out programmes.

6. As regards the remaining staff of the 59 designated grades, members considered that appropriate arrangements should be put in place to ensure that they would not be overburdened with work nor deprived of promotion opportunities. Training should be provided to enable the remaining staff to perform effectively in the new working environment upon redeployment and to pursue further career development in the civil service. The Administration undertook to review the organizational structure of the departments concerned in the light of the departure of VR-takers to ensure that there remained an adequate career structure for the advancement of the remaining staff. The Administration would also launch a three-year Training and Development Programme from 2001-02 to 2003-04 to enhance training for civil servants, including the remaining staff of the 59 designated grades.

Civil Service Reform

7. The Panel noted that as part of the Civil Service Reform, the Administration had taken forward the Management-initiated Retirement (MIR) Scheme to provide for the early retirement of directorate officers where necessary and justified to facilitate improvement in the government organization. Some members were not satisfied with the withholding of information until May 2002 by the Administration on the number of cases approved under the Scheme and the amount of ex-gratia payment involved in the cases. They urged for the early disclosure of the information.

8. The Panel was briefed on the proposed Civil Service Provident Fund (CSPF) Scheme which aimed to replace the existing civil service pension

schemes for new recruits to the permanent terms of appointment. Some members requested the Administration to consider the view of a staff association that serving officers and new recruits should be given the option to choose between the existing pension schemes and the CSPF Scheme. The Administration however considered a transfer option for serving officers not desirable.

9. Members noted that the objectives of the proposed CSPF Scheme were, among other things, to attract new recruits and retain good quality staff. Apart from achieving these objectives, members stressed the importance of maintaining a clean, trusted and respectable civil service. They were concerned whether the proposed CSPF Scheme would be better than the existing pension schemes in retaining quality staff and maintaining the integrity of the civil service. They called for a comparison of the proposed CSPF Scheme and the existing pension schemes, in terms of Government's financial commitment and employees' ultimate benefit. The Administration appreciated members' views and advised that the proposed 10-year cliff vesting of Government's voluntary contributions was expected to achieve the retention objective. The consultants had recommended that provisions to deal with withholding, forfeiture, cancellation, or reduction of benefits arising from the Government's voluntary contributions should be included under the proposed CSPF Scheme. Some members also asked for a comparative study of the proposed CSPF Scheme and the existing provident fund schemes for subvented organizations, so as to ensure that the retirement benefits of civil servants and staff in subvented organizations were comparable. They suggested that a review be conducted by the Civil Service Bureau and the relevant bureaux on the need to apply the same provident fund scheme across the public sector.

10. On performance management, the Panel noted that the Administration had, with effect from 1 October 2000, tightened rules on the award of increments and reinforced the application of Civil Service Regulations on stoppage and deferral of increments for officers with sub-standard performance. Some members were concerned that the subjectivity of the performance appraisal system might result in the unfair stoppage or deferral of increments. The Panel was advised by the Administration that departments had been encouraged to make use of assessment panels and other means to ensure the objectivity of performance appraisals. Training courses on the proper implementation of performance appraisal systems had also been conducted for departmental management.

Pay and fringe benefits

11. While the Panel supported the upward adjustment of civil service pay with effect from 1 April 2001, some members were concerned that offering a higher pay adjustment to the directorate and upper pay band would have an

adverse effect on the morale of the civil servants at the junior and middle ranks, and also widen the wealth gap in the community. Some other members expressed their concern that the pay level of lower pay band civil servants had outstripped that of their private sector counterparts. In response to the members' request for a review of the existing pay adjustment mechanism, the Administration pointed out that the mechanism was well accepted by the staff sides and that the proposed adjustment rates reflected private sector practice as revealed by the 2001 Pay Trend Survey.

12. On housing allowances, the Panel supported the Administration's proposal to revise the mechanisms for adjusting the Home Financing Allowance, Home Purchase Allowance, Rent Allowance, Private Tenancy Allowance and Accommodation Allowance. As regards education allowances, some members were concerned that Overseas Education Allowance (OEA) might be claimed by eligible officers on local terms to send their children for schooling in the United Kingdom only, and requested the Administration to consider extending the scheme to cover other countries. The members queried the basis for the Administration to claim that the removal of the country restriction would result in an increase in the number of applications for OEA by six-fold. They urged for a review of the scheme.

13. The Panel expressed concern about the pay and fringe benefits for government employees on contract terms, in particular the non-civil service contract (NCSC) staff. Referring to complaints against some departments for reducing the pay levels and benefits of their contract staff to achieve savings, members considered that the government, as a good employer, should offer reasonable pay and fringe benefits to these staff. Having regard to members' concern and the experience in recent two years, the Administration relaxed the employment arrangements for NCSC staff so that Heads of Departments (HoDs) would have greater flexibility to offer better terms and conditions based on market conditions. Members also urged the Administration to closely monitor the situation of employment of NCSC staff by departments and to remind HoDs that they should not employ NCSC staff for jobs which should be undertaken by civil servants on a long-term basis.

14. On the mandatory provident fund (MPF) arrangements for the government employees who were not exempt from the Mandatory Provident Fund Schemes Ordinance (MPFSO) (Cap. 485), the Panel noted the staff sides' 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. Members queried the Administration's claim that end-of-contract gratuity included an element of retirement benefits, having regard to the fact that in some cases, the gratuity rate was only 5%. The Administration however maintained its view that the new arrangement was not in conflict with MPFSO.

Corporatization proposal

15. To follow up the discussions in the last session, the Panel further deliberated on the proposed corporatization of the Survey and Mapping Office (SMO) of the Lands Department. Members shared SMO staff's concern about the cost-effectiveness of the proposal and their job security after corporatization. A majority of members had reservations on the need to corporatize SMO and urged the Administration to consider alternative options, for example, to maintain SMO as a government department and set up a new corporation to develop the new business opportunities identified by the Administration; to maintain SMO as a government department but initiate changes in its systems and work processes; or to convert SMO to a trading fund. The Administration provided a comparative assessment of these three alternative options and concluded that corporatization was the most appropriate way forward for SMO. Members cautioned that if the Administration insisted to pursue the proposal without staff support, it would seriously affect the staff morale of SMO.

Declaration of investments by civil servants

16. The Panel was briefed on the outcome of a comprehensive review of the system on declaration of investments by civil servants which was conducted by the Administration in response to members' views expressed in the last session. Members were disappointed that the Administration neither see the need to expand the scope of the system to cover declaration of civil servants' liabilities, nor the need to conduct random checking to identify any cases of non-compliance with the declaration requirements. Whilst respecting civil servants' right to privacy, some members considered it essential to address the indebtedness problem of civil servants by requiring them to report their liabilities over a stipulated amount to their immediate supervisors so that the problem could be tackled at an early stage. The Administration considered it inappropriate to address the problem through the declaration of investment requirements, but undertook to review its guidelines on indebtedness with a view to strengthening measures to manage indebtedness in the civil service.

Proposed merger of departmental grades

17. As regards the proposal to merge the Amenities Officer grade and Recreation and Sport Officer grade to form a new Leisure Services Manager grade, members noted that the staff associations concerned had divided views on the proposal. Some members were concerned about the implications of the proposal on the development of sport activities, and on the staff concerned. They suggested the Administration to consider at a later stage whether the proposal should be pursued, preferably after the outcome of the sport policy review was available in end of 2001. The Administration pointed out that the

proposed merger would bring about efficiency gains and better services to the public, and allow greater flexibility in staff deployment. As extensive staff consultation had already been conducted for a very long period, the Administration decided to proceed with the proposal.

Policy on earth burial at Gallant Garden

18. The Panel noted that the Administration had reviewed the policy on earth burial at Gallant Garden and decided that upon request of family members of the deceased, permanent earth burial should be granted to civil servants who died whilst performing an exceptional bravery act in his duties. Members shared the concern of the staff sides that in the absence of a clear definition of "exceptional bravery act", it was difficult to determine whether a civil servant who died on duty should be granted permanent earth burial. Members requested the Administration to consider the views of the staff sides and to continue to communicate with them on the subject.

19. The Panel held a total of 13 meetings from October 2000 to June 2001, including two held jointly with other Panels, to examine all these issues and several other issues.

Council Business Division 1
Legislative Council Secretariat
20 June 2001

**Legislative Council
Panel on Public Service**

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to the civil service and Government-funded public bodies, and other public service matters.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

立法會
公務員及資助機構員工事務委員會
Legislative Council
Panel on Public Service

委員名單
Membership List

主席 Chairman	譚耀宗議員, GBS, JP	Hon TAM Yiu-chung, GBS, JP
副主席 Deputy Chairman	李鳳英議員, JP	Hon LI Fung-ying, JP
委員 Members	李卓人議員	Hon LEE Cheuk-yan
	張文光議員	Hon CHEUNG Man-kwong
	許長青議員	Hon HUI Cheung-ching
	陳國強議員	Hon CHAN Kwok-keung
	黃宏發議員, JP	Hon Andrew WONG Wang-fat, JP
	楊孝華議員, JP	Hon Howard YOUNG, JP
	麥國風議員	Hon Michael MAK Kwok-fung
	陳偉業議員	Hon Albert CHAN Wai-yip
	梁富華議員, MH, JP	Hon LEUNG Fu-wah, MH, JP
	(合共：11 位議員) (Total：11 Members)	
秘書 Clerk	陳美卿小姐	Miss Salumi CHAN Mei-hing
日期 Date	2000 年 10 月 10 日 10 October 2000	