

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1765/01-02  
(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, 15 April 2002 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, JP  
Hon CHAN Kwok-keung  
Hon Bernard CHAN  
Hon Andrew WONG Wang-fat, JP  
Hon Howard YOUNG, JP  
Hon Michael MAK Kwok-fung  
Hon Albert CHAN Wai-yip  
Hon LEUNG Fu-wah, MH, JP

**Member attending** : Hon CHAN Yuen-han, JP

**Public officers attending** : **Items III to V**

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

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

Mrs Jessie TING, JP  
Deputy Secretary for the Civil Service (2)

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

**Staff in attendance :** Ms Rosalind MA  
Senior Assistant Secretary (1)9

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Action

**I. Confirmation of minutes of meeting**  
(LC Paper No. CB(1)1445/01-02)

The minutes of the meeting held on 18 March 2002 were confirmed.

**II. Date of next meeting and items for discussion**  
(LC Paper No. CB(1)1444/01-02(01) — List of outstanding items for discussion  
LC Paper No. CB(1)1444/01-02(02) — List of follow-up actions)

Special meeting on 2 May 2002

2. Members agreed that a special meeting be scheduled for Thursday, 2 May 2002 at 4:30 pm for the Administration to brief the Panel on the interim report on the first phase of the Review of Civil Service Pay Policy and System.

Regular meeting on 23 May 2002

3. Members agreed that the following items be discussed at the next regular meeting scheduled for Thursday, 23 May 2002 at 10:45 am:

- (a) 2002 civil service pay adjustment; and
- (b) Proposed integration of Efficiency Unit and Management Services Agency.

4. Members also agreed that major civil service unions be invited to the next regular meeting to make oral presentation of their views on the 2002 civil service pay adjustment.

5. Mr LEE Cheuk-yan was concerned that in the event of a decision on a civil service pay reduction for 2002-03, it would have an impact on staff of subvented bodies. Members agreed that the subject be considered at a later stage.

### III. Review of job-related allowances

(LC Paper No. CB(1)1444/01-02(03) — Paper provided by the Administration  
LC Paper No. CB(1)1444/01-02(06) — Chapter 7 of the Public Accounts  
Committee Report No. 33 (February  
2000))

6. The Deputy Secretary for the Civil Service (2) (DSCS2) advised that job-related allowances (JRAs) were additional payments to compensate staff for aspects of their work which were not normally expected of a particular grade or rank and which had not been taken into account in the determination of the pay scales of the relevant grades and ranks. JRAs were only payable when the payment was justified on operational grounds and met a set of governing principles. The existing governing principles were adopted by the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission) and the Standing Committee on Disciplined Services Salaries and Conditions of Service (the Standing Committee) in 1986 and 1989 respectively. In 1999, the Administration invited the Standing Commission and Standing Committee to conduct independent reviews on the JRAs payable to civilian and disciplined services staff respectively. The two advisory bodies had subsequently rendered advice to the Administration on the principles governing JRAs, their categorization and the rate-setting mechanism, as well as the future review and monitoring mechanism. DSCS2 then briefed members on the major recommendations of the two advisory bodies and pointed out that both the departmental management and staff sides had raised some issues of concern. The Administration needed to further consider how to take the matter forward and might revert to the two advisory bodies if necessary.

#### Declaration of interests

7. The Chairman declared that he was a member of the Standing Commission.

#### Basic Law implications

8. Mr LEE Cheuk-yan queried whether the Standing Commission's proposals to introduce changes to JRAs would contravene Article 100 of the Basic Law which provided that public servants serving in all Hong Kong government departments before the establishment of the Hong Kong Special Administrative Region might all remain in employment and retain their seniority with pay, allowances, benefits and conditions of service no less favourable than before. Secretary for the Civil Service (SCS) pointed out that "allowances" in Article 100 referred to fringe benefits type of allowances, such as education allowances and Air-conditioning Allowance, which were offered to eligible officers as part of their conditions of service. JRAs were not fringe benefits and were subject to change in the light of operational needs. Such changes in JRA payments would not be in contravention of Article 100. Nevertheless, the Administration would fully consult the departmental management and staff sides, and take their views into account before deciding whether changes should be introduced.

9. Mr LEE Cheuk-yan pointed out that following the implementation of the Voluntary Retirement Scheme and outsourcing of services, a number of staff at the lower ranks were redeployed to other posts. While some of them were eligible for JRAs in their original posts, they were not so in their new posts. In the circumstance, their conditions of service might have been changed. SCS reiterated that as JRAs were not fringe benefits, they did not constitute part of the conditions of service of the concerned staff.

#### Raising the eligibility cut-off ceiling for JRAs payable to the civilian grades

10. Mr LEE Cheuk-yan was concerned that under the Standing Commission's proposal to align the eligibility cut-off ceiling for JRAs with that for Overtime Allowance payable to the civilian grades, officers of the civilian grades on MPS 26 to MPS 33 would no longer be eligible for JRAs. In response, DSCS2 advised that the Standing Commission's proposal was made having regard to the general principle that officers of the administrative and professional grades and those discharging management responsibility should not be eligible for JRAs. However, the views of the civilian departments/bureaux were divided on this issue. Some of them had expressed strong reservations about the proposal, and considered that JRAs and Overtime Allowance were for different purposes. While overtime work could be compensated by time-off, there was no alternative compensation for extra unusual work done beyond normal duties, which was currently being compensated by JRAs. As regards the staff sides, the Senior Civil Service Council objected to the proposal. The Administration would further consider the matter in the light of the feedback from the departmental management and staff sides and the likely impact of the proposal on the civil service before reaching a decision.

11. As the Standing Committee had not put forward the same proposal for JRAs payable to disciplined services staff, Mr LEE Cheuk-yan cautioned that the inconsistency applied to civilian and disciplined services staff might have adverse impact on the morale of the civil service. DSCS2 advised that departmental management and staff sides had expressed the same concern. She assured members that the Administration would consider the matter carefully.

#### Clarification of the "inherent duties" principle

12. On the Standing Commission's proposal to clarify the term "inherent duties" to mean duties inherent to the department concerned, Mr LEE Cheuk-yan asked for the categories of JRAs to be abolished if the proposal was adopted. DSCS2 stressed that a decision had yet to be made on the individual types of JRAs to be abolished. She pointed out that during the consultation period, both the departmental management and staff sides had expressed concern on the proposal. Some departments had pointed out that as each department had a wide range of duties to be discharged, it was a matter of judgement as to which of the duties should be regarded as a department's inherent duties. Moreover, common grades in different departments shared the same pay scale, which might not have taken account of duties that were inherent to a particular department. There would

be practical difficulties in deploying staff to posts involving more demanding duties compared to other posts in the same rank if JRAs were no longer payable. The Administration needed to further consider how best to address the issues raised by the Standing Commission while taking account of the concerns of the departmental management and staff sides.

Six-month moratorium on JRAs payable to civilian grades

13. Mr LEE Cheuk-yan asked whether Hardship Allowance would continue to be payable to staff involved in special duties, such as the handling and transportation of corpses. DSCS2 advised that while Hardship Allowance remained as one of the major categories of JRAs, the Standing Commission had proposed the imposition of a 6-month service-wide moratorium on JRAs payable to civilian grades during which departmental management would review and justify each JRA within their purview, having regard to the up-to-date job descriptions and the revised JRA principles. If the review concluded that some of the existing allowances were not justified, the departments concerned would consult the staff sides before making recommendations to the Civil Service Bureau (CSB) for approval.

14. Mr LEUNG Fu-wah opined that departmental management might prefer to have directives from CSB instead of making their own recommendations after the review so as to avoid direct confrontation with staff. DSCS2 explained that while CSB would assume the role of a central approval authority, departmental management would also have a role to play. They were required to update the job descriptions of the grades and ranks within their purview, examine the prevalence of the duties in question and consider whether payments of JRAs continued to be justified. The focus of CSB would be primarily to ensure strict adherence to the agreed JRA principles and to apply the principles consistently to various departments.

15. Responding to Ms LI Fung-ying, DSCS2 advised that payment of existing JRAs would continue during the moratorium, but would cease with immediate effect as soon as the review by departments concluded that their continued payment was not justified, or at the latest at the end of the moratorium unless the review justified their continuation. Ms LI was concerned whether a mechanism would be established for staff to appeal against CSB's decisions. DSCS2 advised that the detailed operation of the moratorium would be considered at a later stage when new principles governing JRAs were finalized. She stressed that the Administration would take into account the views of departmental management and staff sides before making its decision.

16. Miss CHAN Yuen-han appreciated the Administration's emphasis on the views of the staff sides. As the civil service constituted a major part of the workforce in Hong Kong, Miss CHAN considered it essential for the Administration to conduct thorough staff consultation before introducing any changes to JRAs. Mr Albert CHAN shared her view.

### Timing of the JRA review

17. Pointing out that the interim report on the first phase of the Review of Civil Service Pay Policy and System (the Review) would be published in late April 2002, Mr Bernard CHAN considered it more appropriate for the Administration to consider the way forward for the review of JRAs in the light of the findings of the interim report. The public might get confused if JRAs were covered by two different reviews.

18. SCS responded that the Review covered various aspects of the civil service pay policy and system and would be conducted in two phases. The interim report on the first phase would summarize the findings of the analytical study on the latest developments in civil service pay administration in five countries, namely, Australia, Canada, New Zealand, Singapore and the United Kingdom. After evaluating the findings and taking into account the ensuing discussions with the parties concerned, the three advisory bodies commissioned for the review would make recommendations to the Administration in the second half of 2002 on the scope of the review to be conducted in phase two, the factors to be taken into account in conducting the exercise, the methodology to be adopted, as well as the timeframe for completing the Review. As the Review involved a number of complicated issues, it was expected that considerable time would be required for its completion. On the other hand, the Administration recognized the need to take early action to abolish allowances that had become outdated or were no longer justified in present day circumstances, having regard to the concerns of the Director of Audit and the Public Accounts Committee, and other considerations. The deferral of such action might invite criticisms that the Administration failed to respond to changing circumstances. The Administration would handle the review of JRAs very carefully in order not to cause anxiety to the existing 60 000 JRAs claimants (including about 42 000 in the civilian grades), and would take account of any new developments which might have impact on the review of JRAs, including the findings of the Review. He added that the Administration did not have in mind a target date for the completion of the JRA review.

### Impact of reviews of pay and allowances on the civil service

19. Mr LEE Cheuk-yan and Mr Albert CHAN were concerned that various reviews of civil service pay and allowances in recent years had serious adverse impacts on the morale and stability of the civil service. As one review was followed by another, it seemed that there was no end to it. SCS fully appreciated that civil servants were facing various challenges and the Administration needed to assess whether it would be too much for them to bear. He assured members that the Administration would adhere to the principles of lawfulness, fairness and reasonableness in considering any issues which might affect civil service pay and allowances. SCS also wished that LegCo Members could reach a consensus on such issues to enable the Administration to have a better understanding of the stance of LegCo. The Chairman pointed out that all along, the Panel had, in considering issues relating to the civil service, attached great importance to the impact of such issues on the morale and stability of the civil service.

Further information required

20. To facilitate members' consideration of the subject, Mr LEUNG Fu-wah requested the Administration to provide information on the types of JRAs currently payable to eligible civil servants in different departments. The Chairman also asked for information about the grades/ranks eligible for each type of JRAs. DSCS2 undertook to provide the information after the meeting.

*(Post-meeting note: The information paper provided by the Administration was circulated to members vide LC Paper No. CB(1)1756/01-02 on 17 May 2002.)*

**IV. Civil Service Provident Fund Scheme — Progress Update**

(LC Paper No. CB(1)1444/01-02(04) — Paper provided by the Administration)

21. The Deputy Secretary for the Civil Service (1) (DSCS1) briefed members on the progress of the arrangements for setting up the Civil Service Provident Fund Scheme (CSPF Scheme). On Government's contribution rates, the Administration had consulted the advisory bodies on civil service matters, departmental management and the staff sides on the three options drawn up within the financial ambit approved by the Executive Council. Taking into account comments received and having regard to the need to preserve the Government's ability to attract, motivate and retain quality staff, the Administration had finalized the contribution rates schedule for the CSPF Scheme as listed in paragraph 7 of the paper, i.e. a schedule with progressive contribution rates from 5% to 25% corresponding to the number of years of completed service on civil service terms of the officers concerned. On cashflow implications, DSCS1 advised that the introduction of the CSPF Scheme would not incur any additional financial commitment on the Government in the provision of retirement benefits to its staff. Indeed, there would be savings in the long run since the financial commitment under the Scheme would be 4% lower than that under the New Pension Scheme (NPS). The Administration would seek to create a new Recurrent Account Subhead in the context of the draft estimates for making CSPF contributions under the respective Heads of Expenditure of individual departments with eligible staff. Controlling Officers of those departments would seek the necessary provisions under the new subhead.

22. DSCS1 also pointed out that the CSPF Scheme must be launched by mid 2003 so that it could be offered to the first batch of civil servants who would become eligible for the Scheme by that time. The Administration would conduct a tender exercise in early May 2002 for selection of master trust schemes (MTSs) in the market for operation of the Scheme. The Administration planned to select three MTSs for an initial period of three years.

### Application of contribution rates schedule

23. Responding to Mr LEE Cheuk-yan, DSCS1 advised that Government's contribution rate for an officer would be based on his continuous years of service in the Government since first appointment on civil service terms. All staff, whether disciplined or civilian, would have their years of service on civil service terms recognized once they progressed onto permanent terms of appointment, which was normally after three years of probation for disciplined services staff and after six years (three-year probation and a three-year agreement) for most civilian staff. In other words, as soon as the officer was confirmed on permanent terms, the Government's contribution rate was the rate applicable for the fourth year or the seventh year, whichever the case might be.

### Impact of the CSPF Scheme on civil servants

24. Referring to paragraph 16 of the paper, Mr Albert CHAN was pleased to note that the Administration had consulted the staff sides on the contribution rates schedule and that they were satisfied that the finalized schedule had achieved a reasonable balance with regard to the interests of both the civilian and disciplined services staff. He was however concerned whether the staff sides had expressed dissatisfaction about any other aspects of the CSPF Scheme.

25. DSCS1 responded that the Administration had involved the staff sides and departmental management in the process of setting up the CSPF Scheme. Indeed, a long and comprehensive consultation process had been conducted through a sub-working group comprising representatives from central staff consultative councils and service-side staff associations. Apart from the Government's contribution rates schedule, the Administration had consulted the staff sides on other proposed features of the CSPF Scheme, including the proposals that Government's voluntary contributions would be subject to a vesting schedule to achieve retention effect and that a mechanism would be provided in the Scheme for withholding and forfeiture, in whole or in part, of the accrued benefits attributable to Government's voluntary contributions to act as a deterrent against misconduct. The staff sides had accepted a great majority of the proposed features. She also advised that the sub-working group had not yet been dissolved and representatives of the staff sides could still express their opinions through this channel.

26. Responding to Mr Albert CHAN, other members considered it not necessary for the Panel to invite comments from the staff sides on the CSPF Scheme, as staff consultation had been conducted by the Administration.

**V. Language proficiency requirements for entry to the Civil Service**  
(LC Paper No. CB(1)1284/01-02(05) — Paper provided by the Administration)

27. DSCS1 briefed members on the proposed initiatives to raise language proficiency requirements for entry to the civil service, as follows:

- (a) Applicants to civil service posts at graduate/professional level should be required to pass the two language papers (Use of English and Use of Chinese) in the Common Recruitment Examination (CRE) Part I; and
- (b) Applicants to civil service posts at non-graduate level should attain at least Grade E in English Language (Syllabus B) and Chinese Language at the Hong Kong Certificate of Education Examination (HKCEE).

28. DSCS1 explained that the extension of CRE to all degree grades would economize the resources for conducting language examinations for different grades as well as fast-track the process of recruitment exercise by six to eight weeks through detaching the language examinations from the recruitment process. To provide sufficient opportunities for prospective candidates to take part in CRE, the Administration planned to hold two examinations annually. Moreover, there would be a built-in mechanism for the Heads of Department (HoDs) or Heads of Grade (HoGs) to apply for exemption from the proposed language requirements when there was inadequate supply of candidates to fill the vacancies.

29. Mr LEE Cheuk-yan supported the provision of a mechanism for HoDs/HoGs to apply for exemption from the new language requirements for certain grades. However, Mr LEE queried the need to require applicants for posts with existing entry requirements below Form Five level to have attained at least Grade E in English and Chinese Languages at HKCEE. He was concerned that the language requirement would further limit the job opportunities of those with low education level. Mr Albert CHAN shared his view and added that the Administration should not set additional barriers for those with low education level under the present economic climate where the high unemployment rate was high.

30. DSCS1 responded that having regard to the progressive lift in general education standard in Hong Kong over the years and the rising public expectation towards the quality of the civil service, the Administration considered it appropriate to upgrade the language proficiency requirements of non-graduate grades. As shown in recent recruitment exercises for non-graduate grades, there were a large number of applicants who had attained qualifications above the minimum entry requirements. HoDs/HoGs were supportive to the proposal.

31. In reply to Mr LEUNG Fu-wah's enquiry, DSCS1 said that consideration had been given for the inclusion of Putonghua in the language proficiency requirements for

civil service posts. However, in the absence of a well-established test on the proficiency of Putonghua, there were difficulties in setting the qualification requirements of Putonghua. DSCS1 assured members that the Administration would review the issue in due course. She also pointed out that civil servants had been provided with training on Putonghua to meet their operational needs.

32. Responding to Mr HUI Cheung-ching, DSCS1 advised that CRE candidates would only be notified whether they had passed the examination without specifying the marks or grades they had attained. She advised that HoDs/HoGs would arrange further screening procedures, such as interviews, for identification of suitable candidates in the recruitment process. Mr HUI suggested that candidates should be notified of the marks or grades they had attained at the CRE examination for future reference.

**VI. Any other business**

33. There being no other business, the meeting ended at 12:40 pm.

Legislative Council Secretariat  
22 May 2002