

立法會
Legislative Council

LC Paper No. CB(1) 680/02-03
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by the Administration)

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Panel on Public Service

Minutes of meeting
held on Monday, 16 December 2002 at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon LI Fung-ying, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon LEE Cheuk-yan
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching, JP
Hon CHAN Kwok-keung
Hon Bernard CHAN, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP

Member attending : Hon CHAN Yuen-han, JP

Members absent : Hon Andrew WONG Wang-fat, JP
Hon Howard YOUNG, JP

Public officers attending : Agenda Item III

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

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

Miss Jennifer MAK, JP
Deputy Secretary for the Civil Service (3)

Agenda Items IV and V

Miss Jennifer MAK, JP
Deputy Secretary for the Civil Service (3)

Mr William NG
Director
Civil Service Training and Development Institute

Mr CHENG Man-fai
Assistant Principal Training Officer
Civil Service Training and Development Institute

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

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

Action

- I. Confirmation of minutes of meeting**
(LC Paper No. CB(1)483/02-03 — Minutes of meeting on
18 November 2002)

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

II. Date of next meeting and items for discussion

(LC Paper No. CB(1)482/02-03(01) — List of outstanding items for discussion

LC Paper No. CB(1)482/02-03(02) — List of follow-up actions)

2. Members agreed that the following two items be discussed at the next regular meeting scheduled for 20 January 2003:

(a) Briefing by the Secretary for the Civil Service on the policy initiatives of the Civil Service Bureau featuring in the Chief Executive's 2003 Policy Address; and

(b) Review of civil service pay policy and system.

III. Updated progress of the 2003 civil service pay adjustment

3. The Chairman advised that in view of the recent heated discussions relating to the civil service pay adjustment issue, he had invited the Secretary for the Civil Service (SCS) to attend the meeting to brief the Panel on the updated progress.

Briefing by the Administration

4. SCS advised that the Government had not made a decision on the civil service pay adjustment for next year. He assured members that civil servants would be fully consulted before a final decision was to be made. SCS further pointed out that on 13 December 2002, he himself and representatives of the Financial Services and Treasury Bureau had met with the staff sides of the four Central Consultative Councils as well as representatives of the four major service-wide staff unions. At these meetings, the Administration had explained in detail the seriousness of the fiscal deficit and the need for the entire community, including the civil service, to work together to resolve the problem. These meetings had given a positive signal that the civil service was prepared to shoulder responsibility in tackling the fiscal deficit. It was agreed that the Government and the civil service should work together to reduce the current expenditure by \$20 billion to \$200 billion by 2006-07. Whilst the civil service pay adjustment had not been discussed in detail at these meetings, there had been a general understanding that in exploring means to control the Government's operating expenditure, the potential impact that a pay reduction might have in helping to meet the savings target should not be overlooked. In this connection, the staff representatives had made very strong representations that any pay reduction, if decided on, should be based on a mechanism which should be fair, reasonable and lawful. SCS said that he had undertaken at the meetings to join hands with the civil service in working out relief measures for the budget deficit. He had also undertaken to embark on discussion with the staff representatives on an improved civil service

pay adjustment mechanism that was fair, reasonable and lawful and which would cater for both upward and downward adjustments.

Discussion

Budgetary and political considerations in civil service pay adjustment

5. Mr Michael MAK stressed that civil service pay adjustment should be implemented in a fair, reasonable and lawful manner. He considered it unfair to put all the burden of resolving the problem of fiscal deficit on civil servants as if they were the cause of the problem. SCS pointed out that as stated in his letter dated 11 December 2002 to all civil servants on "Measures to Tackle the Fiscal Deficit", the fiscal deficit was by no means the civil service's making, and civil servants were not the cause of the problem but they could be part of the solution. He undertook to provide a copy of the letter for members' information. SCS also assured members that the Administration would adhere to the principles of lawfulness, fairness and reasonableness in dealing with civil service pay adjustment.

6. Mr Michael MAK asked whether it was provided in civil servants' employment contracts that they were required to shoulder the responsibility of resolving the problem of fiscal deficit. SCS explained that the annual civil service pay adjustment was to be decided in accordance with the prevailing mechanism under which the Government would take into account a number of factors, including budgetary considerations. At Mr MAK's request, SCS undertook to provide samples of Memorandum on Conditions of Service for members' information.

(Post-meeting note: The information provided by the Administration in response to member's requests in paragraphs 5 and 6 above was circulated to members vide LC Paper No. CB(1)720/02-03 on 14 January 2003.)

7. Mr CHEUNG Man-kwong expressed support for the implementation of civil service pay adjustment through a lawful, fair and reasonable mechanism. He was however concerned about the impact of the remarks made by Premier ZHU Rong-ji before his meeting with the Chief Executive (CE) in Beijing on 9 December 2002 that senior civil servants could take a bigger pay cut than those in the middle ranks. With due respect to Premier ZHU, Mr CHEUNG doubted whether it was appropriate for him to make such remarks, which might be seen as the Central Government's intervention in the internal affairs of the Hong Kong Special Administrative Region (HKSAR). SCS pointed out that Premier ZHU was only responding to questions raised by reporters. While being concerned about the HKSAR, Premier ZHU had reiterated during his meeting with CE that he had no intention of intervening in HKSAR's internal affairs. Responding to Mr CHEUNG, SCS assured members that Premier ZHU's remarks would not affect the Government's decision on civil service pay adjustment.

8. Mr LEE Cheuk-yan shared Mr CHEUNG Man-kwong's concern about the impact of the remarks made by Premier ZHU on the Government's decision on civil service pay adjustment. He considered the situation very confusing, with different messages reported by the media in the recent few months, including pay freeze, a voluntary pay reduction led by senior Government officials, and a deferred decision on pay adjustment to be made in the third quarter of 2003. He pointed out that the confusion had significantly weakened the trust of civil servants in the Government. SCS advised that as there was freedom of speech in Hong Kong, it was not unusual to see different messages being reported by the media on the same issue. He pointed out that while the staff sides had requested a pay freeze for the coming two to three years until the completion of a pay level survey and a review on the pay trend survey methodology, the Government needed to take account of other relevant factors, such as the state of the economy and the budgetary considerations, in deciding the civil service pay adjustment for 2003. SCS reiterated that the Government had not made a decision yet. Mr LEE asked whether the Government would defer making the decision to the third quarter of 2003. SCS responded that there was no concrete timetable for the issue at this stage.

9. Mr LEE Cheuk-yan doubted whether there was a conflict between two major camps within the Government, one seeking instant pay reduction for relief of the fiscal deficit and the other seeking pay adjustment through a mechanism mutually acceptable by the Government and civil servants. He was concerned that the Financial Secretary (FS) might have already decided that civil service pay should be reduced in 2003/04. Mr CHEUNG Man-kwong shared Mr LEE's views. He sought clarification on who had the final say on civil service pay adjustment: CE, FS or SCS. He also sought clarification on whether the decision on civil service pay adjustment would be one that based on the established/revised mechanism or on political and budgetary considerations. He urged the Administration to set out the issue clearly and stop giving false hope to civil servants. SCS pointed out that under the Basic Law, CE was the head of the HKSAR Government and he would consult the Executive Council (ExCo) before making important policy decisions. The present practice was that a decision on civil service pay adjustment would be made by ExCo. It should be noted, however, that under the accountability system, SCS was responsible to the CE for civil service policy and management.

10. Referring to the proposal of Directors of Bureau to take the lead in a voluntary pay reduction, Miss CHAN Yuen-han queried whether the Government had decided to implement a pay reduction by imposing pressure on civil servants, instead of through the pay adjustment mechanism. SCS clarified that the proposal was in fact made by a political party, not the Government. He assured members that the Government would consult civil servants fully and extensively before making a final decision on the pay adjustment for 2003 and any changes to the current pay adjustment mechanism.

11. Mr HUI Cheung-ching said that members of the Hong Kong Progressive Alliance considered that if Directors of Bureau could take the lead in pay reduction, they would set an example for their subordinates to follow so as to achieve savings in the Government expenditure. While civil service pay levels were protected by Article 100 of the Basic Law and could not be reduced to the levels below those in 1997, Mr HUI pointed out that Directors of Bureau, who were appointed under the new accountability system for principal officials, were not subject to the same protection of the Basic Law. SCS responded that the Directors of Bureau were not civil servants and adjustment of their pay was a separate issue from civil service pay adjustment.

Civil service pay adjustment mechanism

12. Mr CHEUNG Man-kwong enquired about the Government's assessment of the effectiveness of the existing pay adjustment mechanism and whether it had any plans to make changes to it. SCS explained that under the existing pay adjustment mechanism, the Administration, in deciding the size of the annual pay adjustment, took full account of all the relevant factors, including the net pay trend indicators (PTIs) derived from the annual pay trend survey (PTS), the state of the economy, budgetary considerations, changes in the cost of living, the staff sides' pay claim and civil service morale. Given the economic downturn in recent years and the pay reduction in the private sector, the upward adjustment in civil service pay announced in mid-2001 had aroused public concern about the possible erosion of broad comparability of civil service pay with the private sector, and the effectiveness of the PTS. In response to calls for a review of civil service pay levels and the civil service pay adjustment mechanism, the Administration had decided on 18 December 2001 to conduct a comprehensive review of the civil service pay policy and system. The Task Force on Review of Civil Service Pay Policy and System (Task Force) had, in its Phase One Final Report published on 20 September 2002, identified priority areas for more detailed study in the short, medium and long term. It recommended that for the short term, priority should be given to devising a practical framework and methodology for conducting a pay level survey (PLS) and to reviewing the PTS methodology. The Administration would consult the staff sides on the implementation of this recommendation and the possible improvements that could be made to the existing pay adjustment mechanism. Moreover, the Administration would explore the feasibility of a suggestion made by some LegCo Members in scrutinizing the Public Officers Pay Adjustment Bill in June 2002 that a piece of general enabling legislation on the civil service pay adjustment mechanism should be introduced to provide the legal framework for implementing upward and downward pay adjustments.

13. Mr LEUNG Fu-wah asked whether the Administration had consulted the staff sides on the option of introducing a general enabling legislation on civil service pay adjustment mechanism. SCS advised that while there had not been any in-depth discussion on the pay adjustment mechanism during his meetings with the staff sides on 13 December 2002, the Administration would consult the staff sides on the subject as soon as possible.

14. Ms LI Fung-ying was concerned whether the Administration would really consult the staff sides, or just inform them of the Administration's decision. She was also concerned whether the Administration would implement its decision on pay adjustment unilaterally if it failed to reach agreement with civil servants on the issue. Miss CHAN Yuen-han shared Ms LI's concern. In reply, SCS reiterated that during his meetings with the staff sides on 13 December 2002, it was agreed that the Government and the staff sides should work together to meet the working target of reducing the Government's operating expenditure by \$20 billion by 2006-07. There was a general understanding that in exploring means to cut Government expenditure, the possibility of considering a pay reduction should not be excluded. The Government would conduct full and extensive consultation with the civil service on the measures to achieve the savings target of \$20 billion by 2006-07 in the Government's operating expenditure and if necessary, to consider the possibility of a civil service pay reduction under a mechanism, the details of which would be further discussed between the Government and civil servants. SCS said that at this stage, he remained open-minded on the measures to be taken and that he would try his best to reach a consensus with civil servants.

15. Mrs Sophie LEUNG considered that the Administration should take a comprehensive approach in tackling the civil service pay adjustment issue. In view of the fact that the expenditure on civil service pay constituted a significant part of the Government operating expenditure, the Administration should identify ways for improvement. Mrs LEUNG was of the view that the problem needed to be addressed regardless of whether there was a fiscal deficit. She therefore suggested that the Administration should, in discussing with the staff sides on the ways for improvement, focus on the need to address the problem of the existing mechanism, rather than the need to address the problem of fiscal deficit. SCS pointed out that the comprehensive review of the civil service pay policy and system was an attempt of the Administration to tackle the pay adjustment issue in a comprehensive manner. The Administration would, in consultation with the staff sides, further consider the recommendations made by the Task Force on the priority areas for more detailed study in the short, medium and long terms. The most pressing task would be to explore with the staff sides the development of a mechanism to enable the implementation of pay adjustments, which could be both upwards or downwards, in a lawful, fair and reasonable manner.

Other means to achieve savings

Admin 16. The Chairman pointed out that as far as he knew, SCS had invited civil servants to offer suggestions on possible means to achieve savings. He asked whether the suggestions provided by civil servants could achieve savings and relieve the pressure of a pay reduction. In response, SCS said that the Directors of Bureau and Heads of Department were critically reviewing the operation of the bureau/department concerned and the mode of service delivery to identify ways to achieve savings. They were encouraged to involve their staff in the process. On the other hand, civil servants were encouraged to put forward their suggestions on possible ways to achieve savings on a service-wide basis. At the Chairman's request, SCS undertook to inform the Panel of the progress of this cost-saving exercise in due course.

IV. Management of stress at workplace in the civil service

(LC Paper No. CB(1)482/02-03(03) — Paper provided by the Administration)

Briefing by the Administration

17. At the Chairman's invitation, the Deputy Secretary for the Civil Service (3) (DSCS(3)) briefed members on the paper provided by the Administration. She highlighted that the Administration adopted a two-pronged approach to help staff cope with stress at workplace, as follows:

- (a) to provide professional counselling service to those in need; and
- (b) as preventive measures, to help staff develop the necessary skills in stress management and a balanced and healthy lifestyle.

18. On paragraph 17(a) above, DSCS(3) advised that the Administration had implemented a two-year pilot scheme to provide professional counselling service to staff in 1999 and 2000. Following a review of the pilot scheme, the Administration decided to continue with the provision of the service to staff. With effect from 2 July 2002, the Hong Kong Women's Christian Association was commissioned to provide a hotline counselling service to about 70,000 staff from 66 bureaux and departments. According to feedback from users and the counselling agency, the service was useful and effective in helping staff to cope with stress arising from work and other personal problems. As regards the preventive measures mentioned in paragraph 17(b) above, the Administration had organized a series of personal effectiveness and stress management programmes and educational activities to promote healthy lifestyle and healthy workplace.

19. On the way forward, DSCS(3) advised that the Administration planned to extend the service hours of the existing counselling service and to enrich the resources on stress management available on the web-site. The Administration would also organize seminars and experience-sharing workshops for departmental management to facilitate them to develop good practices/systems in management of stress at workplace.

Discussion

Services provided to staff who sought assistance

20. Referring to paragraph 5 of the paper provided by the Administration, Mr Michael MAK sought information on the services and follow-up treatment provided to the 612 staff who required counselling service during the implementation of the two-year pilot scheme. DSCS(3) pointed out that apart from telephone counselling sessions, interviews with counsellors or clinical psychologists were arranged subject to the callers' needs. Moreover, referrals to the Hospital Authority or other relevant organizations were made where necessary.

21. In response to Mr Michael MAK's further enquiry, DSCS(3) said that apart from the centrally provided service, about 100,000 staff of 12 departments had access to different forms of counselling service arranged by their own departments. Some of these departments provided their staff with in-house counselling service while some engaged professional counselling agencies to provide hotline counselling service to their staff.

Work-related problems

22. Referring to paragraph 8 of the paper provided by the Administration, Mr HUI Cheung-ching noted that over 50% of the counselling cases over the past five months were concerned with work-related problems. He asked for the percentage of such cases involving stress arising from the pay adjustment issue. In response, DSCS(3) said that the work-related problems included relationship with supervisor and colleagues, workload, job security, job adjustment etc. The breakdown was not so detailed as to show whether some of the cases involved stress arising from the pay adjustment issue. She however pointed out that during the present economic downturn, it was likely that civil servants and private sector employees faced similar problems, such as pay adjustment, and needed to cope with the stress arising from such problems.

23. Mrs Sophie LEUNG agreed that the work-related problems mentioned in paragraph 8 of the paper were also experienced by private sector employees. She further pointed out that in some private organizations, stress arising from promotion to or acting in a higher rank was rather common. She considered that the Administration should encourage staff under stress arising from heavy workload or responsibilities to

sound out their problems. DSCS(3) appreciated Mrs LEUNG's views. She pointed out that having analyzed the counselling cases in respect of the factors attributing to the problems of the staff concerned, the Administration would, where appropriate, pass the information to the departments concerned for follow-up actions. The Administration would also provide assistance to departmental management to facilitate them to develop good practices/systems in management of stress at workplace and to enhance their skills that could be applied in work situations in identifying and supporting colleagues under stress.

24. Mr Albert CHAN was also concerned about the increasing work stress faced by civil servants. He pointed out that as a result of the implementation of various civil service reform measures and Enhanced Productivity Programme in recent years, civil servants were required to take up additional workload, shoulder greater responsibilities and enhance their work skills. Some civil servants did not have sufficient time to rest and were exposed to long-term work pressure. Mr CHAN urged the Administration to address the problem.

25. Mr CHEUNG Man-kwong shared Mr Albert CHAN's concern. He pointed out that civil servants under stress might not take the initiative to request for counselling service. Referring to the recent suicide cases involving civil servants, in particular those in the disciplinary services, Mr CHEUNG asked whether the Administration had looked into the suicide cases to find out the cause of the problems and to identify ways to address the problems. He opined that in addition to service-wide counselling or educational efforts, specific programmes or services should be designed and provided to cater for the need of staff working in those departments which were exposed to greater work stress.

26. DSCS(3) responded that the Administration was equally concerned about the suicide cases involving civil servants. It was recognized that staff working in some departments might be exposed to greater work stress because of their job nature. In this connection, some departments, such as the Hong Kong Police Force, had set up a task force to explore appropriate measures for improvement of work environment and to provide services to cater for the specific needs of their staff. In addition to specific services provided to staff in need, general preventive measures were necessary to facilitate effective stress management and to promote healthy lifestyle and healthy workplace. Safety Management Committees comprising both representatives from the management and staff had been set up in departments to promote occupational health and, amongst other things, to explore improvement measures to ensure a healthy work environment. DSCS(3) assured members that the Administration, with an aim to foster a caring and safety-conscious culture in the civil service, would ensure that risks to civil servants' health and safety at work were properly managed.

V. **Training in the civil service**

(LC Paper No. CB(1)482/02-03(04) — Paper provided by the

Administration)

Briefing by the Administration

27. The Administration presented a video programme on the Cyber Learning Centre Plus (CLC Plus).

Discussion

28. In response to Ms LI Fung-ying's enquiry on users' feedback, the Director, Civil Service Training and Development Institute (Director/CSTDI) advised that departments and users were invited to give feedback on CLC Plus. Based on their feedback, CSTDI would make improvement to the content and design of the programme.

29. Being concerned that civil servants might spend considerable time on CLC Plus, Mr Michael MAK asked whether there were any guidelines for staff to use CLC Plus during office hours. Director/CSTDI said that while there were no formal guidelines, the information provided by CLC Plus, such as samples of letters, could facilitate civil servants to improve their work quality and efficiency. Nevertheless, about 50 % of the users visited CLC after office hours. Responding to Mr MAK's further enquiry, Director/CSTDI advised that as at November 2002, CLC had attracted more than 30,000 users and recorded 250,000 visits. Users spread across all departments, grades and ranks. They ranged from directorate, senior management, middle management to front line officers and supporting staff.

30. Mr Albert CHAN asked whether the Administration had any plans to provide CLC users with the opportunity of obtaining recognized qualifications through completion of on-line learning courses. He considered that this would provide incentive for civil servants, in particular those at the middle or lower ranks, to pursue continuous learning through CLC to facilitate their development in the civil service. In response, Director/CSTDI pointed out that the primary aim of CSTDI was to provide continuous training to civil servants to meet their operational requirements. Nevertheless, CSTDI had taken the initiative to liaise with academic/professional organizations for recognition of the achievements made by staff through completing the courses provided by CSTDI. For example, staff who had completed 70 hours of courses in human resources would be eligible to apply for a certificate from the Hong Kong Institute of Human Resources Management. More than 100 civil servants had obtained such certificate in the past few years.

VI. Any other business

31. There being no other business, the meeting ended at 12:50 pm.

Council Business Division 1
Legislative Council Secretariat
14 January 2003