

立法會
Legislative Council

LC Paper No. CB(1)1651/02-03
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by the Administration)

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Panel on Public Service

Minutes of meeting
held on Friday, 25 April 2003 at 8:30 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 Bernard CHAN, JP
Hon Andrew WONG Wang-fat, JP
Hon Howard YOUNG, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
- Members absent** : Hon Kenneth TING Woo-shou, JP
Hon CHAN Kwok-keung
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
- Public officers attending** : **Agenda Items III and IV**

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

Mrs Rebecca LAI, JP
Permanent Secretary for the Civil Service

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

Mr Christopher WONG
Deputy Secretary for the Civil Service (3)

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

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

Ms May LEUNG
Legislative Assistant

Action

I. Confirmation of minutes of meeting

(LC Paper No. CB(1)1472/02-03 — Minutes of special meeting on
25 February 2003

LC Paper No. CB(1)1384/02-03 — Minutes of meeting on 17 March
2003)

The minutes of the meetings held on 25 February 2003 and 17 March 2003 were confirmed.

II. Date of next meeting and items for discussion

(LC Paper No. CB(1)1459/02-03(01) — List of outstanding items for
discussion)

2. Members agreed that the following two items be discussed at the next regular meeting scheduled for 19 May 2003:

(a) Containing the size of the civil service; and

(b) Centrally organized China studies programmes in the Mainland.

III. Review of civil service allowances

(LC Paper No. CB(1)1459/02-03(02) — Paper provided by the Administration)

Briefing by the Administration

3. At the Chairman's invitation, the Deputy Secretary for the Civil Service (2) (DSCS(2)) briefed members on the Administration's plan to review various allowances payable to civil servants, including those related to the performance of duties and those provided as fringe benefits. She advised that given the Administration's commitment to achieving significant economy in Government's operating expenditure in the next few years, and in line with the established policy to keep the civil service management system under review, the Administration had recently undertaken to carry out a comprehensive review of civil service allowances. She assured members that the Administration would adopt the principle of lawfulness, reasonableness and fairness in taking forward the review. Civil servants would be consulted on specific improvement proposals before a final decision was to be taken.

4. On the review timetable, DSCS(2) informed members that as the first priorities, the Administration would review Acting Allowance, Overseas and Local Education Allowances, Passage and Related Allowances, and Air-conditioning Allowance. The Administration aimed to draw up specific proposals on these priority items by July 2003 for staff consultation. It would then proceed with the detailed reviews on the other allowances. The target was to complete the review of individual allowances by March 2004. As regards the detailed review of individual job-related allowances (JRAs) payable to civilian grades being conducted, DSCS(2) advised that the Administration aimed to take a decision, based on the recommendations from the concerned bureaux and departments following staff consultation, on whether the JRAs should continue to be paid and the appropriateness of the rates when the six-month moratorium ended in May 2003.

Discussion

Principles of lawfulness, reasonableness and fairness

5. Ms LI Fung-ying supported the review of civil service allowances to bring the provision of allowances in line with present day circumstances. She was however concerned whether it was feasible to introduce changes to the fringe benefits type of allowances which constituted part of civil servants' conditions of service.

6. Mr CHEUNG Man-kwong shared Ms LI Fung-ying's concern and doubted how the Administration could adhere to the principles of lawfulness, reasonableness and fairness in taking forward the review. On the principle of lawfulness, Mr CHEUNG asked whether it was lawful to make any changes to the fringe benefits

type of allowances which constituted part of civil servants' conditions of service. On the principles of reasonableness and fairness, Mr CHEUNG asked how the Administration could strike a balance between the two principles. While the Administration needed to ensure that the continued provision of various civil service allowances was in line with present day circumstances, it also needed to take into account the impact of any changes, such as reduction in allowances, on the officers receiving the allowances, in particular those at lower ranks with the amount of allowances constituting a significant part of their income. In this connection, Mr CHEUNG enquired whether the Administration would implement the changes, if any, by phases so as to minimize the impact of the changes on these officers.

7. The Secretary for the Civil Service (SCS) advised that before the Administration decided to conduct the review of civil service allowances, it had sought legal advice on the feasibility of introducing changes to the allowances and was advised in general terms that there was room for adjustment, but the lawfulness of any proposed adjustment had to be further examined in the context of the allowance concerned after concrete proposals had been worked out. The Administration would seek legal advice again on any proposed changes after detailed examination of each type of allowance. Only those proposals which were considered lawful would be put forward for staff consultation. SCS assured members that the Administration would take into account legal and all other relevant considerations in examining all possible options of adjusting the allowances. The Administration would also take into account the impact of the proposals on the officers receiving the allowances and try to work out appropriate arrangements to minimize the impact on them. SCS said that he would not make any assumption that civil servants were unwilling to accept changes to the fringe benefits type of allowance. In fact, he believed that a majority of civil servants remained open-minded and were ready to consider the proposals put forward by the Administration. At the request of the Chairman and Ms LI Fung-ying, SCS undertook to brief the Panel in July 2003 on the specific proposals on the priority items for review listed in paragraph 7 of the information paper.

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8. Mr CHEUNG Man-kwong suggested the Administration to take into account four major issues in the review of civil service allowances. First, any proposed changes to the allowances must be lawful. Second, the impact of any changes on the officers receiving the allowances, in particular those at lower ranks with the amount of allowances constituting a significant part of their income, should be assessed and addressed in a reasonable manner. To minimize the impact, consideration might be given not to implement the changes to allowances at the same time as the pay reduction in January 2004 and January 2005. Third, the response of civil servants and staff associations to any proposed changes to allowances should also be assessed, in particular when a number of changes were proposed. As the review of the civil service pay adjustment mechanism was underway, it might have impact on staff acceptance of any proposed changes to allowances. Fourth, any proposed changes should be able to achieve savings in Government expenditure. SCS thanked Mr CHEUNG for his views.

Basic Law implications

9. Mr Howard YOUNG supported the review of civil service allowances with a view to achieving savings in Government expenditure and bringing the allowances in line with present day circumstances. He opined that the review should be done expeditiously to address the public concern about the need to reduce Government expenditure. However, as Article 100 of the Basic Law 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, Mr YOUNG doubted whether reduction in civil service allowances could only be applied to civil servants appointed on or after 1 July 1997 and to those types of allowances with upward adjustment in rates on or after that date. Mr LEUNG Fu-wah and Mr LEE Cheuk-yan shared Mr YOUNG's concern. Mr LEE also enquired whether the provision in Article 100 of the Basic Law had different implications on the two categories of allowances, namely, those related to the performance of duties and those provided as fringe benefits.

10. SCS advised that according to the legal advice, changes to civil service allowances, if any, could be applicable to all civil servants receiving the allowances. However, the lawfulness of any proposed adjustment needed to be examined after concrete proposals had been worked out.

11. Responding to Mr LEE Cheuk-yan, SCS advised that in reviewing civil service allowances, the Administration would work on the basis that legislation would not be required for implementing the proposed changes, if any.

Expenditure on civil service allowances

12. Referring to the Annex to the paper provided by the Administration, Mr LEUNG Fu-wah noted that the projected expenditure on Overtime Allowance for civilian staff amounted to \$245 million in 2002-03. He enquired about the basis for calculating Overtime Allowance and whether it would be more cost-effective for the Administration to recruit additional staff to take up the duties than paying such a substantial sum of allowance to existing staff for carrying out the overtime work. In reply, DSCS(2) advised that the payment of Overtime Allowance was calculated on the basis of an hourly rate of $\frac{1}{140}$ and $\frac{1}{175}$ of the monthly salary for civilian and disciplinary staff respectively. The basis for calculation was different for civilian and disciplinary staff as the need for the latter to carry out duties at irregular working hours had already been taken into consideration in determining their pay scale. There was a ceiling on the maximum number of hours for which eligible staff could claim Overtime Allowance in any one month. She also advised that overtime work was normally performed to absorb an ad hoc or a seasonal increase in workload. The Director of Bureau or Head of Department (HoD) concerned should consider the need

to create additional posts if there was a long-term increase in workload which justified additional manpower.

13. At the request of Mr LEUNG Fu-wah, SCS undertook to provide information on the expenditure on each civil service allowance for the years 2000-01, 2001-02 and 2002-03.

(Post-meeting note: The information provided by the Administration on paragraph 13 above was circulated to members vide LC Paper No. CB(1)1662/02-03(01) on 13 May 2003.)

Savings to be achieved through the review of civil service allowances

14. Mr HUI Cheung-ching indicated his support for the review of civil service allowances. Noting that the Administration's objective was to achieve substantive savings in Government expenditure on civil service allowances in the next few years, Mr HUI enquired whether the Administration had set any target for the savings to be achieved and whether it had any initial thinking on the allowances to be reduced as well as the extent of reduction. SCS advised that the Administration had not set any target for the savings to be achieved. He considered it not appropriate for the Administration to do so at the present stage when detailed examination of the payment criteria and the level of individual allowances had yet to be carried out. Given the substantial Government expenditure on civil service allowances and the significant increase in the expenditure on some of the allowances in recent years, the Administration needed to examine critically the provision of various allowances and make improvements, where appropriate. DSCS(2) also advised that the Administration would consider all feasible improvement proposals for the achievement of the maximum level of savings.

15. Responding to Mr HUI Cheung-ching's further enquiry, SCS and DSCS(2) provided the following information on the savings achieved through the improvement measures implemented after previous reviews on individual civil service allowances:

- (a) Following a review on Acting Allowance in 1999, changes were introduced in January 2000 to tighten up the payment criteria. The projected expenditure on Acting Allowance for 2002-03 was 29% less than the expenditure in 1999-00.
- (b) Following a review of the Overtime and Related Allowances, the Administration had introduced improvement measures in 2000. The projected expenditure of Overtime and Related Allowances in 2002-03 was 19% less than the expenditure in 2000-01.
- (c) Following a review of the Duty Mileage Allowance (DMA), the revised formula for determining DMA rates had been approved by the

Finance Committee in end 2002. Under the revised formula, there would be a 40% reduction in the rate of DMA.

Acting Allowance

16. Pointing out the increase in workload and low morale of civil servants, Mr Michael MAK urged the Administration to consider carefully the impact of introducing any further changes to the payment of Acting Allowance on civil servants. In response, SCS reiterated that the Administration would adopt the principles of lawfulness, fairness and reasonableness in conducting the review and would consult staff on any proposed changes.

Hardship Allowance

17. Mr Michael MAK commended the efforts of frontline staff in tackling the recent Severe Acute Respiratory Syndrome (SARS) crisis. As the frontline staff were facing health risks in performing their duties, Mr MAK requested the Administration to consider providing them with special allowance similar to Hardship Allowance as recognition of their efforts and hardship. SCS thanked Mr MAK for appreciating the work of frontline staff. He pointed out that civil servants working in various Government departments, including the Leisure and Culture Services Department and Home Affairs Department, were undertaking duties in relation to the SARS crisis. The Administration would render necessary support to all these frontline staff in fighting SARS through measures such as the provision of the protective materials needed in their daily work. He believed that frontline staff required management support in minimizing their risks of infection rather than in providing them with allowance in monetary terms. Mr MAK maintained his view that the Administration should consider providing Hardship Allowance to the frontline staff concerned. As the frontline staff concerned included civil servants and non-civil servants, the Chairman opined that Mr MAK's suggestion could be further considered at another forum for the discussion of the measures for containing the spread of SARS.

18. Pointing out that frontline civil servants were requested to engage in different duties which might involve high risks, Mr LEE Cheuk-yan sought assurance from the Administration that the provision of Hardship Allowance would not be terminated after the review of JRAs. In reply, SCS explained that the review of JRAs was conducted in response to the concerns raised by the Director of Audit and the Public Accounts Committee. The Administration aimed to brief the Panel on the findings of the review in June 2003. Whether or not the provision of Hardship Allowance for specific civilian positions in individual departments should be discontinued would be subject to the outcome of the review now underway.

Furniture and Domestic Appliances Allowances

19. Responding to Mr LEUNG Fu-wah, SCS confirmed that Furniture and Domestic Appliances Allowances would be covered under the second stage of the

comprehensive review when consideration would be given to whether there was any room for improvement in the payment of Housing and Related Allowances.

Overseas Education Allowance

20. Mr Albert CHAN expressed concern about the existing country restriction rule under which eligible officers might claim Overseas Education Allowance (OEA) for their children's schooling in the United Kingdom (UK) only. He pointed out that the rule had become out-dated after the reunification in 1997 when Hong Kong ceased to be a British colony. To ensure that the continued provision of OEA was in line with present day circumstances, Mr CHAN suggested that eligible officers be allowed to claim OEA for their children's schooling in the Mainland, instead of in UK. As the cost for schooling in the Mainland was comparatively lower than that in UK, Mr CHAN believed that this change could achieve substantive savings in Government expenditure. Mr LEUNG Fu-wah however opined that the Administration should consider expanding the OEA scheme so that eligible officers might claim the allowance for their children's schooling in the Mainland and other places, such as Australia, where the cost for schooling was comparatively low.

21. SCS pointed out that following a review in 1996, the Government had decided to cease the provision of OEA for officers offered appointment on or after 1 August 1996. As there were ample opportunities for pursuing studies in Hong Kong, it was considered unjustified to subsidize civil servants for their children's schooling overseas. SCS further pointed out that the Administration would not expand the OEA scheme to cover the schooling of children of eligible officers in countries other than the UK, as this would drive up demand and result in additional Government expenditure. As some 130 000 officers were eligible for OEA and at present only about 4 800 were claiming the allowance, the increase in demand resulted from relaxation of payment criteria could be very substantial.

22. Mr Albert CHAN clarified that he was not suggesting a relaxation of payment criteria. He was suggesting that the OEA scheme be modified in such a way that eligible officers might claim OEA for their children's schooling in the Mainland, instead of in UK. In other words, schooling in UK would no longer be eligible for OEA. At the request of Mr CHAN, SCS undertook to consider his suggestion.

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IV. Performance management in the civil service

(LC Paper No. CB(1)1459/02-03(03) — Paper provided by the Administration)

Briefing by the Administration

23. At the Chairman's invitation, the Deputy Secretary for the Civil Service (3) (DSCS(3)) briefed members on the Administration's on-going efforts to strengthen

performance management in the civil service, including in particular recent changes to the procedure for handling persistent sub-standard performers. DSCS(3) advised that in the context of the Civil Service Reform, the Civil Service Bureau (CSB) had in June 2000 promulgated tightened rules on the award of increments, placing it beyond doubt that civil servants might be granted an increment only if their performance at work had been satisfactory during the appraisal period. In the past two years, sustained efforts were made to encourage wider use of target-based and core competencies assessment. By enabling management to better differentiate good performers from average and poor performers, these measures helped inculcate a performance-based and service oriented management culture. On the procedure for handling sub-standard performers, CSB had earlier critically re-examined the efficacy of the existing arrangements. The review showed a tendency on the part of departmental managers to give more than ample chances and time for sub-standard performers to improve and to rehabilitate. There was a clear need to streamline the existing procedure. Following consultation with the staff sides, a CSB circular was issued in March 2003 to promulgate a set of revised guidelines and streamlined procedure for handling sub-standard performers. The key features of the revised procedure were as follows:

- (a) Departmental management was to start promptly preparatory steps for taking action to retire an officer under Section 12 of the Public Service (Administration) Order (Section 12);
- (b) Advice of an independent panel was to be sought on potential Section 12 cases in order to maintain impartiality and consistency;
- (c) Sub-standard performers were to be given appropriate counseling and assistance, and no less than six months to improve their performance;
- (d) An overall “unsatisfactory” performance rating for 12 months would constitute adequate grounds for taking Section 12 action; and
- (e) CSB was to follow through a normal case within three months on receipt of a Section 12 recommendation from the HoD concerned.

Discussion

Impact of strengthening performance management on staff morale

24. Ms LI Fung-ying pointed out that the various civil service reforms, coupled with reorganization of government bureaux and departments, had created anxiety among civil servants about job security. Whilst appreciating the need for strengthening performance management in the civil service, Ms LI asked whether the Administration had assessed the impact of the reforms on staff morale. SCS advised that the Administration recognized the importance of maintaining staff morale and

assisting staff to adapt to changes in work environment during the implementation of civil service reforms. In this connection, considerable resources had been allocated for the provision of training to civil servants, including those at lower ranks. SCS also pointed out that the revised procedure for handling sub-standard performers was not only supported by the departmental management but also the staff sides, as the presence of a small number of persistent sub-standard performers was liable to have disproportionate adverse impact on the credibility of the civil service management system, and on public perceptions about the productivity and efficiency of the civil service as a whole.

Assistance provided to sub-standard performers

25. Mr Albert CHAN pointed out that according to some lower rank civil servants with long years of service in the Government, they were under immense pressure of the increasing demand from their supervisors, in particular, on work skills which they had not been expected to possess during the past decades of their service in the Government. Some of them who had been in the service for 30 years were criticized by their supervisors for the first time that their writing and communication skills were not up to standard, and such criticisms were recorded in their appraisal report. Mr CHAN considered that the Administration should provide appropriate assistance to these lower rank officers.

26. SCS pointed out that in both private and public sectors, employees had to cope with increasing expectations in their performance and adapt to changes in work requirements from time to time. Supervisors had the responsibility to provide counseling and training to their subordinates, and to assist them in coping with the demand and improving their performance. The Government had provided, through the Civil Service Training and Development Institute (CSTDI), a broad range of training programmes for civil servants of different grades and ranks to better equip them with the necessary knowledge and skills to cope with the increase in public expectations. The resources allocated to CSTDI amounted to about \$140 million annually. SCS also pointed out that experienced officers who had been in the service for 20 to 30 years still had potential to acquire new work skills and improve their performance to cope with work requirements under the present day circumstances.

27. DSCS(3) added that the prevailing civil service human resource management culture was such that a lot of efforts were made to cultivate a positive and encouraging work environment so that staff would be trained, counseled and given opportunities to improve their performance. Section 12 action would only be taken when the officer concerned failed to improve his/her persistent sub-standard performance despite the counseling and assistance provided.

Responsibility of supervisors in performance management

28. Noting from paragraph 7 of the paper that there was a tendency on the part of departmental managers to give more than ample chances and time for sub-standard performers to improve and rehabilitate, Mr HUI Cheung-ching queried whether this was a mismanagement of the supervisors concerned and how this undesirable situation could be rectified. In reply, DSCS(3) said that CSB acknowledged that continuous efforts were required to tackle the undesirable practice of over-generous reporting. Improvement measures under consideration included the stepping up of central training on performance management for supervisors, such as the launching of a Performance Management Guide to provide appraising and countersigning officers with practical tips, practices and skills. Consideration would also be given to reflect, in an officer's appraisal report, his tendency of over-generous reporting.

29. Mr Michael MAK commented that from his experience in staff supervision, the performance of staff could be improved with proper and adequate counseling and training. He believed that no civil servants would purposely refuse to improve their performance and that sub-standard performance of civil servants might be caused by the lack of communication and management skills of their supervisors. In this connection, Mr MAK asked whether actions would be taken against supervisors with inadequate communication and management skills. He also suggested that the recruitment process should be reviewed to assess whether steps could be taken to identify good performers among the candidates during the recruitment exercise.

30. SCS said that the number of sub-standard performers in the civil service was small. While sharing Mr MAK's view that supervisors had the responsibility to counsel and train their subordinates who were not performing up to standard, SCS said that the sub-standard performers concerned should also make efforts for improvement. He reiterated that under the revised procedure, sub-standard performers were to be given appropriate counseling and assistance, and not less than six months to improve their performance. Hence, HoDs could not simply recommend Section 12 action without providing necessary assistance to the officers concerned.

Consequences of Section 12 action and channels for appeal

31. In reply to Mr LEUNG Fu-wah's enquiry on the details of the Section 12 action, DSCS(3) explained that under Section 12 of the Public Service (Administration) Order, an officer might be required to retire in the public interest on grounds of persistent sub-standard performance. DSCS(3) advised that the Section 12 action was not a form of punishment and therefore, the eligibility for pension at normal retirement age of the officers retiring under Section 12 would not be affected.

32. Mr LEUNG Fu-wah expressed concern about the channels for appeal under the revised procedure for handling sub-standard performers. He asked whether aggrieved civil servants could appeal against the Section 12 action through the Labour Tribunal and if not, whether the Administration would put in place this arrangement to make use of an existing channel for the aggrieved civil servants to lodge their appeals.

DSCS(3) responded that under the revised procedure, an independent panel would offer advice to HoDs on potential Section 12 cases in the interest of maintaining impartiality and consistency. The panel should consist of at least one directorate officer and one other officer who was familiar with the duties of the officer considered for Section 12 action. The officer concerned should be provided with adequate opportunity and means to make representations to defend himself. CSB was the central authority to process the Section 12 recommendation from HoDs and would seek the advice of the Public Service Commission (PSC) on its recommendations. Officers who were aggrieved by the Administration's decision might appeal to the Chief Executive. DSCS(3) believed that sufficient safeguards had been built into the procedure to ensure that the legitimate rights of individual officers were given adequate protection.

33. SCS supplemented that PSC was an independent statutory body with all of its members appointed by the Chief Executive. In addition, aggrieved civil servants could seek judicial review from the court. He pointed out that as the appointment and management of civil servants were not governed by the Employment Ordinance (Cap. 59), the question of recourse to the Labour Tribunal did not arise. SCS also pointed out that the current channels for appeal had generally been accepted by the civil service.

Processing time for Section 12 cases

34. Referring to the revised procedure set out in paragraph 23(e) above, Ms LI Fung-ying queried why CSB needed three months to follow through a normal case on receipt of a Section 12 recommendation from the HoD concerned, having regard to the fact that a number of steps had already been taken by the relevant parties as mentioned in paragraph 23(a) to (d) above. She urged CSB to shorten the time required. SCS responded that while he was willing to examine further the possibility of expediting the processing of Section 12 cases by CSB, it was important for the Administration to ensure a due process with suitable checks and balances for adequate protection of the legitimate rights of the officers concerned. Given the necessary steps to be taken by CSB to ensure a due process, the three months' target for the processing of Section 12 cases was in fact quite short. The steps included issuing of written notice to the officers concerned and allowing one to two weeks for them to raise objections; seeking legal advice from the Department of Justice on the objections from the officers concerned; and seeking the advice of PSC on the Administration's recommendations. SCS pointed out that there were comments from civil service unions that the processing time of three months was too short.

35. Pointing out that more than one year would be required to go through all the steps set out in paragraph 23(a) to (e) above, Mr Bernard CHAN considered the process too long and should be expedited. He also pointed out that such a long process was not acceptable in the private sector. He sought information on the total time required for completing the revised procedure for taking Section 12 action against a

persistent sub-standard performer. SCS advised that if an overall “unsatisfactory” performance rating was given to an officer for a consecutive 12-month period and provided that the officer concerned had been duly counseled and forewarned, and given no less than six months after forewarning to improve his performance, the HoD might refer the case to CSB for Section 12 action and CSB would follow through the case within three months. SCS also pointed out that while the time required for the Section 12 action under the revised procedure might be considered long when compared with practices in the private sector, this was a significant improvement from the previous procedure in the civil service. He assured members that CSB would make on-going efforts to strengthen performance management in the civil service. Nevertheless, CSB had to cater for the impact of any drastic changes on staff morale and to ensure due process.

36. Whilst appreciating the importance of maintaining stability of the civil service, Mr Bernard CHAN opined that as there was only a small number of sub-standard performers in the service, further streamlining of procedure for Section 12 actions should have no significant impact on civil service stability. SCS responded that the Administration recognized the need to strengthen management actions against persistent sub-standard performers and was willing to consider further improvement to the procedure. However, as the revised procedure had been in place for only one month, its effectiveness had yet to be tested. The Administration would, in due course, review the revised procedure and examine whether there was any room for further improvement and streamlining of the procedure.

37. In reply to Mr Michael MAK’s question, the Permanent Secretary for the Civil Service (PSCS) informed members that in the 14 months before end 2002, there were 69 cases in which the granting of annual increment had been withheld for unsatisfactory performance of the officers concerned during the appraisal period.

38. Responding to Mr CHEUNG Man-kwong’s enquiry, PSCS explained that as a majority of civil servants had reached the maximum pay points of their respective ranks, only about 50 000 to 60 000 officers were eligible for annual increment. Among these officers, 69 were not granted annual increment under the tightened rules on the award of increments promulgated in June 2000. PSCS advised that if these officers could improve their performance to a satisfactory standard during the following appraisal period, they would be awarded annual increment and Section 12 actions would not be invoked.

39. Mr CHEUNG Man-kwong expressed grave concern about the long process involved. He pointed out that an officer would not have his annual increment after first year of unsatisfactory performance and if his performance remained unsatisfactory in the second year. Under the Section 12 procedure, the same officer would be allowed no less than six months to improve his performance. In other words, there could be cases where it would take up to 30 months before a HoD would decide on whether Section 12 action should be recommended to CSB, from the date

the officer's performance attracted management attention. Mr CHEUNG strongly urged the Administration to review and expedite the whole process. Mr Tommy CHEUNG supported his view. SCS and PSCS assured members that the Administration was committed to keeping the performance management system in the civil service under regular review, and making further improvements to the tightened rules on granting of annual increment and the revised procedure for processing Section 12 cases.

(Post-meeting note : The CSB advised after the meeting that stoppage of annual increment was not a prerequisite for invoking Section 12 cases. In other words, if an officer's overall performance was unsatisfactory, action could be taken to stop his annual increment as well as to initiate Section 12 action to retire him compulsorily.)

V. Any other business

40. There being no other business, the meeting ended at 10:50 am.

Council Business Division 1
Legislative Council Secretariat
16 May 2003