

**立法會**  
***Legislative Council***

LC                      Paper                      No.  
CB(1)2466/03-04  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/PS/1

**Panel on Public Service**

**Minutes of meeting**  
**held on Monday, 21 June 2004 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 CHAN Kwok-keung, JP  
Hon Bernard CHAN, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP  
Hon SIN Chung-kai  
Hon Andrew WONG Wang-fat, JP  
Hon Howard YOUNG, SBS, JP  
Hon Michael MAK Kwok-fung  
Hon LEUNG Fu-wah, MH, JP

**Non-Panel Members attending** : Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP  
Hon CHAN Yuen-han, JP  
Dr Hon LO Wing-lok, JP

**Members absent** : Hon HUI Cheung-ching, JP  
Hon Albert CHAN Wai-yip

**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

**Agenda Item III**

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

**Agenda Item IV**

Miss Jennifer MAK, JP  
Deputy Secretary for the Civil Service (1)

Mr Stanley Y H YING  
Permanent Secretary for Security

Mr David W K HOOI  
Principal Management Services Officer (Security)

**Clerk in attendance :** Ms Rosalind MA  
Senior Council Secretary (1)8

**Staff in attendance :** Ms Connie SZETO  
Senior Council Secretary (1)4

Ms May LEUNG  
Legislative Assistant

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**I. Confirmation of minutes of meeting**

(LC Paper No. CB(1)2119/03-04 — Minutes of meeting on 17 May 2004

LC Paper No. CB(1)2118/03-04(01) — List of follow-up actions)

The minutes of the meeting held on 17 May 2004 were confirmed.

**II. Draft Report of the Panel on Public Service for submission to the Legislative Council in June 2004**

(LC Paper No. CB(1)2118/03-04(02))

2. The Chairman invited members' comments on the draft report of the Panel for submission to the Legislative Council on 30 June 2004.

3. Members endorsed the draft report. They also authorized the Clerk, in consultation with the Chairman, to incorporate into the report the Panel's major deliberations made at the meeting.

**III. Progress on the development of an improved pay adjustment mechanism for the civil service**

(LC Paper No. CB(1)2118/03-04(03) — Paper provided by the Administration)

Declaration of interests

4. The Chairman and Mr Howard YOUNG declared that they were members of the Task Force on Review of Civil Service Pay Policy and System.

Briefing by the Administration

5. At the invitation of the Chairman, the Deputy Secretary for the Civil Service (2) (DSCS2) briefed members on the progress on the development of an improved pay adjustment mechanism for the civil service. She said that in November 2003, the Civil Service Bureau (CSB) had issued a progress report setting out the relevant policy considerations as well as the work plan for taking forward the exercise. CSB had also commissioned a consultant to assist in drawing up a detailed and feasible methodology for the pay level survey (PLS). Since then, the Steering Committee on Civil Service Pay Adjustment Mechanism

(Steering Committee) and the Consultative Group on Civil Service Pay Adjustment Mechanism (Consultative Group) held a number of meetings/sessions to discuss various issues related to the exercise, including the methodology for making a pay level comparison between the civil service and the private sector and preliminary ideas on the application of the PLS results.

6. On the PLS methodology, DSCS2 pointed out that there were inherent differences in the nature of operation, job requirements as well as the structuring of remuneration practices between the civil service and the private sector. It would therefore be neither practically possible nor appropriate to seek a precise comparison between civil service pay and private sector pay in the PLS. Nor should the results of the PLS be relied on as the sole consideration in deciding any adjustment to civil service pay following the survey. The Administration would also take account of other relevant factors in making a decision on any adjustment to civil service pay. DSCS2 added that the PLS results were intended for service-wide applications based on the existing system of internal pay relativities although certain grades and ranks might not be included in the survey field. The Administration recognized that some civil service grades/ranks might have experienced notable changes in their job nature and requirements in recent years. The Administration intended to carry out grade structure reviews for the concerned grades/ranks, in particular those that continued to have a recruitment need, separately after the completion of the current exercise.

7. DSCS2 advised that taking account of the views of the Steering Committee and the Consultative Group, the consultant had put forward its initial recommendations on various aspects of the PLS methodology. DSCS2 highlighted some of the consultant's initial recommendations for members' reference, as follows:

(a) Job comparison method

- The broadly-defined job family method should be adopted to obtain private sector pay data. Under the proposed method, the pay of civil service benchmark jobs would be compared with private sector jobs that were broadly comparable in terms of job content and work nature as well as level of responsibility and requirements on qualification and experience.
- A survey of starting salaries based on the qualification benchmark method should be carried out as part of the PLS.

(b) Scope of the survey field

- The survey field should cover those civil service grades/ranks that were representative of the civil service and had reasonable

- job matches in the private sector.
  - Disciplined services jobs should not be included in the survey field in view of the absence of reasonable job matches in the private sector.
  - As the inclusion of both directorate and non-directorate positions in the survey field necessitated the adoption of a combination of survey methods, two possible approaches had been put forward for further consideration. Under the first approach, directorate positions would not be included in the survey field, and the survey results for the non-directorate benchmark jobs would be applied to the directorate based on the existing system of internal pay relativities. Under the second approach, there would be a pay comparison for the directorate positions, either as part of the PLS or as a separate exercise after the completion of the upcoming PLS.
- (c) Selection of private sector organizations  
Private sector organizations to be included in the survey field should meet the criteria set out in paragraph 15 of the paper provided by the Administration. In brief, the selected private sector organizations should be steady and good employers conducting salary administration on a rational and systematic basis, and should have sufficient number of jobs that were comparable to civil service benchmark jobs.
- (d) Data collection and analysis  
The upcoming PLS should focus on a comparison of pay, and fringe benefits should not be taken into account in the pay comparison. However, information on the provision of fringe benefits in the private sector could be collected during the survey process for reference in policy-making.
- (e) Implications on pay trend survey  
The Administration might consider making reference to pay trend analyses available in the market, instead of conducting customized pay trend surveys, for the purpose of facilitating a decision on any necessary fine-tuning of civil service pay in between two PLSs. If the pay trend survey was to continue in future, it should be streamlined and its survey methodology should be aligned with the PLS methodology.

8. DSCS2 advised that the consultant was formulating his refined recommendations for inclusion in the final consultancy report. The Administration would consult the Steering Committee and the Consultative Group before the consultancy report was finalized. It was expected that the consultant would submit its draft final report to the Administration around end of June 2004. The Administration would launch the planned extensive consultation after the Steering Committee and the Consultative Group had deliberated on the draft final report.

### Discussion

#### *Application of PLS results*

9. Mr LEE Cheuk-yan expressed grave concern about how the Administration would apply the PLS results to the civil service. He was disappointed that the paper provided by the Administration did not give any details of the proposals in this regard. Mr LEE said that if the PLS results indicated a disparity in pay levels between the public sector and the private sector, the Administration might have to carry out an overall review and adjustment of the civil service pay scales. Pointing out that there was limited room for downward adjustments to the pay levels of civil servants serving immediately before 1 July 1997 in the light of the provisions of the Basic Law, Mr LEE considered it unfair if the PLS results would only be applied to civil servants appointed after 1 July 1997. He opined that this might aggravate the disparity in pay and conditions of service within the civil service.

10. The Secretary for the Civil Service (SCS) explained that the primary objective of conducting PLS was to obtain private sector pay data to establish the extent to which civil service pay was broadly comparable to private sector pay, rather than to make adjustment to civil service pay per se. If the PLS results indicated a disparity between the pay levels of the public sector and the private sector, the Administration would have to consider the need to adjust the current civil service pay scales accordingly. SCS also pointed out that it was the Administration's policy that during its current term of office up to June 2007, the pay of civil servants serving immediately before 1 July 1997 would not be reduced below the levels as at 30 June 1997 in cash terms. He further advised that the Administration had put forward, in an information document to the Consultative Group, preliminary ideas on the application of the PLS results. He undertook to brief the Panel on the application issues around October 2004 when a more concrete proposal had been worked out. At the request of the Chairman and Mr LEE, SCS undertook to provide information on the proposals presented to

the Consultative Group on the development of an improved pay adjustment mechanism, in particular, issues relating to the application of PLS results, and views exchanged between the Administration and the Consultative Group at the meetings/sessions held to discuss the various issues relating to the exercise.

*(Post-meeting note: The information provided by the Administration was circulated to members vide LC Paper No. CB(1)2346/03-04(01) on 15 July 2004.)*

11. Mr LEE Cheuk-yan said that the concerns and views of staff on the application of the PLS results should be given due consideration. He also urged the Administration to take forward the application issue without delay. In reply, SCS said that the Administration was fully aware of staff concerns about the application of the PLS results. This complicated issue would be tackled with a two-step approach, first consulting the Consultative Group on the preliminary ideas and then putting forward general ideas in the consultation paper to be issued to all civil servants for extensive consultation.

*Staff consultation*

12. Stressing the importance of extensive staff consultation for the current exercise, Miss CHAN Yuen-han was concerned whether all civil service staff unions were represented in the Steering Committee and the Consultative Group.

13. DSCS2 pointed out that the Consultative Group comprised staff representatives from the staff sides of the four central consultative councils and the four major service-wide staff unions. The four major service-wide staff unions were, namely, the Hong Kong Civil Servants General Union, the Government Employees Association, the Government Disciplined Services General Union and the Hong Kong Federation of Civil Service Unions. The Administration had been taking forward the exercise in consultation with staff representatives through meetings with the Consultative Group. In the past year, ten meetings were held between the Administration and the Consultative Group. While there was no staff representative in the Steering Committee, three meetings/sessions had been held between the Steering Committee and the Consultative Group for exchange of views on issues relating to the exercise.

14. SCS appreciated Miss CHAN Yuen-han's concern and stressed that the Administration attached great importance to staff consultation in taking forward the exercise. The present composition of the Consultative Group represented a great majority of civil service staff unions. Moreover, in order to keep civil servants informed of the progress of the exercise, all papers provided to the

Consultative Group and minutes of its meetings were made available to departmental management and could be accessed by any interested staff unions through the respective Departmental Consultative Committees (DCCs). Staff unions were welcomed to submit their views through DCCs. SCS stressed that the Administration would present the proposals on the PLS methodology and general ideas on the application of the PLS results for extensive consultation after the Steering Committee and the Consultative Group had deliberated on the consultant's draft final report. All civil servants would be covered by the extensive consultation. The Administration would take into account the views collected during the consultation in finalizing the arrangements for PLS.

15. Pointing out that the proposals relating to PLS would be significant issues of staff concern, Ms LI Fung-ying sought information on the Administration's plan for the extensive consultation, including the means and timetable for the consultation. Mr Andrew WONG also expressed concern about the timing for the publication of the consultant's final report. DSCS2 said that it was expected that the consultant would submit its draft final report around end of June 2004. Depending on the progress of the deliberations in the Steering Committee and the Consultative Group, the consultation document together with the consultant's final report might be published in the third quarter of 2004. While admitting that the schedule for the extensive consultation was a bit behind schedule, SCS pointed out that given the complexity of the issues involved, the Administration considered it necessary to allow sufficient time for the Steering Committee and the Consultative Group to deliberate on the consultant's draft final report. As regards the consultation period, SCS advised that it would be about six weeks to two months, subject to the views of the staff sides.

16. Mr Andrew WONG was concerned that according to the timetable put forward by the Administration, it seemed that the consultant's draft final report would be released to the Steering Committee and the Consultative Group after end of June 2004 for their deliberations and that the consultant's final report would be issued to all civil servants in October 2004 the earliest. He considered such an arrangement undesirable, as it would enable some civil servants to have early access to the consultant's recommendations. He suggested that the Administration should explore other alternative arrangement for handling this sensitive issue when the Legislative Council election was approaching. The Chairman invited the Administration to consider Mr WONG's views.

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17. There being no further questions from members, the Chairman concluded that the majority of members were concerned about the application of the PLS results and stressed the importance of extensive staff consultation in the development of an improved pay adjustment mechanism for the civil service.



**IV. Study on the civilianization potential in disciplined services departments**

(LC Paper No. CB(1)2118/03-04(04) — Paper provided by the Administration

LC Paper No. CB(1)2118/03-04(05) — Submission from the Government Employees Association

LC Paper No. CB(1)2118/03-04(06) — Submission from the Disciplined Services Consultative Council (Staff Side)

LC Paper No. CB(1)2142/03-04(01) — Submission from the Government Disciplined Services General Union

LC Paper No. CB(1)2142/03-04(02) — Submission from the Police Force Council (Staff Side))

18. The Deputy Chairman took over the chair at this juncture, as the Chairman had to leave the meeting for other important commitments.

Briefing by the Administration

19. At the invitation of the Deputy Chairman, the Permanent Secretary for the Civil Service (PSCS) briefed members on the background, objective and process of the study on the civilianization potential in disciplined services departments. She pointed out that the study was initiated by the high level panel co-chaired by the Chief Secretary for Administration and the Financial Secretary, with SCS as a member, for considering applications for exemption from the general civil service recruitment freeze introduced with effect from 1 April 2003. In granting approval to the four disciplined services departments (i.e. Hong Kong Police Force (HKPF), Correctional Services Department (CSD), Fire Services Department (FSD) and Immigration Department (Imm D)) to proceed with open recruitment, the high level panel asked the Secretary for Security (S for S) to further explore opportunities for civilianization in order to facilitate a more efficient deployment of disciplined services staff and to minimize the need for further external recruitment. The S for S commissioned the Efficiency Unit (EU) to assist the five disciplined services departments, namely, HKPF, CSD, FSD, Imm D and the

Customs and Excise Department (C&E D) to conduct studies on the potential for civilianization in these departments.

20. PSCS advised that the objective of the studies was to identify areas of work which could be taken up by civilian staff to release the specially trained disciplined services staff for core frontline duties for which their expertise could be put to best use. The exercise was not intended or expected to create any redundancy of disciplined services staff. A Project Steering Committee (PSC) was set up in each of the five disciplined services departments to guide and direct the study team on the conduct of the study. The civilianization studies were conducted in two phases. Phase 1 which had been completed was a high level scanning of the job descriptions and actual duties of all disciplined posts to identify possible civilianization opportunities. Over 1 700 posts in the five disciplined services departments were identified as having civilianization potential that merited further consideration under Phase 2. The departments were now conducting the Phase 2 studies which aimed at assessing the feasibility of civilianization of each of the identified posts.

21. PSCS pointed out that the views of staff were collected in the course of the studies through representation at PSC meetings and/or other channels such as DCCs and special meetings arranged for the staff. Staff would also have an opportunity to comment on EU's proposals on civilianization following the Phase 2 studies before the departments finalized their recommendations to S for S, who would make a formal submission to the high level panel.

## Discussion

### *Objective of the study*

22. Referring to the concerns of disciplined services staff set out in the submissions received by the Panel, Mr LEUNG Fu-wah requested the Administration to clarify whether the objective of the civilianization studies was for enhancing efficiency, or for reducing staff cost, or for absorbing the surplus civilian staff identified in the recent staff saving exercises, such as staff of the clerical and secretarial grades.

23. PSCS pointed out that as set out clearly in paragraph 5 of the paper, the objective of the civilianization studies was to identify areas of work which could be taken up by civilian staff to release the specially trained disciplined services staff for core frontline duties for which their expertise could be put to best use. She explained that given the recent increase in manpower requirements in the disciplined services, such as the requirement for staff of Imm D to cope with the

increase in workload caused by the growth in passenger traffic at the boundary control points, civilianization of posts in the disciplined services departments would minimize the need for further external recruitment. She stressed that the civilianization studies were not conducted for the purpose of absorbing surplus civilian staff identified in staff saving exercises. The opportunities for absorbing some surplus civilian staff would only be an added bonus but not the purpose of the studies.

24. SCS added that while the civilianization studies were undertaken by the five disciplined services departments under the purview of the Security Bureau, the Civil Service Bureau was also concerned about the views and anxiety of staff in relation to the studies. SCS said that he had taken the opportunity to explain the purpose of the studies to staff representatives during his regular meetings with the Disciplined Services Consultative Council (DSCC) (Staff Side) and Police Force Council (Staff Side). He had assured them that the studies were not premised on the need to absorb surplus civilian staff and that there was no pre-determined number of posts to be civilianized.

*Civilianization potential in disciplined services departments*

25. Noting that some immigration control duties, such as the issuance of passports, were undertaken by civilian staff in the United Kingdom, Mr Howard YOUNG asked whether the Administration had made reference to the practices in overseas jurisdictions in the course of the current studies. In his view, the disciplined services posts involved in documentation work had the potential for civilianization. He expressed support for the Administration's effort in the civilianization of disciplined services posts towards this direction.

26. The Permanent Secretary for Security (PSS) advised that in conducting the current civilianization studies, EU had made reference to overseas practices and the relevant details would be available at a later stage. However, it should be noted that the practices adopted by the disciplined services in overseas jurisdictions might not be applicable to Hong Kong due to the differences in circumstances and requirements, such as the differences in immigration control requirements. In response to Mr Howard YOUNG's further enquiry, PSS advised that some of the duties in Imm D, such as those relating to the issuance of travel documents and smart identity cards, were currently undertaken by disciplined services staff with the support of civilian staff. He pointed out that disciplined services departments had made on-going efforts for civilianization as a measure to enhance efficiency and cost-effectiveness. The current studies were built upon these on-going efforts to further explore opportunities for civilianization to facilitate a more efficient deployment of disciplined services

staff.

27. In response to Mr LEUNG Fu-wah's enquiry, PSS explained that the 1 700 posts identified under Phase 1 of the studies as having civilianization potential represented a total number of posts identified in the five disciplined services departments and were not covered by the existing civilian posts in the departments. PSS advised that the feasibility of civilianization of the 1 700 posts would be further assessed under Phase 2 of the studies. Responding to Mr LEUNG's further enquiry, PSS explained that given the differences in responsibilities and work areas of the five disciplined services departments, the existing percentages of civilian posts in their establishments were not the same and such differences in percentages would still exist after implementation of the proposals under the current studies.

*Staff consultation*

28. Referring to the four submissions from the staff sides to the Panel, Mr CHEUNG Man-kwong noted that the staff sides were dissatisfied about the lack of transparency of the civilianization studies. He doubted whether the Administration had conducted adequate staff consultation throughout the process of the studies. In this connection, he sought information on how staff consultation had been conducted on the studies.

29. In reply, PSS pointed out that the Administration attached great importance to staff consultation and one of the principles agreed before starting the civilianization studies was to allow adequate opportunities for staff to express their views. The Administration had, at the initial stage of the studies, provided staff with an overview of the studies to be conducted. Apart from collecting views from the staff concerned through the regular consultative machinery in the five departments, i.e. DCCs, the Administration had also kept the staff informed of the progress of the studies and consulted them on the recommendations through representation at PSC meetings and/or special meetings arranged for the staff. Moreover, at the request of DSCC (Staff Side) and some staff associations (including the Government Employees Association), S for S had met with their representatives in May 2004 to listen to their views and concerns about the studies. PSS also reiterated that before the departments' PSCs finalized their recommendations to S for S, staff would have the opportunity to give their views to the committees on the EU's proposals on civilianization.

30. Mr CHEUNG Man-kwong pointed out that the stability of the disciplined services was important to the governance and stability of Hong Kong. While having no objection to the conduct of the civilianization studies, Mr CHEUNG

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considered that such studies had to be taken forward in a prudent manner with extensive staff consultation. He urged the Administration to ensure that all staff in the disciplined services were informed of the proposals and all staff associations concerned had the opportunities to be heard. He considered that the Administration should work out a comprehensive plan for conducting the consultation exercise and addressing the views of the staff concerned. The Administration should also present the outcome of the consultation to the Panel in due course.

31. SCS and PSS stressed that the Administration attached great importance to staff consultation. PSS assured members that this had been one of the guiding principles observed by the Administration in taking forward the civilianization studies. The five disciplined services departments had collected views from the staff concerned and kept them informed of the progress since the commencement of the studies. SCS pointed out that the PSCs would finalize the recommendations and propose a civilianization plan after staff consultation. S for S would then make a formal submission to the high level panel for a final decision on the civilianization plan. The Administration would ensure that the final civilianization plan would be acceptable to the staff concerned and that their views and worries would be taken into full consideration in finalizing the plan.

*Impact of civilianization on staff of the disciplined services grades*

32. Mr LEE Cheuk-yan opined that the civilianization of posts in disciplined services departments would result in reduction in the overall establishment of the disciplined services grades, as some posts would be taken up by civilian staff. He was concerned about the impact of the reduction in establishment on the promotion prospects of the disciplined services staff. In this connection, he sought information on the number of disciplined services posts in each of the five departments which were considered as having the potential for civilianization.

33. PSS pointed out that the percentage of disciplined services staff in the total establishment of the five departments ranged from 74% to 93%. The 1 700 posts identified in Phase 1 of the studies for further assessment of the feasibility of civilianization only constituted about 3% of the total establishment of disciplined services staff in the five departments. While the findings of Phase 2 of the studies were not yet available, the number of posts to be recommended for civilianization would be less than 1 700. Given the anticipated increase in manpower requirements in the disciplined services, civilianization would facilitate the deployment of disciplined services staff to cope with the increase demand for core frontline duties and minimize the need for external recruitment. As the information on the number of posts to be civilianized and the increase in

manpower requirements for disciplined services staff were not known at this point, the impact of these variables on the promotion prospects of the disciplined services staff could not be assessed at the present stage.

34. PSCS said that as a general principle, departmental management and grade management would monitor the overall grade structures under their purview for maintenance of balanced and healthy grade structures. She advised that 2% to 3% variations in the overall establishment of the disciplined services grades would have minimal impact on the grade structures and hence the promotion prospects for individual ranks in the grades.

35. SCS pointed out that the Administration's policy was to achieve the target of reducing the size of the civil service to 160 000 by 2006-07. In identifying staff savings, the Administration would give consideration to the operational needs of departments and there was no quota for reduction set for individual departments. He further pointed out that civilianization was not a new exercise but was one that had been pursued by disciplined services departments on an on-going basis to enhance efficiency and cost-effectiveness. SCS urged members to consider the civilianization studies from a positive perspective, and assured members that the Administration would take full consideration of the views and concerns of staff in finalizing the civilianization plan.

36. Mr LEE Cheuk-yan said that he had assessed the civilianization studies from an objective point of view, but maintained his concern that civilianization would result in reduction in the overall establishment of disciplined services grades. He requested the Administration to give due consideration to the views expressed by the staff concerned and the need to avoid any adverse impact on staff morale. The Deputy Chairman shared Mr LEE's view. She opined that in assessing the feasibility of civilianization under Phase 2 of the studies, the Administration should pay attention to the need to provide room for accommodating health impaired officers and pregnant officers, and to provide flexibility for staff deployment wherever necessary.

## **V. Any other business**

### Concluding remarks

37. As this was the last regular Panel meeting for the 2003-04 session, the Deputy Chairman took the opportunity to thank members for their contribution in the session. She also thanked the Civil Service Bureau and the Legislative Council Secretariat for their support to the work of the Panel.

38. There being no other business, the meeting ended at 12:20 pm.

Council Business Division 1  
Legislative Council Secretariat  
5 August 2004