

**Legislative Council Motion Debate on
‘Monitoring the post-retirement employment of the Chief Executive,
principal officials under the accountability system and civil servants at
director level with private-sector organizations’ on 2 February 2005**

Progress Report

Purpose

This paper sets out the major developments since the captioned motion debate held at the Legislative Council (LegCo) sitting on 2 February 2005.

Recent Developments

Review of Policy on Post-service Employment of Former Directorate Civil Servants

2. The Civil Service Bureau (CSB) has completed a review of the policy governing post-service employment of former directorate civil servants (the review) in March 2005 with a view to better guarding against conflict of interest and negative public perception. When drawing up the preliminary proposals, CSB took account of all views, comments and suggestions received, including those expressed by civil servants through various channels, raised by Members during the motion debate and at past meetings of the LegCo Panel on Public Service (LegCo Panel), as well as those reported in the media.

3. CSB is consulting the staff sides and departmental management on the findings and preliminary proposals from the review. The staff consultation period will end on 30 April 2005. The Secretary for the Civil Service (SCS) has briefed the LegCo Panel on the review findings and preliminary proposals on 21 March 2005.

4. The Administration will carefully consider all views and suggestions received from the staff sides, departmental management and the LegCo Panel, before reaching a final decision on the proposed changes. Subject to the progress of the consultation underway and further deliberations, the tentative plan is to commence operation of the revised system in the latter half of the year.

Post-retirement Employment of Ms Elaine Chung Lai-kok, Former Deputy Secretary for Housing / Deputy Director of Housing

5. CSB has thoroughly looked into the various issues relating to the post-retirement employment of Ms Elaine Chung, former Deputy Secretary for Housing / Deputy Director of Housing, with a commercial entity. We submitted a report to the LegCo Panel on 11 March 2005 presenting a comprehensive account of our findings and views on these issues.

6. Based on evidence unveiled and established through enquiries and examination of relevant facts, as well as taking account of all relevant materials and information available to us, we have concluded that Ms Chung's employment with the commercial entity concerned does not give rise to conflict of interest, and she has been working largely within the scope of work approved by SCS in March 2004. However, her making public appearances, comments and presentations on the cultural aspects of a bid for the West Kowloon Cultural District (WKCD) development project in October and November 2004 amounted to participation in the promotion of the relevant proposal to the public and fell outside the scope of approved work, and hence was inappropriate and unacceptable. We also consider that Ms Chung did not exercise sound judgement to distance herself from any promotional activities connected with any bid for the WKCD development project, to the detriment of the image and public confidence in the integrity of the civil service. For this, we have openly expressed our strong criticism against Ms Chung's misbehaviour and issued a warning against her. We had obtained legal advice and consulted the Advisory Committee on Post-retirement Employment, which is an independent body appointed by the Chief Executive and is presently

chaired by a High Court Judge with three non-official members, before deciding on our assessments on the various issues and the form of sanction.

7. At the LegCo Panel meeting on 21 March 2005, Members expressed further views on the matter and passed a motion requesting the Administration to conduct an independent investigation into the matter. The Administration has issued a response to the motion on 12 April 2005 to the LegCo Panel. We have emphasized that the investigation findings and the form of sanction were decided on the basis of facts and objective evidence, following a due process as well as consultation with the Government's legal adviser and the Advisory Committee on Post-retirement Employment. We have further answered Members' questions on individual issues in the case. Our conclusion is that in the absence of new evidence or information, we do not see a valid case for conducting another investigation. We however would be prepared to re-examine any particular issue in this case in the light of new information or evidence.

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Civil Service Bureau
April 2005