

**立法會**  
**Legislative Council**

LC Paper No. CB(1)565/07-08  
(These minutes have been  
seen  
by the Administration)

Ref : CB1/PL/PS/1

**Panel on Public Service**

**Minutes of meeting held on  
Monday, 17 December 2007, at 10:45 am  
in the Chamber of the Legislative Council Building**

- Members present** : Hon Howard YOUNG, SBS, JP (Chairman)  
Hon LI Fung-ying, BBS, JP (Deputy Chairman)  
Hon Margaret NG  
Hon James TO Kun-sun  
Hon TAM Yiu-chung, GBS, JP  
Hon WONG Kwok-hing, MH  
Hon KWONG Chi-kin
- Members absent** : Hon LEE Cheuk-yan  
Hon CHEUNG Man-kwong  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
- Public officers attending** : Miss Denise YUE, GBS, JP  
Secretary for the Civil Service
- Mr Andrew H Y WONG, JP  
Permanent Secretary for the Civil Service
- Mr Patrick CHAN Nim-tak, JP  
Director of General Grades  
Civil Service Bureau
- Clerk in attendance** : Mr Andy LAU  
Chief Council Secretary (1)2

**Staff in attendance** : Mr Noel SUNG  
Senior Council Secretary (1)4

Miss Winnie CHENG  
Legislative Assistant (1)5

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**I Confirmation of minutes of meeting**

(LC Paper No. CB(1)375/07-08 -- Minutes of meeting on 19  
November 2007)

The minutes of the meeting held on 19 November 2007 were confirmed.

**II Information paper issued since last meeting**

2. The meeting noted that no information paper had been issued since last meeting.

**III Items for discussion at the next meeting scheduled for 21 January 2008**

(LC Paper No. CB(1)377/07-08(01) -- List of outstanding items for  
discussion; and  
LC Paper No. CB(1)377/07-08(02) -- List of follow-up actions)

3. Members agreed that the following items proposed by the Administration should be discussed at the next meeting scheduled for 21 January 2008 –

(a) Update on grade structure reviews; and

(b) Civil Service Outstanding Service Award Scheme 2007.

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**IV Employment of non-civil service contract staff**

(LC Paper No. CB(1)377/07-08(03) -- Information paper provided by the Administration

LC Paper No. CB(1)378/07-08 -- Paper on the employment of non-civil service contract staff prepared by the Legislative Council Secretariat (Background brief))

Briefing by the Administration

4. The Secretary for the Civil Service (SCS) briefed members, by highlighting the salient points in the paper, on the employment situation of non-civil service contract (NCSC) staff in the Government, including the pay adjustments for NCSC staff since 1999 in the eight bureaux/departments (B/Ds) which were the main users of NCSC staff.

Discussion

5. With reference to Annex (2) of the paper, Mr WONG Kwok-hing asked why the rate of pay adjustment for NCSC staff in Hongkong Post in 2007, i.e. +3.29% to +3.3%, was lower than that of the other seven B/Ds although the eight B/Ds had a similar rate of pay adjustment for NCSC staff in the past years. Mr WONG further queried why only 72% of NCSC staff in Hongkong Post were offered a pay increase whereas a higher percentage of NCSC staff in the other seven B/Ds had been given a pay rise. Mr WONG commented that it would appear that Hongkong Post was very mean to its NCSC staff.

6. SCS responded that in early 2007, Hongkong Post had appointed a consultant to conduct a pay survey to compare the pay of NCSC staff in the department with those workers performing similar duties in the private sector. Based on the findings of the consultancy study, Hongkong Post had adjusted the pay for NCSC staff in the department. SCS explained that 28% of NCSC staff in Hongkong Post were not given a pay rise in 2007 because these staff were employed in or before March 2003 at a pay level higher than the current market rate. She pointed out that the job nature of the NCSC staff in Hongkong Post was different from that performed by NCSC staff in other B/Ds, and hence the pay adjustment rate was also different when compared with other B/Ds. SCS stressed that Hongkong Post had set the pay level for its NCSC staff based on market rates, and was not harsh to the staff.

7. Referring to Annex (1) of the paper, Mr KWONG Chi-kin pointed out that between 1999 and 2005, the rates of pay adjustments for NCSC staff and civil servants in the Leisure and Cultural Services Department (LCSD) were more or less the same, whereas in 2006 and 2007, the rates of pay adjustments for the two groups of staff were different. Mr KWONG opined that for the sake of fairness and as a matter of policy, the rate of pay adjustment for NCSC staff should follow that of civil servants.

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8. SCS responded that civil service and NCSC appointments were two distinct types of employment and their respective purposes and circumstances of employment were different. NCSC staff were not part of the permanent civil service and hence the pay adjustment mechanism for NCSC staff was different from that of civil servants. It would not be appropriate to mechanically apply the annual pay adjustment arrangements for the civil service to NCSC staff. SCS pointed out that individuals who joined the civil service aimed to pursue a career in the civil service and the terms and conditions of employment of the civil service were designed with this aim in mind. As the pay of NCSC staff was managed differently from that of the civil service, Heads of bureaux/departments/offices (hereafter referred to as HoDs) were authorized to adjust the pay of serving NCSC staff from time to time having regard to the condition of the employment market, the work the staff would be required to do, the recruitment and retention position, etc.

9. The Deputy Chairman pointed out that the pay levels for employees in the private sector had become polarized, and if the salaries of NCSC staff were adjusted based on market rate, the pay for NCSC staff who were mainly in the middle and lower ranks would become unreasonably low. The salary levels for NCSC staff had in fact dropped over the years. She opined that the Government, being the largest employer in Hong Kong, should adopt a more compassionate approach in considering pay adjustments for NCSC staff. Adequate financial resources should also be provided to HoDs to enable them to effect pay increase for NCSC staff.

10. SCS responded that as public money was involved, it was necessary for the Government to employ NCSC staff in accordance with the market rate so as to ensure that the best value was achieved for the public money spent. To ensure the pay for NCSC staff was set at a reasonable level, HoDs were required to set the salary for non-skilled NCSC workers at a level not lower than the average monthly wages for the relevant industry/occupation in the market, based on the statistics provided by the Census and Statistics Department. Overall speaking, in determining the employment package for NCSC staff, HoDs had to comply with two guiding principles, namely: that the terms and conditions of services for NCSC staff should be no less favourable than those provided for under the Employment Ordinance (EO) (Cap. 57); and that the terms should be no more favourable than those applicable to civil servants in comparable civil service ranks or ranks of comparable levels of responsibilities.

11. The Deputy Chairman was concerned that in the absence of a legislation on minimum wages for employees, and in view of the relatively low salaries for non-skilled workers in the private sector, the pay for NCSC staff, in particular for those in the lower ranks, might be set at an unreasonably low level if the average monthly wages in the market were used as a reference. Citing workers employed for cleansing duties as an example, the Deputy Chairman pointed out that their pay had only been increased by 90 cents per hour in 2007, and that individual staff earned a salary of little more than \$5 000 a month despite having to work for 10 hours a day. She reiterated that the Administration should adopt a more compassionate approach in considering the pay adjustments for NCSC staff.

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12. SCS responded that based on information available, the salaries of workmen employed on NCSC terms were not as low as \$5 000. Quoting the Food and Environmental Hygiene Department (FEHD) and LCSD as an example, SCS pointed out that the salaries of workmen employed on NCSC terms ranged from \$7 000 to \$9 000 a month.

13. Citing LCSD as an example, Mr KWONG Chi-kin was concerned that the majority of NCSC staff in the department received only a pay increase of 4% which was lower than rate of pay increase for civil servants, despite the economic upturn in Hong Kong. Mr KWONG remarked that whilst appreciating that HoDs should be given the flexibility in adjusting the salaries of NCSC staff, the past practice (i.e. before 2005) that the rate of pay adjustment for NCSC staff followed that of the civil service should continue. He said that the Administration should regularly review the policy for employment of NCSC staff, including the pay adjustment arrangements.

14. SCS responded that the Administration had regularly reviewed the policy on employment of NCSC staff and the last special review was conducted in March 2006 resulting in the planned conversion of about 4 000 NCSC positions into civil service posts. The regular reviews would take into account the feedback from HoDs on the NCSC staff scheme with a view to fine-tuning the arrangements as appropriate. SCS reiterated that the pay adjustment mechanisms for the civil service and NCSC staff were different. In 2007, the pay increase for some NCSC staff had exceeded that of the civil service, e.g. some NCSC staff in FEHD, Department of Health (DH) and LCSD were given a pay rise of 9%, 11% and 30% respectively, reflecting the need of flexibility for HoDs to adjust the pay of NCSC staff according to the market situation.

*Communication channel for NCSC staff*

15. Mr KWONG Chi-kin was concerned that unlike civil servants, NCSC staff were not represented at the Central Staff Consultative Councils and hence did not enjoy the right of "collective negotiation" regarding their terms and conditions of employment, including pay adjustments. Mr KWONG said that since NCSC staff were not represented at the Central Staff Consultative Councils and the civil service pay levels were adjusted according to market trend, it would be reasonable to adjust the NCSC staff pay level in line with the rate of adjustment for civil servants. Mr KWONG was worried that if the pay level for NCSC staff could not keep abreast of the market trend, there would be a retention problem for NCSC staff, or such staff would take industrial actions arising from their dissatisfaction with their pay.

16. SCS reiterated that civil service and NCSC appointments were two distinct types of employment and it would not be appropriate to apply a single component of the civil service pay mechanism to NCSC staff. SCS pointed out that in the past, the staff side of the Senior Civil Service Council had raised issues concerning the NCSC staff, as the staff associations represented on the Council had included NCSC staff on their membership. Thus the views of NCSC staff were reflected to the Administration

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through the Council. She further noted that in some departmental staff consultative committees, there were members representing the NCSC staff. Hence direct and indirect channels were in place for communication between the Administration and NCSC staff. In setting the pay level for NCSC staff, HoDs would have to take into account the market situation, and the situation regarding the recruitment and retention of NCSC staff.

17. Mr WONG Kwok-hing shared Mr KWONG's view that there should be a formal platform for NCSC staff to express their views to the management, as NCSC staff dared not voice their grievances for fear that their contracts might be terminated or not renewed.

18. Mr KWONG Chi-kin commented that the Government should enhance the formal channels for NCSC staff to express their views on pay adjustment. He opined that although there were members in the Senior Civil Service Council representing the NCSC staff, there should be representatives of NCSC staff, including those in the middle and lower ranks, in other official staff consultative committees. He suggested that when Central Staff Consultative Councils were consulted on civil service pay adjustments, the issue of pay adjustment for NCSC staff should automatically be included in the agenda as well.

19. SCS responded that NCSC staff had the right of forming their own staff associations and in some departments, such associations had been formed and the concerned departmental management had maintained a regular dialogue with them. As regards the agenda items for the Central Staff Consultative Councils, SCS pointed out that the discussion items were mainly proposed by the staff sides which were invariably accepted by the Administration.

20. Mr KWONG Chi-kin opined that the Administration should take the initiative to include an item on the pay adjustment arrangements for NCSC staff on the agenda of the meeting with the Central Staff Consultative Councils when the councils were consulted on the annual civil service pay adjustment proposals.

21. SCS responded that as the staff sides were free to raise discussion items for the consultative councils, it would not be necessary for the Administration to initiate the inclusion of a discussion item on NCSC staff pay in the relevant meeting agenda.

22. Mr WONG Kwok-hing remarked that the most obnoxious duties were usually performed by NCSC staff, e.g. workers in FEHD handling corpses were NCSC staff. However, these staff earned a salary much lower than their civil service counterparts, and they did not receive any obnoxious duty allowance. The NCSC staff dared not raise their grievances with the HoDs as they feared that once they expressed dissatisfaction with their employment terms, their contracts might be terminated or would not be renewed. Mr WONG opined that it was important that an official platform should be provided to enable NCSC staff to collectively negotiate with the Administration regarding their employment terms and conditions. Mr WONG was of the view that it

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would be a dereliction of duty on the part of the Administration if such a platform was not provided to the NCSC staff. Mr WONG said that as NCSC staff constituted about 10% of the overall strength of the civil service, the lack of a redress channel for handling grievances of NCSC staff could adversely affect staff morale and might lead to conflicts and industrial actions.

23. SCS responded that a regular dialogue had been maintained between the management and NCSC staff in the B/Ds, including FEHD, through which NCSC staff, including those handling corpses, could reflect their views on their employment situation to the management.

*Effective date of pay adjustments for NCSC staff*

24. Mr WONG Kwok-hing asked whether a pay adjustment for NCSC staff would take retrospective effect if the pay adjustment was announced after the civil service pay had been adjusted. Mr WONG opined that if the HoDs approved a pay adjustment for NCSC staff several months after the civil service pay had been adjusted, it would be unfair to the NCSC staff and would adversely affect staff morale.

25. SCS responded that any pay adjustment for NCSC staff would take effect from a forward date and would not take retrospective effect. She pointed out that the civil service pay increase usually took retrospective effect mainly because the pay adjustment mechanism for the civil service was less flexible than that for NCSC staff, as any civil service pay adjustment had to be approved by the Executive Council and the Legislative Council's Finance Committee. Civil service pay increase would normally take retrospective effect from 1 April of the concerned year, i.e. the commencement date of the concerned financial year; and pay decrease would take effect from a stipulated forward date. SCS reiterated that the pay adjustment mechanisms for the civil service and NCSC staff were different, and NCSC staff were appointed on fixed term contracts. Different departments had different pay adjustment cycles for NCSC staff, e.g. the pay for NCSC staff in some departments were adjusted in January, whilst others in other months of the year. Therefore it was not necessary or justified to fix the date for NCSC staff pay adjustment on 1 April. In response to Mr WONG's request, SCS undertook to provide information to the Panel regarding the pay adjustment cycles for NCSC staff in the eight B/Ds concerned.

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*Financial provision for NCSC staff pay adjustments*

26. The Deputy Chairman was concerned that HoDs might have difficulties in granting pay increase for NCSC staff as they were not given the additional financial provisions to do so.

27. SCS responded that so far Civil Service Bureau (CSB) had not received any feedback from HoDs concerning insufficient financial provisions for effecting justified pay increase for NCSC staff. Quoting the eight B/Ds mentioned in the paper as examples, SCS pointed out that, excluding the two departments (i.e. Hongkong Post and

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the Electrical and Mechanical Services Department) which operated on a Trading Fund basis, the remaining six B/Ds had recorded under-expenditure in 2006-2007, demonstrating that they should have no financial difficulty to increase the pay of their NCSC staff if there was a need to do so. Details were as follows:

<b>Bureau/Department</b>	<b>Expenditure on employment of NCSC staff in 2006</b>	<b>Under-expenditure in 2006-2007</b>
Buildings Department	\$180 million	\$16 million
DH	\$180 million	\$26 million
FEHD	\$160 million	\$110 million
LCSD	\$460 million	\$29 million
Social Welfare Department	\$120 million	\$160 million
Education Bureau	\$240 million	\$1800 million

Motion moved by Mr WONG Kwok-hing

28. Mr WONG Kwok-hing put forward the following motion, which was seconded by the Deputy Chairman, for the Panel's consideration. The Chairman read out the motion at the meeting:

"(本事務委員會)促請政府考慮設立一個綜合各部門的平台，加強與非公務員合約僱員的溝通，改善勞資雙方和管職雙方的關係，提升非公務員合約僱員的士氣。"

**(Translation)**

"(This Panel) urges the Government to consider setting up an inter-departmental platform to enhance the communication with non-civil service contract (NCSC) staff, so as to improve employee-employer and staff-management relations and boost the morale of NCSC staff."

29. The Chairman considered that the proposed motion was directly related to the agenda item under discussion and that it was appropriate for the Panel to deal with it. All members present agreed that the proposed motion should be processed. The Chairman put the motion to vote. All members present voted for the motion. The Chairman declared the motion passed.

*(Post-meeting note: The Administration was requested on 18 December 2007 to provide the Panel with a written response to the motion by 14 January 2008. A copy of the motion was circulated to members vide LC Paper No. CB(1)469/07-08 on 18 December 2007.)*



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**V Update on resumption of open recruitment for selected grades included in the Second Voluntary Retirement Scheme**

- (LC Paper No. CB(1)377/07-08(04) -- Administration's paper on resumption of open recruitment for grades included in the Second Voluntary Retirement Scheme; and
- LC Paper No. CB(1)397/07-08 -- Paper on resumption of open recruitment for selected grades included in the Second Voluntary Retirement Scheme prepared by the Legislative Council Secretariat (Background brief)

Briefing by the Administration

30. SCS apprised the meeting on the arrangements in relation to the resumption of open recruitment for grades included in the Second Voluntary Retirement Scheme (VR II Scheme), by highlighting the salient points in the paper.

Discussion

31. The Deputy Chairman enquired about the number of vacant posts in the VR II grades that would be put up for open recruitment, and the grades and ranks of such vacancies.

32. SCS responded that at this stage it was not possible to predict the exact number of vacant posts that would be put up for open recruitment. However, given that the recruitment freeze had been imposed on the VR II grades for five years, it would not be unreasonable to expect that about 2 000 to 3 000 vacancies, involving about tens or even over a hundred grades, would be put up for open recruitment. She pointed out that the posts put up for open recruitment were at the entry ranks.

33. With reference to paragraph 8 of the paper, the Deputy Chairman enquired as to which VR grades were in a state of obsolescence, and the arrangements for surplus staff.

34. SCS responded that grades like Tailor, Midwife and Cook were in a state of obsolescence, and when staff left these grades, e.g. upon retirement, the posts they occupied would not be filled again. SCS pointed out that where there was an operational or service need, HoDs might conduct in-service recruitment, or with the prior agreement of CSB, conduct an open recruitment to fill existing vacancies. For instance, approval had recently been given for LCSD to openly recruit Artisans for life-saving services. SCS said that surplus staff in the VR grades would be encouraged

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to pursue further training, and/or with the agreement of the staff involved, they would be deployed to perform other duties.

35. Mr WONG Kwok-hing was concerned whether the five-year recruitment freeze had caused succession problems in the relevant VR grades. Mr WONG said that as an example, the fact that many old trees had not been properly maintained might be a result of experienced horticultural staff having retired under the VR schemes.

36. SCS responded that the decision not to extend the five-year open recruitment freeze on its expiry in March 2008 was partly due to the Administration's concern about the long-term succession arrangements in the relevant VR grades. As far as the protection of old trees was concerned, the matter had to be dealt with by the relevant policy bureau.

37. Mr KWONG Chi-kin queried why there were surplus staff in the following grades, namely Aeronautical Communications Officer (ACO), Enrolled Nurse (EN), Law Translation Officer (LTO) and Welfare Worker (WW) despite the growing need of the relevant services.

38. SCS explained that there were surplus staff in the ACO grade partly as the operation had been outsourced and partly due to improved technology which had resulted in less manpower requirement. On completion of the translation of all the laws of Hong Kong into Chinese, some LTOs had become surplus. Whilst there was a shortage of ENs in the Hospital Authority, there was an anticipated surplus of ENs in government departments. Based on the manpower plan of Social Welfare Department, there would be a surplus of WWs, who were not registered social workers, in 2008-09 and 2009-10.

**VI Any other business**

39. There being no other business, the meeting ended at 12:05 pm.