

**立法會**  
**Legislative Council**

LC Paper No. CB(1)103/10-11  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/ PS/1

**Panel on Public Service**

**Minutes of meeting held on  
Monday, 24 May 2010, at 10:45 am  
in the Chamber of the Legislative Council Building**

**Members present** : Hon LEE Cheuk-yan (Chairman)  
Dr Hon PAN Pey-chyou (Deputy Chairman)  
Dr Hon Margaret NG  
Hon TAM Yiu-chung, GBS, JP  
Hon LI Fung-ying, BBS, JP  
Dr Hon LEUNG Ka-lau  
Hon WONG Sing-chi  
Hon IP Wai-ming, MH  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon LEUNG Kwok-hung

**Member attending** : Hon WONG Kwok-hing, MH

**Member absent** : Hon CHEUNG Man-kwong

**Public officers attending** : **Agenda item IV**  
Miss Denise YUE, GBS, JP  
Secretary for the Civil Service  
  
Mr Andrew H Y WONG, JP  
Permanent Secretary for the Civil Service

Mrs Ingrid YEUNG, JP  
Deputy Secretary for the Civil Service 1

**Agenda item V**

Miss Denise YUE, GBS, JP  
Secretary for the Civil Service

Mr Andrew H Y WONG, JP  
Permanent Secretary for the Civil Service

Mr Brian LO  
Deputy Secretary for the Civil Service 2

**Attendance by invitation** : **Agenda item IV**

**Hong Kong Unison Limited**

Ms Fermi WONG  
Executive Director

Mr Alan DIN  
Project Officer

**Individuals**

Mr Khezar HAYAT

Mr Umar AFTAB

Mr Jeffrey ANDREWS

Mr Sandeep SINGH

**Equal Opportunities Commission**

Mr LAM Woon-kwong  
Chairperson

**Clerk in attendance** : Ms Joanne MAK  
Chief Council Secretary (1)2

**Staff in attendance** : Mr YICK Wing-kin  
Assistant Legal Adviser 8

Ms Sarah YUEN  
Senior Council Secretary (1)6

Miss Angela LAM  
Legislative Assistant (1)5

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Action

The Panel welcomed Mr LEUNG Kwok-hung as its member.

**I Confirmation of minutes of meeting and matters arising**  
(LC Paper No. CB(1)1913/09-10 — Minutes of meeting on  
15 March 2010)

2. The minutes of the meeting held on 15 March 2010 were confirmed.

3. As requested by members at the last meeting on 19 April 2010, the Secretary for the Civil Service (SCS) briefed members on the progress of the Administration's work in taking forward the proposed revision to the entry system for recruitment to the basic ranks in the civil service. Members noted that consultation with the staff sides, departmental/grade management and advisory bodies on the proposed revision had been completed. The Public Service Commission was also supportive of the proposed revision. The Administration initially aimed at implementing the proposed revision around August/September 2010.

**II Information papers issued since last meeting**  
(LC Paper No. CB(1)1700/09-10(01) — Submission complaining  
about Education Bureau's failure to comply with the  
pay policy of the Government in the  
calculation of salaries of government school  
teachers and subsidized school teachers from the  
Education Employees General Union  
LC Paper No. CB(1)1738/09-10(01) Correspondence between a  
member of the public and

LC Paper No. CB(1)1945/09-10(01) the Lands Department regarding the entry requirements for the Land Executive grade  
Correspondence between the Transport and Housing Bureau and the Association of Government Technical and Survey Officers regarding the provision of incremental credits to newly recruited Technical and Survey Officers)

4. Members noted the above papers issued since the last meeting.

**III Items for discussion at the next meeting scheduled for 21 June 2010**

(LC Paper No. CB(1)1911/09-10(01) — List of outstanding items for discussion

LC Paper No. CB(1)1911/09-10(02) — List of follow-up actions)

5. Members agreed to discuss the following items at the next regular meeting on 21 June 2010 –

- (a) Requests for the conduct of grade structure reviews for specific non-directorate civilian grades: assessment criteria;
- (b) 2010-2011 Civil Service Pay Adjustment; and
- (c) Disciplinary mechanism and progress on various disciplinary matters.

6. Members agreed to invite deputations from major civil service consultative councils and staff associations to give views on item (c) above, and to advance the next meeting to start at 10:30 am.

7. At Ms LI Fung-ying's request, members also agreed to invite the Administration to brief the Panel in due course on the progress of improving the existing medical services for civil servants, in particular the inclusion of Chinese medicine services within the service scope as strongly requested by many civil servants.

- IV Language proficiency requirements for civil service appointments**  
(LC Paper No. CB(1)1911/09-10(03) — Administration's paper on language proficiency requirements for appointments to the civil service
- LC Paper No. CB(1)1911/09-10(04) — Legislative Council question raised at the Council meeting on 20 January 2010 on Chinese language proficiency requirements for appointment to the civil service and the Administration's reply)

8. SCS briefed members on the Administration's paper on the language proficiency requirements (LPRs) for appointments to the civil service and their application to candidates of different racial groups.

Presentation of views by deputations

*Hong Kong Unison Limited*

*(LC Papers Nos. CB(1) 1982/09-10(01) and CB(1)2010/09-10(02))*

9. Ms Fermi WONG briefed members on Unison's submissions and elaborated on the hardship that ethnic minorities faced in pursuing further studies and finding jobs. She expressed disappointment at the Administration's paper which seemed to have failed to recognize the need to cater for the special circumstances of ethnic minorities who, because they had been given little chance to learn Chinese under the Hong Kong education system, had difficulty in meeting the Chinese LPR. She urged the Administration to review the prevailing LPR for the Chinese language, with a view to giving ethnic minorities equal opportunities with others to join the civil service. She further highlighted the following –

- (a) It was unfair to require ethnic minorities to pass the Use of Chinese paper in the Common Recruitment Examination conducted by the Civil Service Bureau (CSB) which imposed quite a high level of Chinese LPR on candidates. In fact, ethnic minorities in Hong Kong did not have the opportunity to learn Chinese at school until after 2004. The prevailing Chinese LPR had, in effect, limited the chance of many ethnic minorities of joining the civil service;

- (b) While ethnic minorities could join the Police Force before the reunification, they no longer had the chance to become policemen after 1997, as the Government had since then put Chinese language proficiency on par with English language proficiency for appointment to the Force;
- (c) Although the Government started in 2007 to accept Grade D in Chinese Language in the UK General Certificate of Secondary Education (GCSE) Examination as equivalent to Level 2 in Chinese Language in the Hong Kong Certificate of Education Examination (HKCEE), individual departments still required job applicants to sit for internal written Chinese tests conducted by these departments; and
- (d) According to the Racial Discrimination Ordinance (RDO) (Cap. 602), employers were only allowed to impose LPRs commensurate with genuine occupational needs. It was, however, questionable whether all jobs in the civil service required a high level of proficiency in written Chinese.

*Mr Khezar HAYAT*

10. Mr Khezar HAYAT elaborated on his plight. He told members that his family had been in Hong Kong for three generations and looked upon Hong Kong as their home. He and his brothers and sisters had also made great efforts to learn Chinese but only he had the opportunity to learn Chinese at school. However, without the language environment he had had great difficulty in learning written Chinese, and was therefore glad to learn that in 2007 the Government decided to accept Grade D in Chinese Language in GCSE as equivalent to Level 2 in Chinese Language in HKCEE. He had hoped that this could help him join the Police Force. However, although he had got Grade A\* in Chinese Language in GCSE, his application for a post in the Police Force did not succeed because of query of his Chinese language proficiency during the interview. He questioned whether the Administration had really made sufficient efforts to ensure that ethnic minorities would have an equal opportunity to gain access to the civil service. He expressed regrets that, although he hoped to serve Hong Kong, unlike the United Kingdom there was no second language policy in Hong Kong to help non-native speakers settle in. He had already done his best to improve his Chinese knowing its importance and he knew not what more he could do.

*Mr Umar AFTAB*

11. Mr Umar AFTAB, a Hong Kong born Pakistani, told members that he had been aspiring to join the Police Force to serve Hong Kong since he was a small child. However, despite various efforts to learn Chinese, he did not

have the opportunity to learn written Chinese at school, and was hence denied from taking any course in Project Yi Jin or joining the Police Force. He pointed out that many ethnic minorities were facing the same problem as his but the Government officials they approached showed no sympathy with them. Some even urged them to go back to their homeland. However, he looked upon Hong Kong as his homeland. He had no problem performing his duties in his present job which also involved communication with Chinese people. He recalled that before 1997, people who did not even know how to speak Chinese could join the Police Force and perform satisfactorily. He therefore questioned why the above policy was changed, and pointed out that with the population of ethnic minorities in Hong Kong growing, his proficiency in English and a few South Asian dialects could in fact enable him to contribute to the Force. Moreover, although he could not take statements from complainants in Chinese, with good division of labour other colleagues in the Force could help him, just as he could help his Chinese counterparts if the suspect spoke English or South Asian dialects. He lamented his lack of a future and hoped things could change for the better.

*Mr Jeffrey ANDREWS*

12. Mr Jeffrey ANDREWS, also born in Hong Kong and his family had been in Hong Kong for three generations, said he looked upon Hong Kong as his hometown and had been living like every other Hong Kong citizen. He however had been discriminated against many a time, discouraged by teachers from pursuing higher studies, and denied the opportunity to learn Chinese at school, so that he had had problem in pursuing further studies and a decent career. He stressed the need to give ethnic minorities a fair chance in life, and pointed out that it was not conducive to maintaining a high standard of English in keeping with Hong Kong's status as an international city if Hong Kong placed too much emphasis on Chinese. He told members that many ethnic minorities wanted to join the civil service but were denied the opportunities, and urged Hong Kong to follow the example of Singapore and give equal treatment to different races.

*Mr Sandeep SINGH*

13. Mr Sandeep SINGH said he could not learn Chinese at school until 1997, when he was already Primary 5. Moreover, ethnic minorities could hardly enter good local schools and were forced to learn French instead of Chinese. As such, there had not been sufficient support for ethnic minorities to adapt to the growing importance of Chinese in Hong Kong after 1997. He queried why ethnic minorities had to demonstrate Chinese language proficiency for joining the Police Force and the Fire Services Department (FSD), pointing out that many senior Government officials were also foreigners and did not know Chinese, and that ethnic minorities who did not know Chinese had been able to perform satisfactorily in the Force before 1997. He

opined that unless there was discrimination, ethnic minorities should be given equal opportunity to join the Police Force.

*Equal Opportunities Commission (EOC)*

14. Mr LAM Woon-kwong, Chairman of EOC, said that although EOC had not received any formal complaints about LPRs, it had full understanding of the problems involved as reflected to the Commission through ethnic minorities and Unison. He said that EOC noted that few other jurisdictions required the same high level of proficiency in both official languages for appointments to the civil service. Moreover, if whether a candidate would have an interview all depended on how far he met both the English and Chinese LPRs (and not either one language), the Administration might not be able to really assess all candidates fairly on the basis of merit because a candidate who failed to meet proficiency requirements for both languages would hardly have the chance to be considered for interviews.

15. Mr LAM further said that the issue of whether LPRs might constitute indirect discrimination was complicated, and could not be determined unless a test case was brought to the court. Notwithstanding, the fact that many civil service posts did not impose LPRs before 1997 might suffice to indicate that there was no need for full proficiency in both languages for satisfactory performance of the jobs concerned. Moreover, given that the civil service consisted of a few hundred grades, it was also doubtful whether the same high level of Chinese LPRs should be imposed across-the-board. Mr LAM further pointed out that despite the substantial resources incurred, efforts in helping ethnic minorities integrate into the mainstream education system could hardly be described as successful. Without giving ethnic minorities sufficient support in learning Chinese, it was unfair to expect them to meet the same Chinese LPRs as locals when they applied for civil service posts.

16. The Chairman and members thanked the deputations for attending the meeting to express their views. Members noted that Professor Kelley Loper, who would not attend the meeting, had provided a submission (LC Paper No. CB(1)2010/09-10(01)) for members' reference.

The Administration's initial response to the deputations' concerns

17. SCS also thanked the deputations for their views and, in response to their concerns, made the following points –

- (a) Not all civil service grades required a very high level of LPRs. In fact, different LPRs were stipulated for different grades according to the relevant job requirements and the LPRs for certain grades might even be set at English Language and Chinese Language at Primary Six level only. Moreover, a

Head of Department/ Head of Grade (HoD/HoG) might prescribe the same or different proficiency requirements for the English and Chinese languages for a grade. Where no specific LPRs for a particular grade were stipulated, the candidates were only expected to demonstrate language proficiency commensurate with the basic educational requirements concerned;

- (b) As to the query of the changes in LPRs for certain grades after 1997, it should be noted that before 1997 the official language of Hong Kong was English whereas, after 1997, the official languages were both Chinese and English. Moreover, in response to rising public expectation on the quality of public services, the Government's contact and communication with the public had become closer and more frequent. In recognition of the above operational changes, many grades had correspondingly imposed a higher level of Chinese LPRs to ensure candidates who filled the relevant posts could satisfactorily perform their general duties. In fact, a police constable might be required to take statements from members of the public reporting a case whereas a fire officer might be required to communicate with the management staff or owners' corporations of buildings in Chinese when performing building inspection duties; and
- (c) Regarding criticism about inadequate preparation of ethnic minorities for changes after 1997 through the education system, it should be noted that since 2004, great efforts had been made to enable ethnic minorities to learn Chinese at school. With effect from 8 August 2007, the Government had accepted Chinese Language results in international examinations such as International General Certificate of Secondary Education (IGCSE), GCSE and General Certificate of Education 'Ordinary' Level (GCE 'O' Level) for civil service appointment purpose. However, when the number of candidates who could meet the basic requirements for entry to a grade exceeded the number of posts available, there might be a further screening process by applying suitable criteria commensurate with the job requirements.

### Discussion

18. Mr LEUNG Kwok-hung considered that to achieve equality for all, disadvantaged groups should be given appropriate assistance in recognition of their disadvantaged position. He was of the view that ethnic minorities settling in Hong Kong had also made important contributions to Hong Kong's

development. Pointing out that certain senior Government officials' Chinese was also not good, and that some were even foreigners who could not speak Chinese, Mr LEUNG questioned why these senior officials were not required to meet Chinese LPR whereas ethnic minorities had to. Highlighting the increase in the population of ethnic minorities in Hong Kong, he also stressed the need for the Police and FSD to recruit ethnic minorities to assist in their day-to-day operation.

19. Dr Margaret NG also expressed grave concern about the problems revealed by the deputations. She considered that as far as police officers were concerned, good Chinese was not so important to their effective performance of their main duties. As to firemen, ethnic minorities' proficiency in English might better help them understand the use of new models of fire safety equipment. She said that with the imposition of proficiency requirement for Chinese language since 1997, many ethnic minorities had become unable to join the Police Force or FSD. Moreover, no proper transitional arrangements had been made by the Government to help these people adapt to the above LPR changes.

20. Pointing out that some complainants had been unwilling to take their cases to the court because of concern about the high legal fees involved, Dr Margaret NG asked about the conditions under which EOC would take legal actions on behalf of a complainant. Mr LAM Woon-kwong responded that the case concerned had to be actionable and could establish useful precedents. Dr NG requested Unison to provide details of relevant cases to EOC for consideration and action where appropriate.

21. The Deputy Chairman considered that CSB should take into consideration the particular difficulties faced by ethnic minorities in Hong Kong in learning Chinese, and map out proactive measures to promote equal opportunities for the ethnic minorities in relation to appointments to the civil service. He further suggested that additional marks could be awarded to candidates who applied for posts such as police officer for proficiency in any South Asian dialects, as the job might involve communication with the ethnic minorities.

22. Mr TAM Yiu-chung said that some members of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) were ethnic minorities. He recalled that Mr IP Kwok-him had also raised a LegCo question at the Council meeting on 20 January 2010 calling for flexibility in applying LPRs, in particular the Chinese LPR, to candidates applying for civil service posts who were of South Asian descent. Mr TAM shared the view that the Administration should allow ethnic minorities' proficiency in other languages/dialects to make up for their shortcoming in Chinese language proficiency in recognition that members of the ethnic minorities could assist

the Government in its communication and liaison with the growing population of ethnic minorities in Hong Kong.

23. SCS responded that according to the Code of Practice on Employment under RDO (Code of Practice), the criteria (including language requirements) for assessing a candidate's suitability for a job should not make any reference to the candidate's race. SCS stressed that the Administration had to ensure that all the candidates in an open recruitment exercise to fill vacancies in a particular grade were assessed consistently on the basis of merit and having regard to the stipulated entry requirements, including LPRs, set with regard to the job requirements of the grade concerned.

24. As to the above proposal of devising measures to facilitate recruiting people who were conversant with the dialects of ethnic minorities to fill posts which might involve contacts with the ethnic minorities, SCS informed members that the Police Force was making tentative plans to establish a team of community liaison assistants under a nine-month pilot scheme to be launched in the second half of 2010. Applicants would need to be proficient in the language(s) of the ethnic minorities, and the selected candidates would perhaps be offered appointment on non-civil service contract (NCSC) terms. SCS added that CSB and the Police would closely monitor the scheme to ascertain whether it should be further extended within the Hong Kong Police. In response to Mr IP Wai-ming on why the option of appointing selected candidates on NCSC terms should be contemplated, SCS explained that as it was a pilot scheme, its continuity would depend on its evaluation outcome. At the Panel's request, SCS agreed to relay to the Commissioner of Police members' request for explanation of the criteria adopted by the Police Force for evaluation of the pilot scheme.

Admin

25. The Chairman enquired about the timetable for collating the statistical information regarding the composition of the civil service by racial group. He added that as he understood, the Correctional Services Department had not recruited any ethnic minorities since 1997. In response, SCS explained that such statistics were not available because, even before 1999 when civil servants were respectively employed on local terms and overseas terms, their employment terms were determined by residency status and not by race. Moreover, to obviate misperception of race discrimination, the Administration did not require candidates, new recruits and serving civil servants to declare their races. However, the Administration noted that the Code of Practice provided scope for employers to take reasonably practicable steps to gain an appreciation of the situation regarding the racial composition of their workforce. As such, after examining the relevant legal and technical issues, in particular the Personal Data (Privacy) Ordinance (Cap. 486) (PDPO), CSB would collect information in this regard for analysis purpose. SCS further responded that she aimed to gather all such statistics by the end of 2010. However, a longer lead time might be required due to the need to ascertain with

the Department of Justice that planned steps and procedures in this regard were reasonably practicable and in compliance with PDPO.

26. Mr IP Wai-ming suspected that the root of the problem might lie in the education system, which seemed to have failed to provide ethnic minorities a fair opportunity to learn Chinese and to gain access to good schools. He also echoed EOC's query of the need to impose the same high level of Chinese LPRs across-the-board. In response, SCS reiterated that the prescribed LPRs for every grade were determined according to its work and operational needs, and that not all grades required Level 2 in Chinese Language in HKCEE.

27. The Chairman referred to Mr Khezar HAYAT's complaint in paragraph 10 above, and asked why Mr HAYAT had been required by the Police Force to sit for a Chinese written test even though he had passed the Chinese Language examination in GCSE. The Chairman further asked whether candidates of the Chinese race applying for the same post had also been required to sit for written English tests conducted by the Police Force and, if not, whether the different treatment had constituted racial discrimination. SCS responded that as she understood from the Police Force, there was no written test but a group discussion, after which a candidate might be asked to recapitulate in writing certain points during an individual interview. She however undertook to provide information on whether in general ethnic minority candidates applying for posts in the Police Force had to sit for additional written Chinese tests and if so, the details.

Admin

28. Ms LI Fung-ying pointed out that special measures that were reasonably intended to address the special needs of ethnic minorities were legitimate under RDO. Noting that a HoD/HoG could apply to CSB for exemption from the prescribed LPRs for a particular grade on a case-by-case basis in the event of recruitment difficulties, Ms LI urged SCS to similarly relax LPRs in respect of the Chinese language for applicants who were ethnic minorities or else the latter could hardly compete with candidates of the Chinese race for civil service jobs. SCS explained that the prescribed LPRs for every grade were determined according to its work and operational needs. Under the existing policy, exemption from the prescribed LPRs for a particular grade would be granted only when there were recruitment problems encountered by the grades concerned.

29. The Chairman highlighted complaints that individual bureaux/departments (B/Ds) could not decide for themselves whether the prescribed LPRs for their staff could be relaxed, but approval from CSB had to be secured. In response, SCS clarified that HoDs/HoGs were authorized to stipulate the LPRs for each of the grades under them whether in recruitment or promotion, as they were best placed to determine the work and operational needs of the grades under their charge. However, they were required to notify

CSB when planning to grant LPR exemptions because there was a need to ensure that such exemptions complied with the relevant LPR policy.

30. The Chairman opined that the Chinese LPR which ethnic minorities were presently required to meet when applying for civil service posts should not be imposed until a decade or so later, since formal Chinese language education was made available to ethnic minority children in Hong Kong only in 2004. SCS responded that the purpose of stipulating LPRs according to operational needs was to ensure the quality and efficiency of public services. Any deferral in ensuring full compliance with LPRs might adversely affect service quality. The Chairman, however, expressed doubt as to whether public expectations about the language proficiency of civil servants had been different before and after 1997.

Supplementary comments from deputations

31. At the Chairman' invitation, the following representatives of deputations/individuals supplemented views as follows –

- (a) Ms Fermi WONG of Unison made the following points:
  - (i) Because of the lack of clear guidelines, despite the requirement highlighted by SCS in paragraph 17(c) above, certain disciplined services departments were still unwilling to accept the use of the Chinese language qualifications obtained in GCSE/IGCSE/GCE "O" Level as an alternative for "HKCEE Chinese Language" qualification for fear of offending their Chinese staff or incurring additional workload;
  - (ii) RDO allowed an exception for special measures which were reasonably intended to ensure that persons of a particular racial group would have equal opportunities with other persons in relation to employment, education, and other areas within the scope of the ordinance. Moreover, if a condition applicable to all job applicants put a particular racial group in a disadvantaged position, it could constitute an act of indirect discrimination;
  - (iii) According to the Committee on the Elimination of Racial Discrimination in United Nations, the provision of accurate relevant statistics was important in ascertaining whether there were equal opportunities. As such, the Administration should ensure that such statistics were available as soon as possible; and

- (iv) The mini-survey on Chinese LPRs for civil service appointments conducted by Unison on 20 May 2010 showed that a large majority of civil service jobs required applicants to meet relevant Chinese LPRs. Even chefs and general workers were no exception. Ethnic minorities were therefore denied the opportunity to apply for most civil service posts;
- (b) Mr Alan DIN of Unison cautioned the Administration to note the growing resentment among ethnic minorities against the inequality faced by them in securing civil service employment after 1997. Notwithstanding, Unison did not want to resort to litigation, which would damage Hong Kong's image and result in a lose-lose situation;
- (c) Mr Umar AFTAB questioned why the Police had required applicants for the post of Police Constable to pass an internal written Chinese examination, even though the applicants concerned had obtained GCSE Chinese language qualification. In his view, proper division of labour could enable ethnic minorities to work in the Police Force or FSD even though their written Chinese was not sufficiently good; and
- (d) Mr Sandeep SINGH queried the need for the Police Force to conduct the pilot scheme having regard that in the sixties and seventies, many ethnic minorities could serve in the Police Force without any problem. In fact, if there were people in the Police Force who could speak the dialect concerned, the tragic incident of a homeless Nepalese being shot by a policeman in March 2009 could have been avoided. He also considered it unfair to require ethnic minorities to bear the consequence of LPR changes although it was the Education Bureau which had failed to enable them to learn Chinese at school to prepare them for the changes.

32. The Chairman invited SCS to respond to the deputations' points above, and to explain the reason for requiring the applicants for the post of Education Resources Assistant (English Language Education) to attain a certain level of Chinese. SCS responded that she fully understood that ethnic minorities who had chosen to stay in Hong Kong were important members of the Hong Kong community. She would explore all feasible measures to address problems they faced in applying for civil service posts. She would also remind HoDs/HoGs to be more sensitive about such problems. She further confirmed that guidelines had already been issued in 2007 to B/Ds requiring them to accept the use of the Chinese Language qualifications obtained in GCSE/IGCSE/GCE"O" Level as an alternative for "HKCEE Chinese

Language" qualification. If certain B/Ds were still unaware of the mandatory requirement, CSB would explain the requirement to them again.

Clerk 33. Summing up, the Chairman considered that the Panel should follow up the issue in the following session to see whether improvements to the situation had been made. He also requested the Administration to provide the requisite information in writing to the Panel when available.

Admin

**V 2009 Starting Salaries Survey: Application to the Civil Service**

(File Ref. CSBCR/PG/4-085-001/63 — Administration's paper on 2009 Starting Salaries Survey: Application to the Civil Service (Legislative Council Brief)

LC Paper No. CB(1)1332/09-10 — Background brief on starting salaries survey for the civil service prepared by the Legislative Council Secretariat)

34. SCS briefed members on the Chief Executive (CE)-in-Council's decision on 18 May 2010 that –

- (a) The starting salaries for the basic ranks in the degree-qualification civilian grades in Qualification Group (QG) 9 (degree and related grades), QG11 (education grades) and QG12 (other grades) should be adjusted downward by two pay points (the recommended reduction) and the starting salaries for other basic ranks in the civilian grades should remain unchanged in accordance with the recommendations of the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission) in its Report No. 46;
- (b) The starting salaries for the basic ranks in the disciplined services grades should remain unchanged in accordance with the recommendations of the Standing Committee on Disciplined Services Salaries and Conditions of Service; and
- (c) Subject to the approval of the Finance Committee, the new starting salaries should take effect on 1 October 2010.

Discussion

35. While many members had reservations about the recommended reduction, Mrs Regina IP considered it acceptable because, notwithstanding the

reduction, the starting salaries for the basic ranks in QG9 would still be well above the market average. SCS responded that the Standing Commission considered it appropriate that the starting salaries for the basic ranks of degree and related grades should be higher than the median market entry pay, having regard to the inherent differences between the civil service and the private sector, and the need to maintain the quality of intakes into the degree and related grades and the stability of civil service pay. The Standing Commission had continued to use the third quartile (P75) level of market entry pay, instead of the median, as the basis for comparison with the benchmark salaries for QG9 and other QGs.

36. In response to Mrs Regina IP on the cost savings resulted from the implementation of the recommended reduction, SCS said that on the assumption that some 400 new recruits would join the degree-qualification civilian grades in the civil service each year, the recommended reduction would bring about savings of about \$10 million per annum for the civil service. As to the Chairman's question on the savings in this regard for the subvented sector, SCS noted that apart from teachers in the aided school sector, the pay of other staff in the subvented sector had already been delinked from the pay of the civil service. As such, the recommended reduction would only apply to graduate teachers in the aided school sector. On the assumption that some 200 to 300 new graduate teachers would be recruited in the aided school sector every year, the cost savings so resulted would be about \$5 million. Noting the amount of savings, Mrs IP proposed that they should be used to convert existing NCSC staff to civil servants to maintain the stability and quality of the civil service. SCS responded that HoDs could apply for conversion of the NCSC positions in their departments to civil service posts through the annual Resource Allocation Exercise. The applications would be approved if justified. The conversion of NCSC positions to civil service posts and the adjustment of starting salaries were two separate matters.

37. The Chairman said that to allow sufficient time for discussion, he would extend the meeting by 15 minutes.

38. Mr WONG Kwok-hing opined that the recommended reduction would affect staff morale and the quality of civil servants. Moreover, many civil service staff associations had raised objections to the reduction on grounds that the findings of the 2009 Starting Salaries Survey (SSS) had been affected by the global financial tsunami, that the recommended reduction would result in different pay for the same job, and that there was already inflation. He urged the Administration to reconsider the recommended reduction in the light of the above circumstances and impacts. In response, SCS made the following points –

- (a) The recommended reduction should not deter quality degree holders from aspiring to join the civil service. It should be

noted that the Standing Commission had, having regard to all the factors under the holistic approach, recommended a moderated reduction of two pay points, or some \$2,000, for the benchmark salary of QG9, instead of a reduction of three pay points, or over \$3,300, based strictly on the findings of the 2009 SSS. Hence, the reduced starting salaries would still be above the P75 level of the market entry pay;

- (b) The starting salaries for certain QGs had been raised according to the findings of the 2006 SSS. As the findings of the 2009 SSS suggested that the benchmark salary for QG9 was significantly above the market entry pay the starting salaries for the basic ranks of the degree-qualification civilian grades in QG9, QG11 and QG12 should be adjusted downward accordingly. The credibility of the mechanism should not be undermined by only allowing for upward adjustments but not downward adjustments; and
- (c) As regards the impact of the global financial tsunami, which started in late September 2008, the Standing Commission had already carefully analysed the market data collected in the 2009 SSS. Insofar as QG9 was concerned, 80% of the valid data were related to new recruits appointed in the first half of the survey period (April to September 2008), i.e. before the outbreak of the global financial tsunami, and the observed recruitment pattern was similar to a “normal” year. As such, the Administration was generally satisfied that the findings of the 2009 SSS had not been unduly skewed by the effects of the financial tsunami.

39. Ms LI Fung-ying highlighted the importance of addressing the problem of different pay for the same job in the civil service, which had led to low morale and grievances among civil servants. Addressing her concern that the problem might be aggravated by the recommended reduction, SCS reiterated the need to follow the established SSS mechanism and uphold its credibility. If not, there might be a public perception that civil servants would accept an upward adjustment of starting salaries as a result of a SSS, but would refuse to accept the opposite, i.e. any downward adjustment of starting salaries. She further explained that, as civil service reforms were conducted from time to time, it was inevitable that civil servants joining the civil service at different times might be subject to different salaries and conditions of service. In the context of the 2009 SSS, the Standing Commission had already decided to adopt a holistic approach in considering how the survey findings should be applied to the civil service, and to moderate the reduction of the benchmark salary of QG9 from three pay points to two pay points.

40. Ms LI Fung-ying also warned the Administration against the impact of the recommended reduction on the value of university degrees and the market pay for degree holders. In this regard, she pointed out that the corresponding market entry pay had already decreased by some \$2,000 in response. In addition, the recommended reduction would also narrow the difference in the starting salaries for QG9 (i.e., Degree and Related grades) and Group I of QG3 (higher Diploma Grades) to only \$950. SCS responded that as a matter of principle, civil service pay should follow, not lead, the market. Instead of influencing private sector pay, adjustments to starting salaries were in fact made having regard to the results of market surveys reflecting actual starting salaries in the private sector over a 12-month period in the past. As SSSs were to be conducted on a regular triennial basis, the Administration could keep track of changes in starting salaries in the private sector more closely.

41. The Deputy Chairman urged the Administration to note the fluctuations in the economy in recent years, in particular the global financial tsunami and the fast recovery of Hong Kong from it, so that the 2009 SSS might have failed to reflect increases in the market entry pay. If this was the case, the Government might fail to compete with the private sector for high-calibre degree holders, particularly under the current robust economic situation. He therefore urged the Administration to map out measures to mitigate the above likely impacts, such as by conducting the next SSS earlier.

42. In response, SCS stressed the need for a balance between stability of civil service pay and “broad comparability” with market entry pay. In the past, SSSs were conducted on an irregular basis with considerable time gap between two SSSs. In recognition of the rapidly changing landscape of the private sector in respect of starting salaries, SSSs were now to be conducted every three years. Although there was no scientific basis for setting the intervals of SSSs at three years, it was considered that such a frequency should be able to strike a right balance. In addition, the adoption of a holistic approach by the Standing Commission considering how the findings of a SSS should be applied could also help tackle issues that might arise if the SSS concerned was conducted at the worst or best time of the economic cycle. For example, after taking all relevant factors under the holistic approach into consideration, the Standing Commission had not recommended the strict application of the 2009 SSS findings, which would require reducing the benchmark salaries for QG1 (grades not requiring five passes in HKCEE) by one pay point.

43. The Chairman stated the objection of the Hong Kong Confederation of Trade Unions to the recommended reduction for fear it would impact on the overall pay level of the private sector. SCS responded that this might not necessarily be the case because the upward adjustment of the starting salaries for many QGs as a result of the 2006 SSS had apparently not led to similar pay increases in the private sector.

44. Dr LEUNG Ka-lau agreed that civil service pay should be broadly comparable with private sector pay. However, this could not be achieved by adjusting only the starting salaries and not the general pay level. He also expressed concern about the problem of "different pay for the same job" created by the difference in starting salaries as a result of SSSs. For example, the 2006 SSS had led to an upward adjustment of the starting salaries of professional grades but to ensure that the pay of serving civil servants would not be worse off than new recruits, the pay of affected serving civil servants was, to their disappointment, brought up to the next higher pay point only. To obviate grievances so arising, he opined that in the long run, the appropriateness of civil service starting salaries should be determined in the context of the six-yearly Pay Level Survey (PLS).

45. SCS responded that according to the Improved Civil Service Pay Adjustment Mechanism adopted in 2007, the next PLS and SSS, together with the annual Pay Trend Survey (PTS), would all be conducted in 2012. However, while SSSs were conducted to ascertain whether the starting salaries for the basic ranks in the civil service requiring different qualifications was broadly comparable with the pay for private-sector jobs requiring similar qualifications, PLSs were conducted using the broadly-defined job family and job level method. Under this method, civil service pay, broadly divided into five job levels and the pay for each level expressed in the form of the mid-point of the relevant civil service pay scale plus fringe benefits paid in cash, would be compared with the P75 level of private sector annual total cash compensation. As such, although PLS and SSS would be conducted in the same year, how the results should be interpreted would need to be examined carefully. The practice adopted in 2006 when both PLS and SSS were last conducted together could be of reference.

46. The Chairman noted from the Administration that when the career offices of tertiary institutions were consulted, the majority had advised against the recommended reduction. The Hong Kong Federation of Students had also voiced opposition to the reduction on the ground that civil service pay should not be compared with private sector pay, particularly as some professions (such as teachers and social workers) had no comparators in the private sector. He asked why the Administration should still seek to implement the recommended reduction notwithstanding the above views. SCS responded that it was understandable that parties affected by the reduction would not support it. She reiterated the need to observe the established SSS mechanism and uphold its credibility.

47. The Panel noted the Administration's plan to submit the relevant financial proposal to the Establishment Subcommittee in the following month to enable the recommended reduction to take effect on 1 October 2010.

**VI Any other business**

48. There being no other business, the meeting ended at 1:08 pm.

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