

**立法會**  
**Legislative Council**

LC Paper No. CB(4)399/12-13  
(These minutes have been seen  
by the Administration)

Ref : CB4/PL/PS

**Panel on Public Service**

**Minutes of meeting held on  
Monday, 17 December 2012, at 10:45 am  
in Conference Room 3 of the Legislative Council Complex**

**Members present** : Hon Mrs Regina IP LAU Suk-ye, GBS, JP (Chairman)  
Hon POON Siu-ping, BBS, MH (Deputy Chairman)  
Hon LEE Cheuk-yan  
Hon Emily LAU Wai-hing, JP  
Hon TAM Yiu-chung, GBS, JP  
Dr Hon LEUNG Ka-lau  
Hon LEUNG Kwok-hung  
Hon Claudia MO  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon KWOK Wai-keung  
Hon SIN Chung-kai, SBS, JP  
Hon IP Kin-yuen  
Hon Martin LIAO Cheung-kong, JP  
Hon TANG Ka-piu  
Hon Tony TSE Wai-chuen

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

**Public Officers attending** : **Agenda item II**

Mr Paul TANG, JP  
Secretary for the Civil Service

Mr Raymond H C WONG, JP  
Permanent Secretary for the Civil Service

Mr Peter CHAN, JP  
Director of General Grades  
Civil Service Bureau

**Agenda item III**

Mrs Helen CHAN, JP  
Government Economist  
Economic Analysis and Business Facilitation Unit  
Financial Secretary's Office

Ms Reddy NG, JP  
Principal Economist  
Economic Analysis and Business Facilitation Unit  
Financial Secretary's Office

**Clerk in attendance** : Ms Anita SIT  
Chief Council Secretary (4)1

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

Ms Shirley CHAN  
Senior Council Secretary (4)1

Ms Angela CHU  
Council Secretary (4)1

Ms Linda MA  
Legislative Assistant (4)1

---

Action

**I. Date of next meeting and items for discussion**

(LC Paper No. CB(4)209/12-13(01) -- List of outstanding items for discussion

LC Paper No. CB(4)209/12-13(02) -- List of follow-up action)

Members agreed to discuss the following items proposed by the Administration at the next regular Panel meeting to be held on 21 January 2013–

- (a) Briefing by the Secretary for Civil Service on the policy initiatives of Civil Service Bureau featuring in the 2013 Policy Address; and
- (b) 2012 Starting Salaries Survey: findings and recommendations of the Standing Commission on Civil Service Salaries and Conditions of Service.

**II. Employment situation of non-civil service contract staff**

(LC Paper No. CB(4)209/12-13(03) -- Paper provided by the Administration

LC Paper No. CB(4)209/12-13(04) -- Updated background brief on the employment situation of non-civil service contract staff prepared by the Secretariat)

2. Members noted the following two submissions tabled at the meeting –

- (a) submission from HKSAR Government Employees General Union; and
- (b) submission from Hong Kong Civil Servants General Union Negotiation Committee.

Action

*(Post-meeting note: The above submissions were issued to members on 17 December 2012 after the meeting via Lotus Notes email.)*

3. The Secretary for the Civil Service ("SCS") briefed members on the salient points of the Administration's paper on the updated position on the Non-Civil Service Contract ("NCSC") staff scheme. He said that the scheme aimed at providing flexibility for Bureaux/Departments/Offices ("B/Ds") to recruit NCSC staff to meet the changing operational and service needs which might be time-limited, seasonal, or subject to market fluctuations; or which required staff to work less than the conditioned hours; or which required tapping the latest expertise in a particular area; or where the mode of service delivery was under review or likely to be changed. It was not appropriate to create civil service posts to cover these specific service needs as they were not of a permanent nature and in some cases, there were no comparable civil service grades performing the required tasks.

4. SCS explained that the Civil Service Bureau ("CSB"), in conjunction with B/Ds, had conducted a review on the employment situation of NCSC staff in 2006, and had identified some 4 000 NCSC positions in 2006 which would gradually be replaced by civil service posts. Subsequent to the 2006 review, CSB had further identified some 1 800 NCSC positions for conversion into civil service posts between March 2006 and June 2012 as the work involved should more appropriately be performed by civil servants. As at 30 June 2012, about 3 850 of the 4 000 and 1 230 of the 1 800 NCSC positions had been phased out or replaced by civil service posts. The total number of full-time NCSC staff employed by B/Ds was 14 535 as at 30 June 2012, which was less than 16 488 when the review was conducted in 2006. CSB and B/Ds would continue to regularly review the employment situation of NCSC staff in B/Ds and, where appropriate, seek to replace NCSC positions by civil service posts.

5. SCS added that when B/Ds identified specific NCSC positions for phasing out, the staff concerned were advised well in advance so that they might seek alternative employment in good time. The Administration also welcomed interested NCSC staff to apply for civil service jobs. Information relating to open recruitment to civil service vacancies was drawn to the attention of the serving NCSC staff. Since relevant working experience was one of the factors taken into account in the recruitment of civil servants, NCSC staff who met the basic entry requirements of specific

Action

civil service ranks should generally enjoy a competitive edge over other applicants because of their relevant working experience in the Government.

Replacement of NCSC positions by civil service posts

6. Mr WONG Kwok-hing welcomed that a total of some 5 080 NCSC positions had been replaced by civil service posts from 2006 to 30 June 2012. However, he expressed concern about the remaining NCSC positions which had existed for a long period of time but were not yet converted to civil service posts. Noting that the Hongkong Post ("PO"), Leisure and Cultural Services Department ("LCSD") and Electrical and Mechanical Services Department ("EMSD") were the three departments which had the largest number of NCSC staff, he urged CSB to continue reviewing the employment of NCSC staff in these departments, and make sure that these departments would put in extra effort to replace their NCSC positions by civil service posts if there was a long-term need for the services concerned.

7. In reply, SCS explained that the review of NCSC staff scheme was an on going process and the replacement had been carried out progressively. Whilst CSB would continue to discuss with B/Ds with a relatively large number of NCSC staff, some B/Ds which operated as trading funds or had a large number of positions which were short-term or seasonal in nature needed to have more flexibility in employing NCSC staff to cope with the business fluctuations or seasonal service needs.

8. Given that the number of NCSC staff in PO and LCSD was high compared to other B/Ds, Mr TANG Ka-piu was concerned about the pace of the conversion of NCSC positions to civil service posts in these two departments. He requested CSB to provide a breakdown by B/Ds of the some 5 080 NCSC positions which had been replaced by civil service posts as at 30 June 2012. Referring to the statistics set out in Annexes B to D to the Administration's paper regarding the length of continuous service, contract duration and salary range of full-time NCSC staff, he requested CSB to provide a breakdown of these figures by B/Ds so that members could have an overall view of the employment situation of NCSC staff in individual B/Ds. SCS agreed to provide the requested figures after the meeting.

Admin

9. Noting that as many as 32.6% of the full-time NCSC staff had been on continuous service for five years or more, the Deputy Chairman considered this situation unacceptable. He urged CSB to expedite the

Action

Admin

replacement of NCSC positions by civil service posts, and asked for further information on NCSC staff who had been on continuous service for five years or more. Mr Tony TSE said that while there was a need for some B/Ds to employ NCSC staff to cope with time-limited service needs, the fact that about 48% of the NCSC staff had been continuously employed for three years and over was unacceptable. Mr LEUNG Che-cheung was concerned about the morale of the NCSC staff who were employed to do the same work of the civil servants but received less favourable remuneration. He urged CSB to devise a mechanism for converting the long-term NCSC positions to civil service posts, and critically review for the situation of those B/Ds which had employed NCSC staff for a long period of time.

10. The Permanent Secretary for the Civil Service ("PSCS") explained that the figures on the length of continuous service of NCSC staff had included those staff serving in the same NCSC position, as well as different NCSC positions of the same B/D without a break in service, the latter group of NCSC staff accounted for about 30% of the total number. He said that it might be justified to employ NCSC staff to stay in their positions for a longer period of time to cope with certain time-limited work, as in the case of the Continuing Education Fund for which the service need lasted for more than five years but would lapse upon the depletion of the Fund, and the NCSC positions in PO with staff working less than the conditioned hours required of civil servants to handle the sorting of mails. Furthermore, there were NCSC positions, the mode of service of which was under review. All these NCSC positions could not be converted to civil service posts for the time being. Nevertheless, CSB would keep in view the situation of the NCSC staff scheme and discuss with individual B/Ds where necessary.

11. Mr LEUNG Kwok-hung expressed the view that the NCSC staff who had worked in B/Ds for a long period of time should be converted to civil servants regardless of whether they had served in the same or different NCSC positions during their employment period. Mr LEE Cheuk-yan did not subscribe to the Administration's explanation that NCSC positions were needed because certain service needs were subject to market fluctuations or the mode of service delivery was under review. He requested CSB to provide a breakdown by years of service for those NCSC staff who had been employed continuously for five years or more, and called on the Administration to offer civil service posts to those NCSC staff who had continuously worked over a certain period of time.

Admin

## Action

12. Mr KWOK Wai-keung observed that the number of NCSC staff had always stood at a high level and had not been significantly reduced since 2001. Given that the workload of civil servants had increased considerably in recent years, he urged the Administration to increase the number of civil servants and convert the NCSC staff with certain years of continuous service to civil servants.

13. SCS said that the Administration's target was to replace those stable and long-term NCSC positions to civil service posts gradually. The establishment of the civil service had been increased by roughly 1% annually over the past few years. In order to ensure a prudent use of public funds to meet competing demands, it was not appropriate nor possible to create a large number of civil service posts in a short period of time. Instead of setting a specific target for B/Ds to convert NCSC positions to civil service posts, CSB would continue to review with individual B/Ds their employment of NCSC staff according to their actual operational needs and seek to replace NCSC positions with civil service posts where appropriate. He further explained that in considering whether a NCSC position was suitable to be converted to a civil service post, the stability and conditioned hours of work of the position were also important factors in addition to the long-term need of the position. For example, the Inland Revenue Department had employed NCSC staff to cope with the workload of the annual bulk issue of tax returns. Although this kind of position was required in the long term, the service need was only seasonal. Besides, the working hours of some NCSC staff were less than the conditioned hours required of civil servants. These NCSC positions were not suitable for conversion to civil service posts.

### Employment situation of NCSC staff in certain B/Ds

#### *Leisure and Cultural Services Department*

14. Mr Martin LIAO noted the mixed mode of service adopted by LCSD for public libraries in that frontline and support services were delivered by civil servants while NCSC staff were engaged at peak hours to meet seasonal service needs. He asked whether this mode of service would also apply to services managed by other B/Ds, and if so, what the ratio of the mix of NCSC staff and civil servants would be. SCS reiterated that the objective of the NCSC staff scheme was to provide B/Ds with a flexible means to employ staff on contract terms outside the civil service establishment to meet their seasonal and time-limited service needs. NSCS appointments were made according to the specific operational needs

Action

of B/Ds. The Administration did not impose any prescribed ratio of NCSC staff to civil servants across B/Ds. As to the case of LCSD, it had the genuine need to adopt a mixed mode of service to cope with its seasonal service needs, and such mode of service might not be suitable for the services of other B/Ds.

*Education Bureau*

15. Mr IP Kin-yuen noted with concern that the number of NCSC staff in the Education Bureau ("EDB"), i.e. 1 234, was relatively large compared with other B/Ds. He understood that a total of 886 full-time NCSC positions had been created in government schools under the school-based management initiative. Given that there were about 100 government schools in Hong Kong, he queried the appropriateness of employing such a large number of NCSC staff for the school-based management initiative, which, in his opinion, should be classified as a long-term management initiative. As far as he knew, most of these NCSC staff were young teaching assistants who had been continuously employed on contract terms for a long period of time. He commented that EDB had set a bad example for subsidized schools by employing teaching staff on contract terms for a long period of time. He asked CSB to explain the justifications for such arrangement and the mechanism for monitoring the NSCS staff scheme in individual B/Ds to prevent abuse of the scheme.

16. SCS explained that CSB had regularly reviewed with B/Ds their engagement and management of NCSC staff. This included reviewing the need, number and duration of the NCSC positions engaged by B/Ds. A ceiling of the number of NCSC staff for each B/D was set having regard to its specific operational needs. The Director of General Grades ("DGG") advised that the 886 full-time NCSC staff working in the government schools under the school-based management initiative included 268 teaching assistants, 138 general clerks, 270 general workers and other staff. CSB would continue to discuss with EDB to explore the feasibility of converting some of these long-term NCSC positions to civil service posts. Mr IP Kin-yuen requested and DGG agreed to provide a detailed breakdown of the 886 full-time NCSC staff worked in the government schools under the school-based management initiative and report to the Panel on the discussion with EDB in due course.

Admin



Action

*Buildings Department*

Admin 17. Mr Tony TSE noticed that a majority of the NCSC staff in the Buildings Department ("BLDG") were employed to provide support for the implementation of various building safety initiatives and the Operation Building Bright project, which in his view were jobs of long-term nature. He called on the Administration to review the current arrangement and provide a breakdown by years of service of the 438 NCSC staff employed by BLDG. In reply, SCS explained that the NCSC positions in BLDG were not permanent in nature, hence it was difficult to convert these positions into civil service posts.

*Radio Television Hong Kong*

Admin 18. Ms Claudia MO expressed concern that Radio Television Hong Kong ("RTHK") had employed a large number of NCSC staff who had been working in their posts for a long period of time. She asked whether this group of NCSC staff could be converted to civil servants or be accorded priority in the selection process for the concerned civil service posts. Mr LEE Cheuk-yan considered it regretful that there were a large number of NCSC staff in RTHK who had worked for over 10 years. As the review of RTHK had concluded that it should remain a government department, he urged the Administration to convert all NCSC staff in RTHK to civil servants. Noting that open recruitment would be required for filling the civil service vacancies under the current policy, he expressed grave concern that the NCSC staff who had worked in RTHK for over 10 years might be disadvantaged due to their age when they were considered for the civil service posts. He requested CSB to provide a written reply on the progress and timetable of the replacement of NCSC positions by civil service posts in RTHK after the meeting. Mr LEUNG Kwok-hung expressed similar concern that the NCSC staff who had worked for a long period of time in RTHK might be discriminated against when they applied and were considered for the concerned civil service posts.

19. SCS clarified that there was no age limit for applying civil service posts and age would not be a factor to be taken into account in the selection process. Since the Government's recruitment was based on fair competition and meritocracy, NCSC staff would need to make application and compete with other applicants if they wished to be considered for the civil service posts. In general, those NCSC staff with suitable working experience in the Government would have advantage over other applicants

Action

Admin

in applying for the civil service posts. Regarding the progress of the creation of civil service posts in RTHK, DGG agreed to provide further information in this regard after the meeting.

*Hongkong Post and other B/Ds operated under trading funds*

20. Mr TANG Ka-piu was concerned about the NCSC staff situation in PO which operated as a trading fund. He pointed out that most of the NCSC staff in PO were employed on one-year contracts, which was inconsistent with the Administration's argument that NCSC positions were created to cope with seasonal fluctuations. Furthermore, he asked whether the overtime work of the NCSC staff in PO could be compensated by pay rather than leave. Mr KWOK Wai-keung called on the Administration to review the NCSC staff scheme in PO. In reply, PSCS said that the remuneration offered to NCSC staff was an all-inclusive pay package which did not include additional overtime payment. As far as he knew, some of the NCSC staff in PO were paid on daily or hourly rates.

21. Mr LEE Cheuk-yan criticized that B/Ds which operated as trading funds had to operate in a commercial manner and thus had employed a large number of NCSC staff to meet the long-term service needs in order to save costs. He queried whether CSB had offered special treatment to B/Ds operating as trading funds by allowing them to take advantage of NSCS staff. He requested the Administration to review the current arrangement that no overtime payment was given to NCSC staff. Echoing Mr LEE's view, Mr LEUNG Kwok-hung asked whether the Administration would review the policy on trading funds.

22. SCS said that CSB was not in a position to comment on the policy on trading funds. But that B/Ds operating as trading funds had to be provided with greater flexibility in the appointment of staff to ensure the funds could operate commercially. However, B/Ds were still required to ensure the competitiveness and attractiveness of the terms and conditions of service of the NCSC positions, and comply with the Employment Ordinance (Cap. 57) so as to be able to recruit persons of suitable calibre from the labour market and retain the NCSC staff. CSB was of the opinion that under the guiding principle that the terms and conditions of service for NCSC staff should be overall speaking no more favourable than the conditions of service of the civil servants in comparable civil service ranks, there was room for B/Ds to improve the NCSC staff scheme and offer attractive remuneration packages to NCSC staff. In the long run, NCSC posts would still be needed. It would not be appropriate to put a

Action

rigid policy on the B/Ds operating as trading funds to restrict their employment of NCSC staff.

23. Mr KWOK Wai-keung suggested that relevant staff unions/associations should be invited to give views on the NCSC staff scheme. He observed that management problems had been resulted when civil servants were required to supervise NCSC staff who were offered a less favourable remuneration package than those of their civil service counterparts. Mr TANG Ka-piu supported the suggestion of receiving views from relevant staff unions/associations at a future meeting of the Panel. Members agreed to invite deputations to give views on the subject at a future meeting.

24. The Chairman commented that it was not the responsibility of CSB to review the operation of trading funds. However, in response to members' concerns, CSB should provide further information on the employment situation of NCSC staff in those departments operating under trading funds together with the special considerations of CSB in monitoring the implementation of the NCSC staff scheme in these departments.

Admin

*(Post-meeting note: An item for receiving views from the relevant staff associations/unions was subsequently included in the agenda for the Panel meeting on 21 January 2013.)*

**III. Creation of a supernumerary post of Principal Economist in the Economic Analysis Division of the Economic Analysis and Business Facilitation Unit**

(LC Paper No. CB(4)209/12-13(05) -- Paper provided by the Administration)

25. The Government Economist ("G Econ") briefed members on the proposal to create a supernumerary post of Principle Economist ("Pr Econ") for three years in the Economic Analysis Division ("EAD") of the Economic Analysis and Business Facilitation Unit under the Financial Secretary's Office to enhance the economic research capacity in support of the new policy initiatives of the Fourth Term Government.

26. The Chairman expressed support in principle and asked about the establishment of the Economist Grade in the Government. Noting that the Hong Kong Monetary Authority had a large team of economic experts, a lot

Action

of them being PhD holders, producing research reports and papers periodically, she enquired about the research capacity of EAD.

27. G Econ replied that the size of the establishment of Economist Grade was 34, of which 28 was the establishment in EAD. With regard to the research capability of EAD, G Econ said that all the recruited researchers in EAD possessed academic qualification well exceeding the stipulated requirements, specifically, four possessed doctorate degree and all others except one possessed master degree in Economics. Also, the research work undertaken by EAD were regularly published in its quarterly economic reports. In particular, there were over 100 feature articles released over the past five years, spanning from analysis of the global financial crisis, euro debt situation, US financial cliff to housing market bubble and inflation risk etc.

28. Mr LEE Cheuk-yan expressed the view that it was equally important for the Census and Statistics Department ("C&SD") to ensure the timeliness of statistical data to facilitate effective economic analyses and policy evaluation by EAD. He quoted the setting of the statutory minimum wage ("SMW") as an example and said that some of the statistical data used was nearly a year ago. He said that while the Administration proposed to strengthen the support at the directorate level, it might have overlooked the need to strengthen the staffing support at the non-directorate levels. He urged the Administration to consider increasing the manpower of C&SD to improve its efficiency.

29. G Econ thanked Mr LEE's comment on C&SD's need to strengthen its staffing position to ensure timely provision of statistical data. On Mr LEE's concern about the time lag in the data from the "Annual Earnings and Hours Survey" ("AEHS"), she explained that AEHS data only constituted the starting point of the SMW review, which would then be supplemented by a host of much more up-to-date figures on wages, payrolls and many other administrative data. She added that as a first step, C&SD had plans to strengthen its manpower resources on the collection of general household data through internal resource deployment. She would nonetheless relay members' views to C&SD on the need to increase manpower and to improve data timeliness.

30. Noting that the proposed Pr Econ post would be required to take up specifically the duties concerning welfare, population and poverty, Mr TAM Yiu-chung asked about the division of work between EAD and

Action

the Central Policy Unit ("CPU") in the Steering Committee on Population Policy ("SCPP") and the Commission on Poverty ("CoP").

31. G Econ replied that the Policy and Project Co-ordination Unit under the Chief Secretary for Administration's Office would be responsible for the overall coordination relating to the two high-level Committees. The section led by the new Pr Econ would work together with CPU and C&SD in providing policy research and analyses for the formulation of policy initiatives. In general, CPU would render support on individual research project basis, while the role of EAD was to develop the analytical framework for economic analysis and policy evaluation, and also to regularly monitor the poverty situation and policy effectiveness over time.

32. Mr POON Siu-ping asked about the qualifications and experience required of the candidate for the Pr Econ post. G Econ replied that the candidate should possess substantial experience and suitable qualifications in economic analysis, and could take lead in research projects. He/she should also be well versed with the policy issues related to the work portfolio of the new section. Furthermore, the Pr Econ would need to attend the meetings of SCPP, CoP and its six task forces, as well as meetings of LegCo committees.

33. Mr IP Kin-yuen enquired whether additional posts would be created for the new section to be led by the new Pr Econ. He also enquired if there was any overlapping of duties between section IV and the new section of EAD, as the subjects under the respective work portfolios of the two sections were closely related.

34. G Econ replied that the new section would be headed by Pr Econ and supported by two new non-directorate posts, namely one Senior Economist and one Economist. Currently, the work portfolio of section IV of EAD covered labour legislation, education, poverty and welfare. As the team was already overstretched with the work relating to the setting of SMW and standard working hours and the regular monitoring of labour market situation, the work relating to welfare as well as research support to SCPP and CoP would need to be taken up by the new section.

35. The Chairman and Mr IP Kin-yuen enquired how the Pr Econ post was to be filled and whether the Administration would consider filling the post by open recruitment. G Econ replied that the post was a promotion rank civil service post and therefore would be filled in accordance with the Government's current recruitment/promotion policies and procedures.

## Action

Generally speaking, the department should first identify whether there was suitable serving officer to fill a post before any open recruitment could be considered. A promotion board chaired by a senior directorate officer would be held for the purpose of identifying a suitable serving officer for filling the said post. Open recruitment would be considered if no serving officer was found suitable to fill the post. As far as the proposed Pr Econ post was concerned, the incumbent should have substantial experience and the professional skills in rendering economic analyses and advice to support the formulation of government policies and programmes, and be well versed with the related government policies.

36. The Chairman also noted the heavy workload arising from Government's new initiatives and asked if the Administration had considered strengthening the establishment of non-directorate staff in EAD. G Econ thanked the Chairman's concern and said that with the expansion on the work portfolios of EAD over the past few years, new non-directorate posts were created every year since 2008 to enhance the research capacity of the Division. Specifically, over the past five years, on average two new Economist Grade posts were created each year to meet the increasing workload and new service demand. As head of the Economist Grade, she would carefully assess the manpower situation of the grade having regard to rising work demands, while also bearing in mind the need to exercise vigilance in containing the overall size of the civil service. As such, as a start, the proposed Pr Econ post was only a supernumerary post for three years. A review would be undertaken to determine whether there was a permanent need for the Pr Econ post, depending on the progress of and the amount of new workload arising from the SCPP and CoP.

37. Mr LEUNG Kwok-hung referred to the job description of the proposed post and noted that "to develop appropriate analytical frameworks on specific policy areas, including population, poverty and welfare" was only one of the four major areas of responsibilities of the proposed post. He enquired whether the new Pr Econ would indeed be deployed to tackle other policy issues instead of focusing on livelihood issues. G Econ explained that the job descriptions of the proposed post were meant to set out the main duties and responsibilities in very broad terms. She re-assured Mr LEUNG that the proposed post would be fully devoted to rendering economic analyses and advice on the policy areas of population, poverty and welfare.

Action

38. After deliberations, the Chairman invited members to indicate whether they supported the funding proposal. Mr LEUNG Kwok-hung indicated that he had reservation over the proposal. Other members supported the proposal. The Chairman concluded that the Panel agreed that the Administration could submit a relevant funding proposal to the Establishment Subcommittee for consideration.

**IV. Any other business**

39. There being no other business, the meeting ended at 12:45 pm.

Council Business Division 4  
Legislative Council Secretariat  
6 February 2013