

立法會
Legislative Council

LC Paper No. CB(4)829/13-14
(These minutes have been
seen by the Administration)

Ref : CB4/PL/PS

Panel on Public Service

**Minutes of meeting held on
Monday, 25 April 2014, 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
Hon Claudia MO
Hon LEUNG Che-cheung, BBS, MH, JP
Hon KWOK Wai-keung
Hon Martin LIAO Cheung-kong, JP
Hon Tony TSE Wai-chuen

Members absent : Dr Hon LEUNG Ka-lau
Hon LEUNG Kwok-hung
Hon SIN Chung-kai, SBS, JP
Hon IP Kin-yuen
Hon TANG Ka-piu

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

Public Officers attending : **Agenda item IV**
Mr Paul TANG, JP
Secretary for the Civil Service

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

Mr Eddie MAK, JP
Deputy Secretary for the Civil Service 1

Agenda item V

Mr Paul TANG, JP
Secretary for the Civil Service

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

Mr Eddie MAK, JP
Deputy Secretary for the Civil Service 1

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

Staff in attendance : Ms Shirley CHAN
Senior Council Secretary (4)1

Ms Angela CHU
Council Secretary (4)1

Ms Prima LAI
Legislative Assistant (4)1

Action

I. Confirmation of minutes

LC Paper No. CB(4)562/13-14 -- Minutes of special meeting on 10 January 2014

LC Paper No. CB(4)588/13-14 -- Minutes of meeting on 17 February 2014

The minutes of the meetings held on 10 January 2014 and 17 February 2014 were confirmed.

II. Information papers issued since the last meeting

LC Paper No. CB(4)487/13-14(01) -- Submission from the Hong Kong Leisure Services Staff General Union on reimbursement of medical expenses
(*Chinese version only*)

LC Paper No. CB(4)533/13-14(01) -- Administration's response to the submission from the Junior Police Officers' Association of the Hong Kong Police Force on earth burial at Gallant Garden

LC Paper No. CB(4)555/13-14(01) -- Administration's response to the submission from the Hong Kong Leisure Services Staff General Union on reimbursement of medical expenses

LC Paper No. CB(4)587/13-14(01) -- Letter dated 16 April 2014 from the Civil Service Bureau providing information on the respective conditioned

hours of work and meal break arrangements for various disciplined services

LC Paper No. CB(4)608/13-14(01) -- Submission from the Hong Kong Marine Department Local Professional Officers' Association on the incident of collision of vessels near Lamma Island (for members only)
(*Chinese version only*)

2. Members noted that the above papers had been issued since the last meeting.

3. The Chairman referred to the information provided by the Civil Service Bureau ("CSB") on the conditioned hours of work and meal break arrangements for various disciplined services (LC Paper No. CB(4)587/13-14(01)), and consulted members if there was a need to discuss the subject at a future Panel meeting. Ms Emily LAU suggested and members agreed that the information should be relayed to relevant disciplined services staff associations/unions for their information. The Panel would decide whether the subject should be discussed having regard to their feedback, if any.

III. Date of next meeting and items for discussion

LC Paper No. CB(4)571/13-14(01) -- List of outstanding items for discussion

LC Paper No. CB(4)571/13-14(02) -- List of follow-up actions

LC Paper No. CB(4)556/13-14(01) -- Letter dated 8 April 2014 from Hon Claudia MO on issues arising from the procurement of an air traffic management system, AutoTrac III, by the Civil Aviation Department
(*Chinese version only*)

4. Members agreed to discuss the following items proposed by the Administration at the next regular Panel meeting to be held on 19 May 2014 –

- (a) Use of agency workers; and
- (b) Implementation of paternity leave in the Government and Government-funded public bodies.

Issues arising from the procurement of a new air traffic management system by the Civil Aviation Department

5. The Chairman referred members to a letter dated 8 April 2014 from Ms Claudia MO (LC Paper No. CB(4)556/13-14(01)) requesting the Panel to discuss issues arising from the procurement of an air traffic management system by the Civil Aviation Department. She informed the Panel that the Panel on Economic Development ("ED Panel") was following up on the related matter.

Admin

6. The Secretary for the Civil Service ("SCS") said that as issues relating to the procurement of the new air traffic management system involved technical aspects of the system, the ED Panel would be the appropriate Panel to discuss the issues. SCS however agreed to provide information regarding the control regime on post-service outside work by retired civil servants, and views of the Civil Aviation Department on the alleged conflict of interest in relation to its procurement of the new air traffic management system.

7. Ms Claudia MO said that there was wide public concern about suspected transfer of benefits by a retired civil servant in the procurement process of the system. She urged the Administration to seriously look into the matter and report the findings to the Panel.

Report of the investigation conducted by the Transport and Housing Bureau into staff conduct in the Marine Department in relation to the vessel collision incident near Lamma Island on 1 October 2012

8. Ms Claudia MO expressed dissatisfaction that the Administration had refused to disclose details of the report of the investigation conducted by the Transport and Housing Bureau into staff conduct in the Marine Department in relation to the vessel collision incident near Lamma Island on 1 October 2012 ("the Report"). She urged the Administration to disclose the names and respective acts of misconduct of the public officers concerned to the public.

9. Ms Emily LAU said that the Administration should take heed of the wish of the bereaved families and should not deprive them of the right to know the truths about the incident. She queried the propriety of the Administration's refusal to disclose the report merely on the grounds of possible legal implications and protection of privacy of the public officers concerned. She called on the Administration to adopt a more open and transparent approach in considering the disclosure of the report.

10. SCS responded that while the Administration fully understood the feelings of the bereaved families and expectations of the public, in considering the disclosure of the report, the Administration needed to strike a balance among various considerations including the risk of prejudicing the relevant criminal investigation and potential criminal proceedings. In the regard, the Secretary for Transport and Housing had already explained the stance of the Administration in his earlier public remarks.

11. On the Chairman's enquiry about the possible internal disciplinary action against the public officers concerned, SCS said that as disciplinary action against certain public officers was recommended in the report, CSB was considering initiation of such action, pending the completion of the criminal investigation by the Police. He further explained that criminal investigation and internal disciplinary action were separate procedures but that the latter would duly take into account whether public officers concerned were found guilty of any criminal offence. The Administration might still institute disciplinary action against the officers concerned if they were found to have committed misconduct, even if no criminal proceedings were instituted after the criminal investigation.

12. In response to Ms Claudia MO's enquiry about the disclosure of the internal disciplinary action against the public officers concerned, SCS said that it was the Administration's practice not to disclose the internal disciplinary proceedings against individual civil servants, as such proceedings could be regarded as internal matters between employers and employees and the issue of personal data protection had also to be considered.

13. Ms Claudia MO said that given the significant public interest involved, she considered it necessary for the Administration to make public the Report and the internal disciplinary action against the public officers concerned. She criticized the Administration for being bureaucratic in handling serious misconduct of civil servants.

14. The Chairman enquired whether it was possible for the Administration to report the progress of the relevant disciplinary proceedings against the public officers concerned to the Panel without disclosing the names of the public officers. SCS said that given the particularly complicated and sensitive nature of the case, it might not be feasible to do so.

15. In concluding the discussion, the Chairman informed members that an item on "the Transport and Housing Bureau's investigation into staff conduct in the Marine Department in relation to the Vessel Collision Incident near Lamma Island on 1 October 2012" would be discussed by ED Panel on 28 April 2014. All other Legislative Council Members were invited to join the discussion of the item.

IV. An overview of the civil service establishment, strength, retirement, resignation and age profile

LC Paper No. CB(4)571/13-14(03) -- Paper provided by the Administration

LC Paper No. CB(4)571/13-14(04) -- Updated background brief prepared by the Secretariat

16. SCS briefed members on the salient points of the Administration's paper on an overview of the civil service establishment, strength, retirement, resignation and age profile.

Civil service establishment

17. The Deputy Chairman pointed out that the ratio of civil servants to total population was decreasing since 1990s, despite that there had been a modest increase of about 1% in the civil service establishment each year since 2007-08. He considered it undesirable that many civil servants had to work overtime to meet the increasing workload and new service demand nowadays. He called on the Administration to carefully assess the workload and manpower situation in individual bureaux and departments ("B/Ds") and address the manpower shortage problems in some B/Ds to alleviate the immense pressure faced by frontline civil servants.

18. SCS said that it would not be appropriate to determine the civil service establishment based on the increase in the size of population. Apart from strengthening the establishment, there were other means to cope with the increase in workload, such as redeployment of manpower resources, streamlining of work procedures, re-engineering of operations, etc. Each year, B/Ds would review their respective staffing situation to assess whether additional resources would be required to meet the demand for new or improved services to the public. Any proposals on creation of posts had to be fully justified by genuine operational and service needs. CSB would continue to closely monitor the manpower requirements of B/Ds under the established mechanism.

Succession and experience retention

Admin 19. Noting that the number of retired directorate civil servants had gradually increased in the past years, Mr WONG Kwok-hing expressed concern about the succession and experience retention situation in the civil service at the senior level. He suspected that some directorate civil servants had chosen to retire early to join other organisations. In order to have a full picture of the retirement situation at the senior level, he requested the Administration to provide the percentage and number of directorate civil servants who had chosen to retire earlier than the normal retirement age in the past years.

20. SCS said that the retirement ages of civil servants were prescribed under the pensions legislation and/or Civil Service Regulations. Officers of the civilian grades, including directorate officers, who were on the Old Pension Scheme or had been appointed before 1 July 1987 and opted to join the New Pension Scheme might choose to retire upon attaining the age of 55. To ensure smooth succession in the civil service, the Administration had put in place a well-established mechanism to facilitate B/Ds in making early planning for succession and taking timely actions where necessary. Under the mechanism, SCS regularly met with Permanent Secretaries and Heads of Department to discuss the succession situation in individual departments and make advance planning. In cases involving special succession and/or operational needs, arrangements were in place for B/Ds to further employ, on a case-by-case basis, officers beyond their retirement age subject to the relevant conditions being met. Overall speaking, it was noted that in the past year, the wastage in the civil service as a whole was about 3% which did not give rise to succession problem in the civil service generally. In response to Mr WONG's request, he agreed to provide supplementary information concerning retirement of directorate officers after the meeting.

21. Mr KWOK Wai-keung commented that after the replacement of pension benefits by the Civil Service Provident Fund Scheme (“CSPF Scheme”) and reduction of fringe benefits for civil servants appointed on or after 1 June 2000, the civil service terms and conditions were no better than those offered by the private sector. To facilitate succession in the long run, he urged the Administration to improve civil service benefits, in particular the retirement benefits, to retain quality staff.

22. SCS advised that, to ensure that civil service pay could attract people of suitable calibre to join and retain them in the civil service, various surveys on pay trend / level were regularly conducted to ascertain whether civil service pay was broadly comparable with that in the private sector. Overall, there had been no difficulty in the recruitment and retention of civil servants.

23. Noting that there had been no difficulty in the recruitment of civil servants and the wastage in the civil service remained relatively low at 3.8% in the previous year, Ms Emily LAU enquired about the reasons for succession problems in the civil service. She remarked that succession problems should not have existed if there was good planning and regular review of the situation.

24. SCS advised that CSB had been monitoring the succession plans of various grades and ranks closely. In general, there was no succession problem in the civil service, but a few grades which had a small establishment and/or faced direct competition for talents from the private sector, e.g. doctors, might require more flexibility to address succession needs. Well-established mechanisms and arrangements were already in place for B/Ds to meet their specific operational and succession needs where necessary. Regarding the reason for the relatively larger number of retirees in the coming decade, it was mainly due to the significant growth of the civil service in the 1980s. Many of the civil servants recruited in 1980s would approach their normal retirement age in the next 10 years.

25. Mr Tony TSE opined that in view of the aging of the civil service, the Administration should put in more efforts to attract young blood into the civil service. He expressed concern about the lack of promotion opportunities for some professional grades within a reasonable period of time and prolonged acting appointments. He considered that such situations might discourage young people from joining the civil service and have negative impact on staff morale. In this regard, he urged the Administration to review the promotion system of the civil service including the acting appointment arrangements.

26. In reply, SCS said that the whole civil service remuneration package, comprising salaries and fringe benefits, was still attractive and competitive in the labour market. On promotion, the objective was to select the most suitable and meritorious officer who was able to perform the more demanding duties in a higher rank. Selection for promotion was based on objective criteria, including character, ability, performance, etc. Seniority would only be given weight if no eligible officer stood out clearly as the most suitable for promotion. According to the information available, in 2012-2013, it took an average of about 14 years for civil service promotees to be promoted to the next higher rank.

27. Regarding acting appointments, the Permanent Secretary for the Civil Service advised that broadly speaking, there were two types of acting appointments, namely, acting appointments to test an officer's suitability for promotion and acting appointments for an officer to undertake temporarily the duties of another vacant post. For the former type of acting appointments, the performance of the officers would be assessed at least on an annual basis to determine their suitability for substantive promotion.

Speeding up the recruitment process

28. Noting that the Director of Audit had commented on the long time taken for conducting civil service recruitment exercises in its recent report, the Deputy Chairman asked what measures the Administration would take to address the problem.

29. The Deputy Secretary for the Civil Service 1 ("DSCS1") said that CSB noted and agreed to the recommendations set out in the audit report. On the basis that the principles of impartiality and fairness would be upheld, CSB had, since 2007, introduced suitable streamlining measures to the recruitment process with a view to meeting the manpower needs of B/Ds more swiftly. For instance, a recruiting department could invite candidates whose qualifications required further verification to attend recruitment examination and/or interview, and offer appointment subject to the completion of the qualifications assessment. As regards measures to reduce the number of unqualified applications, CSB had implemented improvement measures since 2013 by revising the standard application form for civil service jobs and enhancing the online job application system to add built-in reminders for applicants to confirm that they could meet the entry requirements of the jobs selected. CSB would continue to monitor the situation and consider, in consultation with B/Ds, further improvement measures as appropriate.

30. Noting that many serving directorate civil servants would approach their retirement age soon, Mr KWOK Wai-keung urged the Administration to recruit replacement staff well in advance. In his view, to ensure a smooth handover of responsibilities, the replacement staff should assume duty at least six months before the retiring officer's pre-retirement leave.

31. SCS advised that B/Ds would plan ahead and conduct recruitment/promotion exercises in a timely manner to fill anticipated vacancies particularly those arising from retirement. Suitable arrangements would be made to facilitate smooth handover of responsibilities. However, it would not be justified to engage both the replacement and retiring officers in the same post for a prolonged period given the concern about resource duplication.

Non-civil service contract staff

32. Mr KWOK Wai-keung expressed concern over the transfer of knowledge and skills in the civil service. He urged the Administration to consider granting the non-civil service contract ("NCSC") staff with relevant working experience priority in open recruitment exercises to fill civil service vacancies.

33. SCS advised that the Government's recruitment policy was to select the most suitable persons for the jobs through an open, fair and competitive process. Since relevant working experience was one of the factors to be taken into account in the recruitment process, NCSC staff who met the entry requirements of specific civil service ranks should generally enjoy a competitive edge over other applicants.

34. Ms Claudia MO asked how common retired civil servants were employed by the Government on NCSC terms, and whether a proper control mechanism was put in place to prevent the potential conflict of interest arising from the re-appointment of retired civil servants, in particular, at the senior level. She understood that former civil servants being re-employed by the Government was not taken into account under the current control mechanism for post-service outside work. The Administration should review the current policy in the light of the recent incident of the purchase of new air traffic management system by the Civil Aviation Department.

35. In reply, SCS said that the experience of retired civil servants would be relevant and helpful for some ad hoc, seasonal or part-time

assignments. Guidelines and arrangements were in place to ensure that the appointment of retired civil servants to non-civil service positions would be made through a transparent and fair process. Some recent examples included the enforcement of export control of powdered formula by the Customs and Excise Department and the installation of lifts under the Universal Accessibility Scheme. Regarding the control mechanism, SCS advised that different control regimes on post-service outside work had been established for civil servants on retirement, based on their ranks when serving in the civil service. The regimes were underpinned by the principles of protection of the public interest and an individual's right to work. In general, the shorter the interval from cessation of active duty, the greater the control was on post-service outside work; and senior civil servants were subject to longer control periods than junior civil servants.

V. Consultation on extension of the service of civil servants

LC Paper No. CB(4)571/13-14(05) -- Paper provided by the Administration

LC Paper No. CB(4)571/13-14(06) -- Updated background brief prepared by the Secretariat

36. At the invitation of the Chairman, DSCS1 briefed members on the consultation on extension of the service of civil servants being conducted by CSB with the aid of a Powerpoint presentation.

(Post-meeting note: A set of the Powerpoint presentation materials was circulated to members vide LC Paper No. CB(4)617/13-14(01) on 28 April 2014.)

Implementation of the proposed retirement and employment initiatives

37. Mr WONG Kwok-hing said that to solve the manpower shortage and succession problems of the civil service, the Administration should consider increasing the civil service establishment. In this regard, he called on the Administration to create more civil service posts to replace NCSC positions. He made the following comments regarding the proposed initiatives on the extension of service of civil servants –

- (a) On the proposed initiative of adopting a higher retirement age for new recruits, he suggested that new recruits should be

allowed to choose whether or not to extend their retirement age.

- (b) The mechanism for further employing serving civil servants beyond their retirement age should be open and fair to inhibit the development of a cronyism or "stable" culture.
- (c) The extension of service of existing civil servants should not create promotion blockage to younger civil servants.

38. Echoing Mr WONG's concern on the need for an open and fair mechanism in offering further employment to serving civil servants, the Deputy Chairman suggested introducing an appeal mechanism to enhance transparency.

39. SCS responded that under the existing further employment mechanism, consideration would be given for an officer to be further employed beyond retirement age only under exceptional circumstances and the duration of employment was for a limited and specified period of time. The management would need to take into account all relevant considerations, including operational and/or succession needs and other justifiable circumstances in processing the cases and seek approval from CSB and advice of the Public Service Commission as appropriate for the relevant cases. Subject to the outcome of the consultation, CSB would issue guidelines to B/Ds on further employment to ensure that applications for further employment would continue to be subject to vetting through a transparent and objective process, and only be approved where fully justified having regard to the relevant factors (including genuine operational and/or succession needs).

40. In response to Mr WONG Kwok-hing's suggestion that new recruits should be allowed to choose their retirement age, SCS said that the initiative of setting a higher retirement age for new recruits was proposed against the backdrop of an ageing population and a shrinking labour force. Mr WONG's suggestion would be difficult to implement and might cause considerable difficulties in manpower planning and the administration of the retirement age of civil servants. As regards the engagement of NCSC staff, SCS responded that the employment of NCSC staff was under regular review by respective B/Ds, and the Administration would seek to replace NCSC positions by civil service posts if such posts were justified by long-term service needs.

41. Mr LEE Cheuk-yan said that he supported the proposal of extending the service of civil servants. He enquired about the proposed arrangements for the civil servants in disciplined services departments.

42. In reply, SCS said that under the present proposal, the retirement age for new recruits of the disciplined services grades would be set at 57, regardless of their ranks, and might be further extended up to the age limit of 60 subject to an annual suitability assessment. Also, it was proposed that consideration be given to allowing a longer period for further employment of serving civil servants beyond their retirement age to help B/Ds meet specific operational and/or succession needs but the period should, in total, not be more than five years. In addition, it was proposed that a new Post-retirement Service Contract Scheme ("PRSC Scheme") be introduced to enable B/Ds to engage retired civil servants, on a targeted basis, on contract terms to undertake time-limited duties that required specific civil service expertise or experience.

43. The Deputy Chairman asked if a higher retirement age could apply to serving civil servants remunerated on certain pay points on a voluntary basis. SCS replied that such an arrangement might have similar downsides as across-the-board extension by adversely affecting the promotion prospects of younger civil servants and injection of new blood into the civil service, and therefore was not considered desirable.

44. Mr KWOK Wai-keung said that The Hong Kong Federation of Trade Unions supported the extension of service of civil servants. He enquired whether the proposed initiative of adopting a higher retirement age for new recruits was a short-term arrangement or a long-term measure, and sought clarification on the proposed initiatives of (a) further employment of serving civil servants and (b) post-retirement service contract scheme. SCS responded that adopting a higher retirement age for new recruits was a long-term measure having regard to the demographic challenges arising from an ageing population. As regards the other two proposed initiatives mentioned by Mr KWOK, SCS said that both initiatives sought to provide more flexible human resource tools for Heads of Grade/Department ("HoGs/HoDs") to cope with the operational and succession needs of individual grades/departments at different times, and to address the aspirations of different cohorts of civil servants for a longer working life. HoGs/HoDs might offer further employment without a break in service to serving civil servants beyond their normal retirement age, subject to relevant conditions being met including well justified operational and/or succession needs. In addition, B/Ds could engage retired civil servants on contract terms to fill

non-directorate positions for undertaking ad hoc duties that required specific civil service expertise or experience.

45. Mr KWOK Wai-keung enquired whether the Administration would consider providing retired civil servants engaged under the PRSC Scheme with fringe benefits similar to those applicable to civil servants at equivalent ranks. SCS said that since retired civil servants would be appointed on contract terms under the proposed Scheme and such appointments were not civil service appointments, they would not be entitled to civil service fringe benefits generally.

Impact on public finance

46. Mr LEE Cheuk-yan enquired about the impact of the proposed retirement and employment initiatives on public finance, and whether the overall amount of pensions payable to retired civil servants would increase or decrease with the implementation of the initiative of further employment of serving civil servants. Ms Emily LAU said that although the Government had contractual obligation to provide civil servants with pensions and retirement benefits, the Administration need to carefully consider the financial implications of the proposals to ensure the proper use of public funds. She asked whether the Administration had made reference to relevant overseas systems or arrangements when putting forward the proposed initiatives. The Deputy Chairman asked about the relevant arrangements for civil servants under the CSPF Scheme in withdrawing the accrued benefits in the Scheme if they were offered further employment beyond their normal retirement age.

47. SCS replied that the proposal of adopting a higher retirement age for civil service new recruits would result in an increase in the Government's voluntary contributions if the existing CSPF Scheme and its contribution rates remained unchanged, since such contributions would increase progressively with the years of service of civil servants covered by the Scheme. As regards impacts on the amount of pension payments arising from further employment of civil servants on pensionable terms, it would be difficult to assess as many variables were involved. The Administration would examine in greater detail the financial implications of the proposed initiatives with a view to hammering out the implementation details at the next stage. In devising the proposed initiatives, the Administration had researched into the practices adopted by some overseas jurisdictions to prolong the working life of their populace. Given the differences in economic systems and circumstances, the Administration considered it inappropriate to draw direct reference from overseas practices.

48. As regards the withdrawal of accrued benefits under the CSPF Scheme for serving civil servants covered by the Scheme who were offered further employment without a break in service, SCS advised that the exact terms of further employment for this group of officers under the proposal would be subject to the consultation outcome but under the existing terms, they would withdraw the accrued benefits derived from the Government's voluntary contributions to the Scheme upon retirement at the extended retirement age. The prescribed age for the withdrawal of the accrued benefits derived from the mandatory contributions would be 65 as stipulated under the Mandatory Provident Fund Scheme Ordinance (Cap. 485).

Invitation of views from civil service unions and other interested parties

49. The Chairman proposed and members agreed that civil service unions and other interested parties be invited to give views on the subject at the Panel's meeting scheduled for 21 July 2014.

VI. Any other business

50. There being no other business, the meeting ended at 12:52pm

Council Business Division 4
Legislative Council Secretariat
18 June 2014