

**立法會**  
***Legislative Council***

LC Paper No. CB(4)454/14-15  
(These minutes have been seen  
by the Administration)

Ref : CB4/PL/PS

**Panel on Public Service**

**Minutes of meeting held on  
Monday, 15 December 2014, at 10:45 am  
in Conference Room 3 of the Legislative Council Complex**

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

**Public officers attending**

: Agenda item III

Mr Paul TANG, JP  
Secretary for the Civil Service

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

Agenda item IV

Mr Paul TANG, JP  
Secretary for the Civil Service

Ms May CHAN, JP  
Deputy Secretary for the Civil Service 2

Miss Winnie TSE  
Principal Assistant Secretary  
(Conditions of Service)  
Civil Service Bureau

**Clerk in attendance** : Miss Mary SO  
Chief Council Secretary (4)2

**Staff in attendance** : Ms Cindy CHAN  
Senior Council Secretary (4)2

Ms Rebecca LEE  
Council Secretary (4)2

Miss Vivian YUEN  
Legislative Assistant (4)2

**I. Papers issued since the last meeting**

Members noted that no information paper was issued since the last meeting.

## **II. Date of next meeting and items for discussion**

LC Paper No. CB(4)235/14-15(01) -- List of outstanding items for discussion

LC Paper No. CB(4)235/14-15(02) -- List of follow-up actions

2. Members agreed to discuss the following items proposed by the Administration at the next regular meeting scheduled for Monday, 19 January 2015 at 10:45 am -

- (a) Briefing by the Secretary for the Civil Service on the policy initiatives of Civil Service Bureau featuring in the 2015 Policy Address; and
- (b) An overview of training and development for civil servants.  
(*Post meeting note: At the request of the Administration, the discussion item had been changed to "Extension of the service of civil servants".*)

## **III. Employment situation of non-civil service contract staff**

LC Paper No. CB(4)235/14-15(03) -- Administration's paper on "Employment situation of non-civil service contract staff"

LC Paper No. CB(4)235/14-15(04) -- Updated background brief on the "Employment situation of non-civil service contract staff" prepared by the Legislative Council ("LegCo") Secretariat

### Briefing by the Administration

3. Secretary for the Civil Service ("SCS") updated members on the employment situation of non-civil service contract staff ("NCSC") as at end June 2014, details of which were set out in the Administration's paper (LC Paper No. CB(4)235/14-15(03)). Specifically, the number of full-time NCSC staff employed by Bureaux/Departments/Offices ("B/Ds") had dropped from 12 900 as at 30 June 2013 to 12 147 as at 30 June 2014. Of the full-time 12 147 NCSC

staff employed as at 30 June 2014, 7 614 (some 63%) and 4 533 (some 37%) were employed for less than five years and five years or more respectively, as compared with 8 154 and 4 746 employed for less than five years and five years or more respectively as at 30 June 2013. Although some 37% of the 12 147 NCSC staff as at 30 June 2014 were employed for five years or more, this did not mean that all of them served in the same NCSC positions for five years or more as some of them also served in different NCSC positions in the same B/Ds without a break in service. The main reason why some NCSC staff served in the same NCSC positions for five years or more were (i) the long-term need of the services they were employed to provide was still under review, (ii) the time-limited initiatives they were employed to support continued to operate for a relatively long period of time such as in the case of the Continuing Education Fund ("CEF") for which its service need had lasted for more than 10 years and would lapse upon the depletion of the Fund or (iii) B/Ds tended to retain experienced NCSC staff for a longer period of time in the course of replacing the NCSC positions concerned by civil service posts.

### Discussion

#### *Replacement of NCSC positions by civil service posts*

4. Mr LEE Cheuk-yan said that the main reason why the number of full-time NCSC staff had only dropped from 16 488 as at 31 March 2006 to 12 147 as at 30 June 2014 was that many NCSC positions, which should have been replaced by civil service posts because the work involved was of a permanent nature, had not been replaced. Mr LEE pointed out that the numbers of full-time NCSC staff employed by Hongkong Post ("PO"), Leisure and Cultural Services Department ("LCSD"), Education Bureau ("EDB") and Electrical and Mechanical Service Department ("EMSD") to meet service needs that were time-limited or seasonal in nature or subject to market fluctuation consistently stood at a high level ranging from some 500 to some 900; and PO, LCSD, EDB and EMSD were amongst the eight largest NCSC staff-user B/Ds which together employed about 65% (or 7 853) full-time NCSC staff as at 30 June 2014. Mr LEE further pointed out that the numbers of full-time NCSC staff employed by PO, LCSD, EDB and EMSD as at 31 December 2002 were similar or higher than the numbers of full-time NCSC staff employed by PO, LCSD, EDB and EMSD as at 30 June 2014. For instance, the numbers of full-time NCSC staff employed by LCSD were 1 808 and 1 776 as at 31 December 2002 and 30 June 2014 respectively. The numbers of full-time NCSC staff employed by EDB were 1 068 and 1 178 as at 31 December 2002 and 30 June 2014 respectively. In the light of this, Mr LEE urged CSB not to turn a blind eye to the exploitation of NCSC staff by allowing B/Ds not to convert those NCSC positions with established long-term service needs to civil service posts.

5. SCS explained that it was necessary for B/Ds to employ NCSC staff for a longer period of time to meet service needs which were time-limited, such as in the case of CEF for which the service need would lapse upon the depletion of the Fund, or seasonal in nature, such as seasonal lifeguards. SCS further said that as PO and EMSD were trading fund departments responsible for their own finances, it was necessary to provide PO and EMSD with greater flexibility than other government departments in the employment of NCSC staff to better cope with rapid market changes.

6. Mr LEE Cheuk-yan said that the criteria for employing NCSC staff as set out in paragraph 2(a)-(d) of the Administration's paper did not mention that trading fund departments should be accorded greater flexibility in the employment of NCSC staff. Mr LEE requested CSB to provide the breakdown of full-time NCSC staff for those B/Ds engaging 500 or more NCSC staff as at 30 June 2014 by work types/positions and that of 10 years ago. SCS undertook to provide the requested information after the meeting.

Admin

7. Noting that the length of service of 4 533 NCSC staff was five years or more, Mr LEUNG Che-cheung asked why the NCSC positions concerned were not replaced by civil service posts as it was the Administration's policy to replace a NCSC position by civil service post if the work involved was of a permanent nature.

8. SCS reiterated that some of the 4 533 NCSC staff also served in different NCSC positions in the same B/Ds without a break in service. Apart from the reasons set out in paragraph 3 above, another reason on why some NCSC staff worked in the same positions for five years or more was that there was no comparable civil service rank for performing the type of work they were doing.

9. Noting that one of the criteria for B/Ds to employ NCSC staff was to tap the latest expertise in a particular area not available in the civil service, Mr TONY TSE asked whether the engagement of such staff was generally on a short-term basis. SCS advised that to his understanding, these NCSC staff were generally employed on a one to three years' contract.

10. The Chairman noted from paragraph 6 of the Administration's paper that the number of full-time NCSC staff employed by B/Ds was 16 488 as at 31 March 2006. As at 30 June 2014, 3 995 of the 16 488 positions had been phased out and replaced by civil service posts. The Chairman further noted from paragraph 7 of the Administration's paper that between March 2006 and June 2014, B/Ds separately identified about 2 960 NCSC positions for replacement by civil service posts. As at 30 June 2014, 2 335 of such positions had been phased out and replaced by civil service posts. In the light of this,

the Chairman asked why the number of full-time NCSC staff as at 30 June 2014 was 12 147 and not 10 158 (16 488 minus 3 995 and 2 335).

11. Director of General Grades ("DGG") explained that for meeting new ad hoc service needs, new full-time NCSC positions had been created over the past years.

12. Responding to Mr KWOK Wai-keung's enquiry as to when the remaining 620 odd NCSC positions identified by B/Ds between March 2006 and June 2014 for replacement by civil service posts (about 2 960 minus 2 335) would be phased out and replaced by civil service posts, DGG said that B/Ds had been reminded to replace the 620 odd NCSC positions by civil service posts within the next financial year as far as practicable.

EDB

13. Mr IP Kin-yuen said that according to the Administration's paper on the employment situation of NCSC staff for the meeting of the Panel held on 16 December 2013 (LC Paper No. CB(4)222/13-14(03)), the reason for EDB to employ 909 full-time NCSC staff as at 30 June 2013 was to meet the unique operational needs in government schools under the school-based management initiative. However, according to Annex E(3) to the present Administration's paper on the employment situation of full-time NCSC staff by EDB, the aforesaid reason was not one of the reasons of employment of full-time NCSC staff as at 30 June 2014 by EDB. Instead, 609 full-time NCSC staff were employed to meet service needs that were time-limited or seasonal in nature and 542 full-time NCSC staff were employed to meet service needs where the mode of delivery of the service was under review or likely to be changed. In the light of this, Mr IP sought information on the initiatives for engaging NCSC staff to meet service needs that were time-limited or seasonal in nature and where the mode of delivery of the service was under review or likely to be changed.

14. SCS responded as follows:

- (a) of the 609 NCSC staff employed by EDB to meet service needs that were time-limited or seasonal in nature as at 30 June 2014, some 380 were employed in government schools to provide services under various time-limited funds/grants, such as the Capacity Enhancement Grant; the Learning Support Grant; and some 200 were employed in EDB headquarters to support time-limited education reform initiatives, such as language support projects, the Pilot Project on Strengthening Schools' Administration Management and the Committee on Free Kindergarten Education; and

- (b) over 530 of the 542 NCSC staff employed by EDB as at 30 June 2014 to meet service needs where the mode of delivery of the service was under review or likely to be changed under the Funding Flexibility Scheme. The remaining NCSC staff were employed to provide support to the teaching of non-Chinese speaking students, new arrival students and non-attendance students.

15. SCS added that most of the 21 NCSC staff employed by EDB as at 30 June 2014 to tap the latest expertise in the market were engaged in the planning, implementation and evaluation of the Basic Competency Assessment Project; and the employment of six NCSC staff as at 30 June 2014 by EDB to meet service needs that required staff to work less than the conditioned hours required of civil servants were mainly engaged as Assistant Operation Officers to carry out enforcement work on unregistered schools.

16. Mr IP Kin-yuen pointed out that employing teachers on contract terms was not conducive to their accumulation of teaching experience and skills and might adversely affect their morale. Mr IP urged CSB, in conjunction with EDB, expeditiously phased out such NCSC positions and replaced by civil service posts. At the request of Mr IP, SCS undertook to provide a breakdown of the length of service of the 1 178 full-time NCSC staff employed by EDB as at 30 June 2014 with reasons of employment or initiatives for engaging such NCSC staff.

Admin

*Radio Television Hong Kong ("RTHK")*

17. Ms Claudia MO asked whether political consideration was one of the reasons for B/Ds not phasing out NCSC positions and replacing these positions by civil service posts. Ms MO cited an example of a journalist who had served in the same NCSC position in RTHK for almost 20 years until his retirement.

18. SCS responded that a NCSC position would be phased out and replaced by a civil service post if its long term service needs could be established. SCS further said that the political stance of a NCSC staff would not come into play in determining whether the NCSC staff was suitable for filling a civil service post. Moreover, replacements of NCSC positions by civil service posts had been conducted in a transparent and fair manner through the conduct of open recruitment exercises.

19. At the request of Ms Claudia MO, SCS undertook to provide information on the length of service of the 287 full-time NCSC staff employed by RTHK as at 30 June 2014 with breakdown by less than one year, one year to less than three years, and three years or above.

Admin

*Efficiency Unit ("EU")*

20. Mr TANG Ka-piu said that he could not understand why the NCSC positions created by EU to provide 24-hour one-stop service to handle public enquiries on behalf of 22 departments and public complaints against the Government had not been phased out and replaced by civil service posts, as such service was a continuous one.

21. SCS explained that the reason EU employed NCSC staff to man the 1823 hotline was because there was no comparable civil service rank in the Government performing this type of work. Although the service of the 1823 hotline was a continuous one, CSB and EU, after careful consideration, came to a view that it was not appropriate to create a civil service rank to solely man the 1823 hotline and which the rank did not have potential for development. Another reason was that NCSC staff employed to man the 1823 hotline generally did not intend to stay in the job on a long-term basis. SCS pointed out that in view of the routine job nature of manning a hotline, it was not uncommon for private organizations to employ temporary staff to run their hotlines and the turnover rates of these staff were on the high side.

22. Mr TANG Ka-piu opined that the Administration was being short-sighted for not replacing the NCSC positions for manning the 1823 hotline by civil service posts, as the experience of the NCSC staff concerned was valuable and should be retained in the civil service.

23. Mr IP Kin-yuen noted from Annex E(7) of the Administration's paper that the reason given by EU for the employment of 435 NCSC staff as at 30 June 2014 to man the 1823 hotline was to tap the latest expertise in the market. Mr IP said that the fact that CSB allowed EU to use such unreasonable reason to employ NCSC staff to man the 1823 hotline showed the lack of monitoring for compliance with the ambit of the NCSC Staff Scheme. Mr IP further said that if the lack of a comparable civil service rank in the civil service was one of the acceptable reasons for employment of NCSC staff, the scope of the NCSC Staff Scheme should be expanded.

*Retention of NCSC staff*

24. Mr Martin LIAO said that the need to provide flexibility for B/Ds to recruit NCSC staff to meet changing operational needs was understandable. However, it was unacceptable that over 4 000 NCSC staff had worked for five years or more in the Government. Such situation had adversely affected the staff morale of NCSC staff, development of sense of belonging in B/Ds and



quality of public services. Mr LIAO asked what measures would be taken by the Administration to boost the morale of NCSC and to retain their services.

25. Whilst recognizing the needs of B/Ds to employ NCSC staff, Mr Tony TSE hoped that the unfair situation of B/Ds engaging NCSC staff to perform the same type of work carried out by civil servants could be avoided as far as possible so as not to undermine the morale of those NCSC staff, such as seasonal lifeguards, who were receiving different pay from their civil servant counterparts for doing the same type of work.

26. SCS responded that B/Ds were required to ensure the competitiveness and attractiveness of the terms and conditions of employment of the NCSC positions, so as to recruit adequate persons of suitable calibre from the labour market and retain the NCSC staff. Hence, when determining the terms and conditions of service for NCSC staff, Heads of Departments ("HoDs") would take into account a host of considerations, such as condition of the employment market, recruitment results and cost of living. Also, B/Ds would conduct periodic reviews on the pay of their NCSC staff to ensure that it remained competitive with the prevailing pay levels in the market, and enabled them to recruit and retain NCSC staff. Reviews could be conducted at different times of a year as and when HoDs consider appropriate. Where justified, pay revisions were implemented on a prospective date after the conclusion of pay reviews and/or upon contract renewal of serving NCSC staff. In fact, the vast majority of NCSC staff had a pay rise over the past years, and the rates of such increase were broadly comparable to the rates of pay increase for civil servants in comparable civil service ranks or with comparable levels of responsibilities. In some cases, the pay increase of certain NCSC staff might be even higher than that of the civil servants if the expertise of the NCSC staff in a particular area was not available in the civil service.

27. SCS further said that NCSC staff well understood that their positions were for a fixed time period and were subject to renewal. To his understanding, some NCSC staff preferred to be employed on a time-limited basis. For those NCSC staff who wished to become civil servants, SCS pointed out that those NCSC staff with suitable working experience in the Government in general had an edge over other applicants in applying for the civil service posts. The success rate of NCSC staff in applying for civil service posts was around 16%, whereas the success rate of other applicants was only about 2%.

*NCSC pay adjustment*

28. Mr WONG Kwok-hing said that civil service pay adjustment for 2014-2015 should have been implemented with retrospective effect from 1 April 2014 if not for the filibustering by some Members at the meetings of the Finance Committee ("FC"). Mr WONG enquired whether the pay for NCSC staff would be adjusted upward as in the case of civil servants, and if so, when.

29. SCS responded that the terms of employment, including remuneration, between civil servants and NCSC staff were different, given that civil service and NCSC appointments were two distinct types of employment. Although it was generally the practice of B/Ds to adjust the pay for their NCSC staff following the implementation of pay adjustment for civil servants which usually took place in the summer, CSB had advised B/Ds that it was not a must to follow such timing for adjusting the pay for their NCSC staff. To his understanding, many B/Ds had effected the pay adjustment for their NCSC staff in July to September 2014.

30. In response to Mr WONG's further enquiry about the rates of pay adjustment for NCSC staff in 2014-2015, SCS said that whilst the rates of pay adjustment varied amongst B/Ds, such rates were largely comparable to the pay increases for civil servants in particular in the middle and lower salary bands.

*Offsetting of severance and long service payments*

31. Mr WONG Kwok-hing urged the Administration to abolish the existing arrangement of allowing employer's Mandatory Provident Fund ("MPF") contributions and end-of-contract gratuities granted to offset severance and long service payments payable to their staff under the Employment Ordinance (Cap.57) ("EO"), as such offsetting arrangement undermined the retirement life of workers, particularly those earning a low income and whose employment contracts were not long as in the case of most NCSC staff. As set out in Annex C of the Administration's paper, about 90% of full-time NCSC staff were employed on contracts of less than two years. According to Annex D of the Administration's paper, about 59% of full NCSC staff received monthly pay between \$8,000 to \$15,999 and another 22% were remunerated between \$16,000 and \$29,999 whilst 14% received monthly pay of \$30,000 or over.

32. SCS responded that the Government had been acting in accordance with the EO for relevant arrangement. The Government would continue to listen to views from different sectors and consider the matter in a holistic manner. Before the community could reach any consensus on this issue with corresponding changes in relevant legislation, the Government would not change the current arrangement.

Admin

33. Mr TANG Ka-piu requested the Administration to provide information on the respective amounts of employer's contribution made by B/Ds to the MPF in respect of their NCSC staff which were used for offsetting the severance and long service payments. SCS undertook to look into the matter.

*Employment of part-time NCSC staff*

34. Mr TANG Ka-piu enquired about the number of part-time NCSC staff employed by B/Ds as at 30 June 2014. As part-time employees were not entitled to the same levels of protection and benefits enjoyed by full-time employees under the EO if the contracts of part-time employees did not meet the continuous contract requirement under the EO (i.e. an employee employed by the same employer for four weeks or more and worked for 18 hours or more each week (commonly known as the "4-18" requirement), Mr TANG further enquired whether part-time NCSC staff were engaged under a continuous contract.

35. SCS responded that there were about 7 300 part-time NCSC staff employed by B/Ds as at 30 June 2014 and these NCSC staff were not engaged under a continuous contract as defined by the EO. NCSC staff meeting the 4-18 requirement had been referred as "full-time" NCSC staff (as explained in footnote 1 of the paper).

*Abuse of sick leave by NCSC staff*

36. Referring to a recent newspaper reporting that a civil servant participated in the Occupy Central movement whilst on sick leave, Mr LEUNG Che-cheung asked whether, and if so, what action(s) would be taken by the Administration if similar act was committed by NCSC staff. SCS responded that CSB had established mechanism to deal with the matter.

*Review on employment situation of NCSC staff*

37. Mr KWOK Wai-keung noted from paragraph 6 of the Administration's paper that CSB, in conjunction with B/Ds, conducted a special review on the employment situation of NCSC staff in 2006. Mr KWOK asked whether the Administration would consider conducting another special review on the employment situation of NCSC staff within the current term of the Government to identify more NCSC positions for replacement by civil service posts.

38. SCS responded that under the established policy where NCSC positions with long term services needs should be replaced by civil service posts in the long run, CSB had been reviewing with B/Ds from time to time to identify NCSC positions for replacement by civil service posts.

*Other issues*

Admin

39. Mr WONG Kwok-hing said that a recent newspaper reporting mentioned that despite the high number of visitors to the public museums managed by the LCSD, some outsourced staff engaged to work at these museums were laid off by the contractors. Mr WONG urged CSB to look into this matter. SCS agreed to follow up with LCSD as appropriate.

40. Mr Martin LIAO noted that from paragraph 13 of the Administration's paper that the LCSD decided in 2011 to adopt a mixed mode of service delivery at public libraries, i.e. deploying civil servants of both Clerical and Cultural Services Assistants grades in delivering frontline and support services in public libraries, augmented by more automation and self-service as well as engagement of part-time non-civil service staff at peak hours. Mr LIAO enquired whether such mixed mode of service delivery would be applied to services managed by other B/Ds, and if so, the criteria would be adopted to determine the ratio of mix of NCSC staff and civil servants so as to ensure an efficient delivery of service to the public.

41. SCS responded that the mixed mode of service delivery adopted by the LCSD at public libraries might not be suitable to meet the service needs of other B/Ds. Nevertheless, B/Ds had the full discretion to adopt such a mode of service delivery if they deemed fit, subject to the endorsement of the CSB.

Admin

42. To enable members to have a better grasp of the employment situation of NCSC staff, Mr IP Kin-yuen requested CSB to provide as appropriate relevant information of the past years in its future discussion papers on the employment of NCSC staff.

Conclusion

43. In closing, the Chairman said that the Panel would continue to closely monitor the employment of NCSC staff by the Administration.

**IV. Review on conditioned hours of work for Model Scale 1 Grades**

LC Paper No. CB(4)235/14-15(05) -- Administration's paper on "Review on conditioned hours of work for Model Scale 1 grades"

LC Paper No. CB(4)235/14-15(06) -- Background brief on the "Review on the conditioned hours of work for Model Scale 1 grades" prepared by LegCo Secretariat

Briefing by the Administration

44. SCS briefed members on the progress of the review on conditioned hours of work for Model Scale 1 ("MOD 1") grades ("the review"), details of which were set out in the Administration's paper (LC Paper No. CB(4)235/14-15(05)). SCS pointed out that although the conditioned hours of work of MOD 1 grades were 45 hours net per week (i.e. exclusive of meal breaks), MOD 1 staff were provided with meal breaks and they would be eligible for overtime recompense if they were required to work during their meal breaks. Civil servants whose conditioned hours of work incorporated the time for meal breaks would not be compensated for working during their meal breaks.

Discussion

45. Mr WONG Kwok-hing expressed concern that although the Administration considered after the first stage of the review that the conditioned hours of work of around 1 500 of the some 7 450 MOD 1 staff could be reduced from 45 hours net per week to 45 hours gross per week (i.e. inclusive of meal breaks) without compromising the three prerequisites of cost-neutrality, no additional manpower, and maintaining the same level of service to the public, only a total of 40 staff (or 0.5% of the some 7 450 MOD 1 staff) involving four of the 11 MOD 1 grades, namely Barber, Explosives Depot Attendant, Gardener and Supplies Attendant, were considered feasible to reduce their conditioned hours of work to 45 hours gross per week. Mr WONG queried whether the need to comply with the three prerequisites for reducing conditioned hours of work of MOD 1 staff was overly stringent.

46. SCS explained that the reason why only 40 staff involving four MOD 1 grades were considered feasible to reduce their conditioned hours of work to 45 hours gross per week was that all reduction proposals must, in addition to full compliance with the three prerequisites to ensure prudent use of public funds and the upkeep of the level of service to the public, also comply with the "same grade, same conditioned hours of work" principle for proper management of the civil service on parity grounds.

47. Mr WONG Kwok-hing pointed out that although the conditioned hours of work of the supporting grades staff of the Hospital Authority ("HA") had been

reduced from 45 hours net per week to 44 hours gross per week with effect from 1 May 2013, the conditioned hours of work of the some 560 civil servants working in HA remained at 45 hours net per week. On parity grounds, Mr WONG enquired whether the Administration would adopt the HA's reduced conditioned hours of work for those civil servants working in HA.

48. SCS responded that whilst civil servants working in HA undertook duties as assigned by their supervisors in HA, their status remained that of civil servants, and as civil servants, they continued to be subject to the remuneration package and conditions of service of the civil service in accordance with the protections and constraints set out in the Civil Service Regulations, including requirements in relation to conditioned hours of work. Civil servants working in HA and staff employed by HA had all along been subject to different terms of employment and conditions of service. SCS further said that although the conditioned hours of work of civil servants working in HA were different from that of HA's supporting grades staff, the HA management had assured that civil servants working in HA would not shoulder additional work as a result.

49. Mr TANG Ka-piu questioned the sincerity of the Administration in reducing the conditioned hours of work of MOD 1 staff. Mr TANG asked whether the main reason for only reducing the conditioned hours of 40 MOD 1 staff was due to the Financial Secretary's request for B/Ds to deliver 1% savings on their respective annual operating expenditure in 2016-2017 and 2017-2018.

50. SCS responded that without pre-empting the results of the review, the Administration had emphasized to the Staff Side at the outset that a full-fledged reduction proposal for all the MOD 1 grades would not be easy to achieve given the large number of staff and B/Ds involved and the importance of upholding the established prerequisites and the "same grade, same conditioned hours of work" principle. SCS further said that whilst further improvement of the situation did not appear to be optimistic, a different approach was adopted in the second stage of the review in an attempt to make a breakthrough through the concerted efforts of parties concerned. Specifically, in the second stage of the review, the Administration had set up tripartite meetings to provide a platform for the departmental management and the staff representatives of the Model Scale 1 Staff Consultative Council ("MOD 1 Council") to exchange views directly on reduction proposals as detailed in paragraph 7 of the Administration's paper. Whilst significant achievements through the tripartite meetings could not be attained, the tripartite platform was found to be a constructive communication channel between the Staff Side and the departmental management to enhance mutual understanding and exchange views on reduction proposals.

51. Mr TANG Ka-piu asked whether, and if so, which of the four MOD 1 grades, namely Barber, Explosives Depot Attendant, Gardener and Supplies Attendant, considered feasible for reducing their conditioned hours of work to 45 hours gross per week would not further recruit staff upon retirement of incumbent staff.

52. Deputy Secretary for the Civil Service 2 ("DSCS 2") replied that there would be continued recruitment for the Supplies Attendant grade. As for Barber, Gardener and Explosives Depot Attendant, there would not be further recruitment upon the retirement of incumbent staff.

53. Mr TANG Ka-piu further enquired as to whether the remaining seven MOD 1 grades, namely Ganger, Car Park Attendant II, Property Attendant, Ward Attendant, Workman I, Workman II and Workshop Attendant, would not conduct further recruitment upon retirement of incumbent staff. SCS replied in the negative.

54. Mr LEE Cheuk-yan said that the fact that only 40 out of the some 7 450 MOD 1 staff could have their conditioned hours of work reduced to 45 hours gross per week, whereas the salary of civil servants at Master Pay Scale Point 45 to 49 would be increased by 3% with effect from 1 October 2014 as recommended by the Standing Commission on Civil Service Salaries and Conditions of Service in its Report on the Civil Service Pay Level Survey 2013 ("the 2013 PLS Report"), was another testament of "fattening the top and thinning the bottom" in the Government. Mr LEE further said that although MOD 1 staff were compensated in monetary terms or time-off in lieu for working during their meal breaks, they nevertheless had to work longer hours than other civil servants whose conditioned hours of work were generally 44 hours gross per week. To address such longstanding unfair treatment to MOD 1 staff, Mr LEE urged the Administration to dispense with the full compliance with the three prerequisites of cost-neutrality, no additional manpower, and maintaining the same level of service to the public and the "same grade, same conditioned hours of work" principle in reducing the conditioned hours of work of all MOD 1 staff to 45 hours gross per week.

55. SCS said that he disagreed that the Administration was treating MOD 1 staff unfairly. SCS pointed out that there was no uniform conditioned hours of work in the civil service. Specific conditioned hours of work were laid down for different grades of civil servants (including civilian and disciplined services staff) according to operational requirements and other relevant considerations. The stipulated conditioned hours of work was taken into account when the Administration determined the remuneration package of different civil service grades. SCS further pointed out that according to the findings of the 2013 PLS

Report, the pay of MOD 1 staff remained broadly comparable to that of the comparable jobs in the private sector.

56. SCS reiterated that when considering proposals to reduce the conditioned hours of work of a grade, it was necessary for the Administration to fully comply with the three prerequisites of cost-neutrality, no additional manpower, and maintaining the same level of service to the public to ensure prudent use of public funds and the upkeep of the level of service to the public, and to uphold the "same grade, same conditioned hours of work" principle for proper management of the civil service on parity grounds.

57. Mr LEE Cheuk-yan maintained his views that the Administration had exploited MOD 1 staff by requiring them to work longer works than other civil servants, not to mention that the Administration had increasingly contracted out the jobs carried out by MOD 1 staff thereby suppressing the rise in the salary of MOD 1 staff. Mr LEE was of the view that the Administration had not complied with the provisions under the Labour Relations (Public Service) Convention, 1978 (No. 151) which advocated the development and utilization of machinery for negotiation of terms and conditions of employment between the public authorities concerned and public employees' organizations. Mr LEUNG Kwok-hung expressed similar views.

58. Mr LEUNG Che-cheung said that whilst he agreed that there should be criteria for reducing the conditioned hours of work of civil servants, full compliance with the three prerequisites of cost-neutrality, no additional manpower, and maintaining the same level of service to the public rendered it very difficult, if not impossible, to reduce the conditioned hours of work of MOD 1 staff. Mr LEUNG asked whether consideration could be given to conducting the third stage of the review to explore the feasibility of relaxing the compliance with one or more of the three prerequisites, such as the no additional manpower prerequisite, in reducing the conditioned hours of work of MOD 1 staff.

59. SCS pointed out that as the stipulated conditioned hours of work had been taken into account in determining the overall remuneration package offered to different civil service grades, a reduction in the conditioned hours of work of a particular grade without any corresponding change to its pay was an improvement to the pay and conditions of service of that grade. To ensure prudent use of public funds and the upkeep of the level of service to the public, it was an established policy that the Administration would only consider a proposal to reduce the conditioned hours of work of a particular civil service grade if the proposal complied with the three prerequisites of cost-neutrality, no additional manpower, and maintaining the same level of service to the public. For parity



consideration and proper management of the civil service, the conditioned hours of work for all members of the same grade/rank should be the same.

60. SCS further said that the Administration had critically reviewed the feasibility of reducing the conditioned hours of work of MOD 1 staff during the second stage of the review. Although there was no change to the result after the second stage of the review, it had provided a platform for staff to be involved in the process and understand why it was not feasible to reduce the conditioned hours of work of certain grades under the established prerequisites and principle. SCS further said that while the Administration had no plan to conduct a similar review of a similar scale in the near future, the Administration was open-minded in maintaining dialogue with the Staff Side through the MOD 1 Council on the issue. Separately, the Administration would encourage the departmental management to continue monitoring the work patterns of MOD 1 staff having regard to the changing operational circumstances, and exploring to improve their work arrangements wherever feasible.

61. SCS added that there had been successful cases of reduction of conditioned hours of work of civil servants, such as the disciplined services grades in the Fire Services Department ("FSD") and Correctional Services Department ("CSD"). The two departments did not have problem upholding the "same grade, same conditioned hours of work" principle as the grades concerned only involved either the FSD or the CSD. This was also the case for the Barber, Explosives Depot Attendant and Gardener grades, each of which involved only one department.

62. Mr TANG Ka-piu asked about the cost for hiring additional manpower to facilitate the reduction of the conditioned hours of all MOD 1 staff to 45 hours gross per week.

63. SCS replied that the Administration did not have the requested information, as the Administration would only consider proposal to reduce the conditioned hours of work for a certain civil service grade if the reduction was considered feasible under the established prerequisites and principle.

64. Mr Tony TSE agreed that it was necessary for the Administration to fully comply with the three prerequisites in reducing the conditioned hours of work of civil servants. Noting that a trial scheme would be conducted to test the viability of the reduction proposals for the two MOD 1 grades, namely Explosives Depot Attendant and Supplies Attendant, before implementing the reduction on a permanent basis, Mr TSE asked why such a trial scheme would be necessary as the reduction proposals for the two MOD 1 grades were considered feasible under the established prerequisites. Mr TSE asked whether consideration could be

given to allowing individual B/Ds to conduct similar trial schemes if reduction of conditioned hours of their MOD 1 staff was considered feasible under the three prerequisites.

65. DSCS 2 pointed out that at this stage, reduction of conditioned hours of the two MOD 1 grades was considered feasible in theory. In line with the established procedure and for prudence sake, it would be necessary to test the viability of any reduction proposals before they were implemented on a permanent basis. In conducting the trial, the CSB would work in tandem with the departments concerned in drawing up implementation details with specific assessment indicators. The effectiveness of the trial scheme would be evaluated against the preset indicators before a decision on the permanent reduction of conditioned hours of the two MOD 1 grades was made. SCS supplemented that as the trial scheme for the two MOD 1 grades only involved a limited number of staff and departments, it was envisaged that the trial scheme would not take a long time to complete.

#### Conclusion

66. In closing, the Chairman said that the Panel would continue to closely monitor the conditioned hours of work for MOD 1 grades.

#### **V. Any other business**

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