

立法會 *Legislative Council*

LC Paper No. CB(4)1291/15-16

(These minutes have been seen
by the Administration)

Ref : CB4/PL/PS

Panel on Public Service

**Minutes of meeting held on
Monday, 20 June 2016, at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon POON Siu-ping, BBS, MH (Chairman)
Hon WONG Kwok-hing, BBS, MH (Deputy Chairman)
Hon KWOK Wai-keung
Hon IP Kin-yuen
Hon TANG Ka-piu, JP
Dr Hon CHIANG Lai-wan, JP
Hon Tony TSE Wai-chuen, BBS

Members absent : Hon LEE Cheuk-yan
Hon Emily LAU Wai-hing, JP
Dr Hon LEUNG Ka-lau
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon LEUNG Kwok-hung
Hon Claudia MO

Member attending : Dr Hon Fernando CHEUNG Chiu-hung

**Public officers
attending** : Item III

Mr Clement CHEUNG, JP
Secretary for the Civil Service

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

Item IV

Mr Clement CHEUNG, JP
Secretary for the Civil Service

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

Mr Paul CHEUNG
Principal Assistant Secretary for the Civil
Service (Pay & Leave)

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

Staff in attendance : Miss Joyce CHING
Senior Council Secretary (4)2

Ms Jacqueline LAW
Council Secretary (4)2

Miss Vivian YUEN
Legislative Assistant (4)2

Action

I. Information paper(s) issued since the last meeting

There was no information paper issued since the last meeting.

II. Employment of persons with disabilities in the Civil Service

LC Paper No. CB(4)1112/15-16(01) -- Administration's paper
on "Employment of
Persons with
Disabilities in the Civil
Service"

LC Paper No. CB(4)1112/15-16(02) -- Updated background brief on "Employment of persons with disabilities in the civil service" prepared by the Legislative Council ("LegCo") Secretariat

Briefing by the Administration

2. Secretary for Civil Service ("SCS") updated members on the implementation of the relevant measures to facilitate the employment of persons with disabilities in the civil service, details of which were set out in the Administration's paper (LC Paper No. CB(4)1112/15-16(01)).

3. SCS highlighted that to provide more opportunities for B/Ds to better understand the ability and potential of persons with disabilities, Civil Service Bureau ("CSB") had just launched an internship scheme for students with disabilities. The scheme covered two parts, with the first part targeting full-time undergraduate students with disabilities studying in local universities and the second part for students of the Shine Skills Centre ("the Shine") of the Vocational Training Council ("VTC"). The internship period of both parts of the scheme would last for eight weeks. During the internship period, the students would be assigned to different bureaux/departments ("B/Ds") as interns to perform general administrative/clerical duties. Upon completion of the internship, as a recognition of the students' accomplishment, a Certificate of Internship would be awarded to those who had attained satisfactory attendance as well as conduct records and rendered good performance during the internship period.

Discussion

4. Dr CHIANG Lai-wan noted from paragraph 3 of the Administration's paper that among the 3 951 qualified applicants who had declared their disabilities in the civil service recruitment exercises launched and concluded in 2014-2015 and 2015-2016, 151 were subsequently offered appointment. Of these 151 applicants, Dr CHIANG enquired how many of them were serving civil servants. SCS replied that in general, the majority was outside applicants for open recruitment exercises.

5. In response to Dr CHIANG Lai-wan's enquiry, SCS said that civil servants with disabilities represented about 2% of the strength of the civil service as at 31 March 2015, and that such figure was broadly comparable to the percentage of employed persons with disabilities in the total employed population of Hong Kong. Dr CHIANG considered that the number was too small, and enquired whether the Administration would consider to increase the ratio of persons with disabilities employed in the civil service to around 3% of the strength of the civil service.

6. SCS responded that it was not appropriate for the Government to set any numeric target for employment of persons with disabilities. Instead, it was important to place persons with disabilities in appropriate jobs having regard to their ability and potential, and suitable accommodation should be provided taking into account the degree and nature of their disabilities as appropriate. Both the Government and other employers should endeavor to employ more persons with disabilities. On the Government's part, CSB had just launched an internship scheme for students with disabilities. SCS explained that the internship scheme would not only help B/Ds gain a better understanding of the talents and potential of persons with disabilities, but also provide valuable opportunities for the students concerned to acquire hands-on work experience, and thereby enhancing their competitiveness upon joining the job market later on. The internship scheme would serve as a useful start for these students in pursuing career either in the public or private sector. Taking into account the experience gained this year, CSB would see if any fine-tuning to the internship scheme would be required going forward.

7. The Chairman noted from SCS's opening remarks that CSB had launched an internship scheme for students with disabilities. He sought further information on the implementation timeframe, the quota of the two parts of the scheme, as well as the remuneration offered to participants of the scheme.

8. SCS responded that the first part of the scheme had just been launched and participating tertiary students commenced their internship from late June 2016 onwards. As regards the second part, it was scheduled for implementation in the last quarter of 2016 to tie in with the syllabus of the Shine. To start with, both the participating local universities and the VTC considered it more appropriate to set the number at 20 students for each part of the scheme. SCS said that students with different types of disability would be identified to join the

internship scheme. As regards remuneration, participants from local universities would be offered \$9 600 per month, which was on par with the remuneration offered to students concerned under the usual summer internship programmes of the Government, and students of the Shine would be offered an allowance of \$8 100 for the whole internship period. The latter compared more favourably than the remuneration received by other students of the Shine taking up internship opportunities offered by other employers. Both the participating local universities and the VTC considered the level of remuneration/allowance appropriate. Subject to the experience gained from the implementation of the internship scheme, the Administration would consider if it would be useful to promote it to public bodies and/or the private sector.

9. Dr CHIANG Lai-wan said that as persons with disabilities often found it more difficult to secure jobs in the private sector, she opined that the Administration should make greater efforts in promoting the employment of persons with disabilities in the civil service, particularly providing more job opportunities to disabled young people and university graduates.

10. SCS said that it was the Government's policy objective to promote the employment of persons with disabilities in both the public and private sectors. The internship scheme for students with disabilities would help the students concerned acquire relevant work experience and realize their potential at work. SCS believed that the Certificate of Internship awarded to students who had rendered good performance during the internship period would provide an advantage for them to look for jobs either in the public or private sector. CSB would see if information on the subsequent employment situation of the interns after their graduation, e.g. whether they had been offered long-term employment, could be gathered in due course.

11. Noting that the figure of "2%" of persons with disabilities in the civil service included some civil servants who became disabled after joining the service, and the percentage of new recruits with disabilities in 2014-2015 only represented 0.8% of the total number of new recruits in the civil service (or 58), Mr TANG Ka-piu criticized that the Administration did not demonstrate its commitment to promote the employment of persons with disabilities in the civil service.

12. SCS explained that the number of new recruits/civil servants with disabilities might not reflect the full picture because there was no mandatory requirement for applicants for government jobs and serving

officers to declare their disabilities. While the figure of "2%" might include some civil servants who had become disabled after joining the civil service, it was noted that quite a number of civil servants did not declare their disabilities when they applied for civil service jobs and their respective B/Ds only came to know about their disability conditions when they requested for assistance or technical aids to assist them in performing their duties. SCS hoped that with the implementation of the internship scheme, B/Ds would better understand the ability and potential of persons with disabilities and consequently have more confidence in employing qualified persons with disabilities in recruitment exercises going forward.

13. Noting from the Appendix II of the updated background brief on "Employment of persons with disabilities in the civil service" prepared by the LegCo Secretariat (LC Paper No. CB(4)1112/15-16(02)), Mr TANG Ka-piu expressed concern over the number of civil servants with visual impairment or physical handicap had been on the decline in recent years. SCS undertook to check if there was any particular reason behind this trend and review whether facilitating measures in this regard were adequate. In the meantime, CSB would continue to organize sharing sessions so that those B/Ds which employed a relatively large number of civil servants with disabilities could share with other B/Ds their successful experience in employment of persons with disabilities.

14. Mr TANG Ka-piu further expressed concern that some government employees chose not to declare their disabilities during the 3-year probation period for fear that their supervisors might have bias on their performance once such declarations were made and hence they would not be considered for further appointment on permanent terms.

15. SCS said that it was unlawful for an employer to discriminate against a job seeker or an employee on the ground of disability under the Disability Discrimination Ordinance (Cap. 487) ("the Ordinance"). The employee concerned could lodge a complaint with Equal Opportunities Commission if he/she could provide evidence to support his/her claim of discrimination. SCS believed that all B/Ds were fully aware of the legal consequence of violating the Ordinance and would not discriminate against job seekers or government employees with disabilities.

Conclusion

16. The Chairman concluded that members would continue to closely monitor the employment of persons with disabilities in the civil service.

III. 2016-2017 Civil Service Pay Adjustment

File Ref: CSBCR/PG/4-085-001/77 -- Legislative Council
Brief

LC Paper No. CB(4)1112/15-16(03) -- Updated background
brief on "2016-2017
Civil Service Pay
Adjustment" prepared
by LegCo Secretariat

Briefing by the Administration

17. SCS briefed members on the decision of the Chief Executive-in-Council ("CE-in-Council") on 14 June 2016 that, with retrospective effect from 1 April 2016, civil service pay for 2016-2017 should be adjusted in accordance with the following pay offers made to the staff sides of the four central consultative councils:

- (a) A pay increase of 4.19% (i.e. the net pay trend indicator ("PTI") for the upper salary band) for civil servants in the upper salary band and the directorate;
- (b) A pay increase of 4.68% (i.e. the net PTI for the middle salary band) for civil servants in the middle salary band; and
- (c) A pay increase of 4.68% (i.e. the net PTI for the middle salary band) for civil servants in the lower salary band by invoking the "bring-up" arrangement.

18. SCS said that the decision of the Acting CE-in-Council was made in accordance with the established mechanism having regard to relevant factors and taking into consideration the views of the staff sides of the four central consultative councils. Details of the above decision of the Acting CE-in-Council were set out in the relevant LegCo Briefs.

19. SCS added that subject to members' views, the Government planned to seek the approval of the Finance Committee ("FC") of LegCo for the proposed pay adjustment at its meeting scheduled for 28 June 2016. If the proposed pay adjustment was approved by FC within the current legislative session, the adjusted salaries, together with the back-payment, would be paid to civil servants by the end of July 2016.

As regards the subvented bodies, additional provisions would be paid to them in few months' time.

Discussion

The Pay Trend Survey mechanism and methodology

20. Mr TANG Ka-piu noted that the staff sides generally accepted the pay offers and welcomed the "bring-up" arrangement which aligned the pay adjustment for civil servants in the lower salary band with the net PTI of the middle salary band if the latter was higher than the net PTI of the lower salary band. Mr TANG however pointed out that in 2013, many civil service staff unions/associations were dissatisfied with the civil service pay adjustment rates and considered that the Government had not given sufficient consideration to factors other than the net PTIs under the civil service annual pay adjustment mechanism. The Disciplined Services Consultative Council ("DSCC") and three of the four constituent associations of the Police Force Council ("PFC") had therefore withdrawn from the Pay Trend Survey ("PTS") Committee after the conclusion of the 2013-2014 civil service pay adjustment exercise. As such, Mr TANG asked what measures the Government had taken to encourage the staff side representatives withdrawn from the PTS Committee to participate in the committee again.

21. SCS replied that the Acting CE-in-Council's decision to add an extra 0.5% on top of the net PTIs for the pay rise of all civil servants last year evidenced that the established civil service annual pay adjustment mechanism was flexible enough to cater for specific circumstances of each year, and that the annual pay adjustment decision was made after comprehensive consideration of all relevant factors, amongst which some of them were not quantifiable.

22. With regard to the efforts made in persuading the withdrawn staff side representatives to return to the PTS Committee, SCS said that the PTS Committee Secretariat had continued to send meeting invitations, papers and minutes of meeting to these representatives, kept them informed of the discussion of the 2016 PTS and welcomed any views from them. The Government noted the requests raised by the DSCC and the PFC when their staff side representatives withdrew from the PTS Committee, which were quite different from each other. SCS further said that before submitting the pay adjustment proposals to the Executive Council for decision, CSB had arranged meetings with the staff side representatives of all the four central consultative councils, including

representatives from the DSCC and the PFC who had withdrawn from the PTS Committee, with a view to understanding their pay claims. This arrangement allowed the views of staff sides to be properly documented and duly considered by the Executive Council. Continued efforts would be made by the Government to maintain active and close communication with the relevant staff representatives.

23. Mr TANG Ka-piu opined that the arrangement of deducting the payroll cost of increments ("PCIs") from the gross PTIs to arrive at the net PTIs should be discontinued as this would be unfair to those civil servants who had reached the maximum pay points of their ranks. Noting that there was nearly 60% of civil servants whose salaries had reached the maximum points of their ranks in 2014-2015, Mr TANG enquired the figure for 2015-2016.

24. SCS responded that with the intake of new recruits to the civil service, there was a downward trend in the percentage of civil servants who had reached their maximum pay points. The overall figure dropped from 54% in 2014-2015 to 51% in 2015-2016; and the figures for the upper, middle and lower salary bands also dropped from 52%, 59% and 35% respectively in 2014-2015 to 49%, 57% and 30% respectively in 2015-2016.

Application of civil service pay adjustments to non-civil service contract staff

25. Noting that the pay increase for civil servants in the middle and lower salary bands was 4.68%, Dr CHIANG Lai-wan asked if non-civil service contract ("NCSC") staff would be given the same pay rise as civil servants.

26. SCS responded that in general NCSC staff had a higher pay rise than civil servants in comparable ranks in the past three years. According to a survey conducted by CSB on eight B/Ds which engaged about 6 400 NCSC staff out of the some 12 000 full-time NCSC staff as at 30 June 2015, the percentage of these 6 400 NCSC staff who received a pay rise 0.5% higher than the civil servants in comparable ranks was 34%, 24% and less than 1% in 2013-2014, 2014-2015 and 2015-2016 respectively. SCS advised that as civil service and NCSC appointments were two different types of appointments, it was inappropriate to make direct comparison between them. Civil servants were employed to meet long-term service needs, whereas NCSC staff were employed by B/Ds to cope with service needs which might be time-limited or seasonal, or

which required tapping the latest expertise in the market, or where there was no comparable civil service grades performing the required tasks. For civil service pay adjustment, there was a vigorous civil service pay policy and system which set out an established mechanism and timeframe for implementing annual pay adjustment exercise. On the other hand, reviews on the pay of NCSC staff could be conducted at different times of a year as and when Heads of Departments ("HoDs") considered it appropriate. HoDs had the discretion to determine the pay adjustment rates for their NCSC staff having regard to the condition of the employment market. They were not required to follow the pay offers for civil servants and to seek approval from the CE-in-Council and FC of LegCo in determining the pay adjustment for their NCSC staff. If necessary, HoDs might engage consultants to conduct surveys on the relevant pay level in the private sector. Notwithstanding this, SCS stressed that it was not appropriate to state that the terms and conditions of service for NCSC staff were more favourable than those applicable to civil servants in comparable ranks. Since civil servants and NCSC staff were employed under two different mechanisms, NCSC staff, unlike civil servants, did not have fringe benefits and promotion prospects. In addition, NCSC positions were temporary in nature and could be phased out with regard to service and operational needs.

Pay adjustments for disciplined services staff

27. Whilst expressing support for the proposed 2016-2017 civil service pay adjustment, Dr CHIANG Lai-wan pointed out that some disciplined services staff, particularly Police and firemen who had to perform duties which were life-threatening, had requested that their starting salaries and pay adjustments should be higher than those of civilian staff. Dr CHIANG sought the Government's response in this regard, and asked about the practices of other overseas jurisdictions in determining the starting salaries and pay adjustments of their civil servants in disciplined services grades and civilian grades.

28. SCS responded that grade structure reviews ("GSRs") would be considered when: (a) there were fundamental changes to the job nature, job complexity and level of responsibilities of the grades; or (b) the grades concerned had proven and persistent recruitment and retention difficulties which could not be resolved through the regular pay surveys under the Improved Civil Service Pay Adjustment Mechanism. The job duties, remuneration, number of ranks and promotion opportunities of the grades concerned would be reviewed and adjusted where justified through conducting GSRs. In view of the differences in the

administration of civil service between Hong Kong and other overseas jurisdictions, SCS said that it might not be appropriate to apply the practices of other overseas jurisdictions in Hong Kong.

Fringe benefits for civil servants

29. Mr Tony TSE declared that he was a member of the Standing Commission on Civil Service Salaries and Conditions of Services. He expressed support for the proposed 2016-2017 civil service pay adjustment as well as the Government's decision to align the pay offer for the lower salary band with that for the middle salary band by invoking the "bring-up" arrangement. Mr TSE opined that other than pay adjustments, provision of fringe benefits was also important for boosting civil service morale. In the light of this, he enquired if the Government would re-consider: (a) reviewing the policy that civil servants appointed on or after 1 June 2000 ceased to enjoy civil service medical benefits upon their retirement; (b) aligning the maximum accumulation limit for vacation leave of civil servants appointed on or after 1 June 2000 with those who joined the Government before 1 June 2000; and (c) providing additional funds for B/Ds to cover expenses arising from employing retired/retiring civil servants on contract terms under the Post-retirement Service Contract ("PRSC") Scheme.

30. SCS responded as follows:

- (a) besides offering reasonable pay adjustments to civil servants, other measures, including the provision of additional manpower, would be useful to alleviate the increasing work pressure among civil servants. The Government would give due consideration to additional manpower needs where justified for delivering effective services to the public;
- (b) the introduction of the new fringe benefits package for civil servants appointed on or after 1 June 2000 had been thoroughly deliberated by this Panel and approved by the Executive Council and FC of LegCo in 1999-2000. Currently, the unnatural wastage rate of the civil service, (due to reasons other than retirement, e.g. resignation, completion of agreement and death, etc.) only stood at about 1%. Given that the Government had not encountered any significant recruitment or retention problem after the implementation of the new package of fringe and retirement benefits in 2000, the Government had no plan to conduct a

review on the existing provisions of fringe benefits for civil servants. In fact, with the increasing number of civil servants retiring in the next decade and continuous injection of new blood in the civil service, more and more civil servants would be entitled to the new fringe benefits package. Should there be any review on fringe benefits package for civil servants in the future, the review would be intended for new recruits only and serving officers would not be affected. Approval from the CE-in-Council and FC of LegCo had to be sought on the review outcome and the relevant financial arrangement as well; and

- (c) CSB noted that the PRSC Scheme designed to address the different operational and succession needs of individual grades/departments was welcomed by certain B/Ds. The estimated expenditure involved for employing retired/retiring civil servants on contract terms under the PRSC Scheme should not be high as only retired/retiring non-directorate civil servants could be engaged under the Scheme. In this regard, the Government would consider the feasibility of providing additional provisions for B/Ds to cover the employment cost as well as related operating expenditure.

Discussion priority of civil service pay adjustment proposal at Finance Committee

31. Mr IP Kin-yuen expressed support for the proposed 2016-2017 civil service pay adjustment as he noted that most of the civil service staff unions had accepted the pay offers. Noting that 2016-2017 civil service pay adjustment was on the agenda of FC's meeting scheduled for 28 June 2016, Mr IP asked about the priority of this item since there were rumours that the Government planned to place the civil service pay adjustment proposal after the funding request on proposed injection into the HKSAR Government Scholarship Fund to support the "Belt and Road" Scholarship Scheme.

32. SCS responded that the agenda of the FC's meeting on 28 June 2016 would be issued today. The Chief Secretary for Administration had also clearly stated the Government's principles in prioritizing the order of presenting funding items to FC for approval when meeting the media earlier. The Government would take into account Members' concerns expressed on individual agenda items at relevant panel meetings when rearranging the FC agenda. SCS said that he would continue to

work on various fronts to ensure that 2016-2017 civil service pay adjustment proposal would be approved by FC as soon as possible.

33. Mr IP Kin-yuen hoped that the agenda of FC would not be interfered by political considerations so that the funding request on 2016-2017 civil service pay adjustment could be processed by FC as soon as practicable.

Conclusion

34. The Chairman concluded that members generally supported the Government's proposal to seek funding support from FC on the 2016-2017 civil service pay adjustment.

IV. Any other business

35. There being no other business, the meeting ended at 12:03 am.

Council Business Division 4
Legislative Council Secretariat
24 August 2016