

# **立法會**

## ***Legislative Council***

LC Paper No. CB(4)395/16-17

(These minutes have been seen  
by the Administration)

Ref : CB4/PL/PS

### **Panel on Public Service**

**Minutes of meeting held on  
Monday, 21 November 2016, at 10:45 am  
in Conference Room 3 of the Legislative Council Complex**

**Members present** : Hon KWOK Wai-keung (Chairman)  
Hon Jeremy TAM Man-ho (Deputy Chairman)  
Hon James TO Kun-sun  
Hon LEUNG Yiu-chung  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon CHAN Hak-kan, BBS, JP  
Hon CHAN Kin-por, BBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon LEUNG Kwok-hung  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon WU Chi-wai, MH  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon Dennis KWOK Wing-hang  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, JP  
Hon Alvin YEUNG

Hon Jimmy NG Wing-ka, JP  
Hon HO Kai-ming  
Hon LAM Cheuk-ting  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan  
Dr Hon Pierre CHAN  
Hon CHAN Chun-ying  
Hon LUK Chung-hung

**Members absent** : Hon WONG Kwok-kin, SBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon CHAN Han-pan, JP  
Hon Kenneth LEUNG  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon CHUNG Kwok-pan  
Hon CHU Hoi-dick  
Hon Holden CHOW Ho-ding  
Hon CHEUNG Kwok-kwan, JP  
Hon HUI Chi-fung  
Hon LAU Kwok-fan, MH  
Hon KWONG Chun-yu  
Hon Nathan LAW Kwun-chung  
Dr Hon YIU Chung-yim

**Public Officers  
attending** : **Agenda item IV**

Mr Clement CHEUNG, JP  
Secretary for the Civil Service

Mr Thomas CHOW, JP  
Permanent Secretary for the Civil Service

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

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

Mr Eric CHAN  
Deputy Secretary for the Civil Service 3

Mr LI Pak-hong, JP  
Director of General Grades  
Civil Service Bureau

**Agenda item V**

Mr Clement CHEUNG, JP  
Secretary for the Civil Service

Mr Thomas CHOW, JP  
Permanent Secretary for the Civil Service

Mr LI Pak-hong, JP  
Director of General Grades  
Civil Service Bureau

**Clerk in attendance** : Mr Anthony CHU  
Chief Council Secretary (4)1

**Staff in attendance** : Ms Wendy JAN  
Senior Council Secretary (4)7

Miss Maggie CHUNG  
Council Secretary (4)1

Ms Prima LAI  
Legislative Assistant (4)1

Ms Cynthia TAM  
Legislative Assistant (4)9

---

Action

**I. Confirmation of minutes**

(LC Paper No. CB(4)67/16-17 -- Minutes of meeting on 18 October 2016)

The minutes of the meeting held on 18 October 2016 were confirmed.

**II. Information papers issued since the last regular meeting on 20 June 2016**

2. Members noted that no information paper had been issued since the last regular meeting held on 20 June 2016.

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

(LC Paper No. CB(4)124/16-17(01) -- List of outstanding items for discussion)

3. Members noted that the next regular Panel meeting would be held on 19 December 2016 to discuss the following items proposed by the Administration:

- (a) The Civil Service Outstanding Service Award and other commendation schemes for civil servants; and
- (b) An overview of training and development for civil servants.

4. The Chairman informed members that at the work plan meeting on 2 November 2016, he and the Deputy Chairman had conveyed members' proposed items for discussion by the Panel raised at the last Panel meeting on 18 October 2016 to the Secretary for the Civil Service ("SCS").

5. Regarding Dr Helena WONG's proposal in item 9 of the "List of outstanding items for discussion" ("the List"), the Chairman informed members that the Administration had advised that the policy issues relating to the gender profile of advisory bodies and statutory organizations, Gender Focal Points and gender-related training provided for civil servants were spearheaded by the Labour and Welfare Bureau,

## Action

and the matters should be referred to the Panel on Welfare Services. Members noted that Dr Helena WONG was informed accordingly and the relevant part would be deleted from the List.

6. As regards the item relating to the Civil Service Public Housing Quota Scheme proposed by Mr Wilson OR and Dr Priscilla LEUNG, members noted that the two Members had subsequently agreed after the last meeting that it would not be necessary for the Panel to discuss this issue.

## **IV. Overview of responsibilities and objectives of Civil Service Bureau**

(LC Paper No. CB(4)124/16-17(02) -- Administration's paper on an overview of the responsibilities and objectives of the Civil Service Bureau)

### Briefing by the Administration

7. At the invitation of the Chairman, SCS briefed members on the overview of the responsibilities and objectives of the Civil Service Bureau ("CSB") as set out in the Administration's paper (LC Paper No. CB(4)124/16-17(02)).

### Discussion

#### *Core values of the civil service*

#### Political neutrality of civil servants

8. Noting from a media report of Miss YAU Wai-ching in which she said that her father, a civil servant, was supportive of her advocating the idea of "Hong Kong independence", Dr CHIANG Lai-wan was shocked to learn that some civil servants could support such idea. She expressed concern that this might be attributable to the civil servants' lack of knowledge about the Mainland and the Basic Law ("BL") and urged the Administration to strengthen trainings on BL for civil servants.

9. SCS replied that while he could not confirm the contents of the media report, he stressed that CSB had been devoting resources in training civil servants to enhance their understanding of BL and the "one

Action

country, two systems" principle, and BL formed an integral and important part of training for civil servants in the coming years. In 2016, the Administration would organize courses and seminars on key concepts and provisions of BL for 7 500 civil servants of different ranks.

10. Mr IP Kin-yuen opined that civil servants, as public resources controllers, should uphold their political neutrality and discharge their duties impartially and professionally. He expressed concern that these core values might be undermined in view of the recent media report that special treatment might have been accorded to a newly established uniform group in its applications for training venues and grant as its honorary advisor was a principal official. In this connection, Mr IP and Mr CHAN Chi-chuen asked:

- (a) whether there were any guidelines relating to maintaining the political neutrality of civil servants;
- (b) whether the Administration would assess if civil servants had complied with the principle of political neutrality and whether there was any case of breaching this principle;
- (c) whether there was any mechanism to safeguard the political neutrality of civil servants;
- (d) assistance rendered to civil servants if they felt pressurized to undertake tasks that would compromise their political neutrality; and
- (e) complaint channels for the public if they believed that there was political interference in the Administration's work.

11. SCS pointed out that the main responsibilities of the civil service were to execute public policies, carry out executive tasks and deliver public services. It was important that the work of civil servants complied with the law and regulations. The need to uphold civil servants' political neutrality was clearly stipulated in the Civil Service Code ("the Code"). According to the Code, civil servants should serve the Chief Executive and the Government of the day with total loyalty and to the best of their ability, no matter what their own political beliefs were. Civil servants should not engage in party political activities in their official capacity, and should not allow their own personal party political affiliation or party political beliefs to determine or influence the discharge of their official duties and responsibilities. If any civil

Action

Admin

servants felt being pressurized to carry out duties that would compromise their political neutrality, they could approach the relevant Permanent Secretary of their bureaux/departments ("B/Ds"), or even SCS, for assistance. Disciplinary action might be taken if a civil servant violated any government regulations. According to CSB's record, there were no cases in which civil servants had violated the relevant government regulations in engaging in party political activities in their official capacity. He further explained that as one of the major tasks of SCS was to safeguard the core values of the civil service, SCS must be appointed from within the civil service so that civil servants' interests and concerns could be fully represented. At Mr IP's request, SCS undertook to provide members with the guidelines relating to maintaining the political neutrality of civil servants as available on CSB's website.

*Honesty and integrity of civil servants*

12. Mr LAM Cheuk-ting questioned whether declaration of interest had to be made by a civil servant if he/she had signed an agreement with the private sector before joining the civil service. Mr LAM also queried if the requirement for the Chief Executive to declare interests, as shown in the UGL Limited incident, was less stringent than civil servants. SCS said that it was inappropriate for him to comment on individual cases, but all civil servants should be well aware of their responsibilities and strictly follow the standards of conduct as stated in the Code and other government regulations on declaration of interest. It was incumbent upon civil servants to make declaration if there were conflict of interest situations arose between their official duties and private interests.

13. Dr KWOK Ka-ki said that he was informed by some civil servants that the flattering culture had become more prevalent in the civil service. He said that the public was dissatisfied with the operation of the civil service and had gradually lost confidence in the Government, which would not be conducive to effective policy execution.

14. In response, SCS said that as confrontational incidents had risen in recent years, civil servants, especially those in the frontline, were facing tremendous pressure in the discharge of their duties. In view of the above, the Administration would organize more trainings relating to the quality of customer service, handling of public complaints and managing conflicts for civil servants.

15. In response to Mr LEUNG Yiu-chung's enquiry on whether the Administration would conduct surveys to assess the public's perception on civil service, in particular honesty, integrity and political neutrality of

Action

civil servants, SCS replied that the Independent Commission Against Corruption ("ICAC") had conducted surveys to gauge public's views on Hong Kong's corruption situation regularly and different international organizations would also compile reports on global corruption ranking. SCS highlighted that the Administration had all along attached great importance to upholding high standards of integrity and probity in the civil service. From 2011 to 2015, less than 20 civil servants were convicted of corruption or related offences per year and only six civil servants were convicted in 2015, which showed that in general the civil service had maintained honest and clean. For cases where no prosecution was made against individual civil servants but possible misconduct or malpractice had been revealed during investigation, ICAC might refer them to the relevant B/Ds for consideration of investigation and disciplinary action as appropriate.

16. Mr CHAN Chun-ying asked if the Administration had any mechanism to deal with complaints lodged by whistleblowers; and if yes, whether the mechanism was effective. SCS responded that complaints could be lodged to heads of B/Ds or CSB. If CSB received complaints relating to personnel issues and internal administration, the case would be referred to the relevant B/Ds for investigation; but if the whistleblowers came forward with concrete evidence that warranted intervention, CSB would take appropriate follow-up action. The emerging pattern of complaints from whistleblowers indicated that the existing mechanism was functioning well. SCS also pointed out that each B/D had its own procedures for handling complaints, and some of them also established mechanisms to invite suggestions on areas calling for improvement.

- Admin 17. At the Chairman's request, the Administration would provide:
- (a) statistics of the complaints lodged by whistleblowers to B/Ds and CSB respectively for the past two years; and
  - (b) a breakdown by the punishments imposed on civil servants after completion of disciplinary proceedings for the past five years.

18. The Deputy Chairman said that he had received complaints from some staff of the Civil Aviation Department ("CAD") that their supervisors exerted pressure on them to complete a questionnaire on supporting the full implementation of new air traffic management system. He would write to SCS to follow up this issue.



## Action

### *Handling of government records by civil servants*

19. In the wake of media reports on the leakage of confidential government information in recent years, Mr CHAN Chun-ying was concerned whether there were any mechanisms and regulations in the Government on preventing unauthorized disclosure of confidential information.

20. Mr Paul TSE shared a similar concern. Having regard that the Administration had not kept records of some "informal lobbying" sessions for the public housing development plan at Wang Chau, Mr TSE further enquired whether the government records were properly documented, in particular currently more correspondence and communication were conducted in paperless form, such as e-mail.

21. SCS advised that each civil servant was required to sign a confidential undertaking upon recruitment. It was incumbent upon civil servants to abide by statutory and administrative rules on confidentiality. Civil servants who had disclosed classified government information without authority was liable to disciplinary proceedings or even criminal prosecution. For the purpose of proper management of government records and better protection to staff, civil servants should jot down the main points of deliberations in written form, e.g. e-mail or file notes, after meetings/consultations with the relevant parties. E-mail records should also be printed out as hard copy and put in paper files.

### *Establishment, succession plan and recruitment of civil servants*

22. Mr POON Siu-ping noted that the projected civil service establishment as at 31 March 2017 was 178 495, whereas the actual establishment as at end-August 2016 was only 176 208. He enquired about the reasons for the difference between the projected and actual establishment and was worried that the shortfall would increase the workload of the serving staff. The Deputy Chairman also commented that there was manpower shortage in CAD.

23. SCS advised that from 2007-2008 to 2015-2016, the Administration had strengthened the civil service establishment by about 1% to 1.5% annually. On the difference in the projected and actual establishment, SCS believed that B/Ds would conduct recruitment exercises for the approved posts when the need arose. For instance, for those posts created for specific projects, the need and hence the timing for filling the posts would depend on the actual progress of the projects concerned. Also, it took time to fill the relevant posts noting that open

## Action

recruitment exercises for civil service jobs took an average of about six months to complete. While the lead time taken by individual B/Ds to complete open recruitment exercises could be influenced by various factors, such as the number of vacancies involved, in order to speed up the recruitment process, CSB had provided trainings to staff responsible for recruitment. B/Ds concerned would also strengthen the manpower responsible for recruitment where necessary.

24. Dr CHIANG Lai-wan and Mr HO Kai-ming expressed concern about the impact of the retirement wave in the civil service in coming years. Mr HO pointed out that many civil servants would take final leave before their retirement, but the Administration would not kick start the recruitment and training process until the formal departure of the serving civil servants. As a result, the relevant posts were left vacant for a long time. In this connection, he suggested the Administration conducted recruitment exercises and trainings for the successors during the final leave of the serving staff. Dr CHIANG commented that the Administration should gear up training to better equip serving civil servants for greater responsibilities at higher levels.

25. SCS advised that B/Ds could create supernumerary posts to accommodate the replacements for the officers on pre-retirement leave. In other words, under the existing mechanism, vacancies arising from retirement could be substantively filled once the retirees proceeded on pre-retirement leave. For promotion ranks, B/Ds could identify suitable officers to fill the vacancies arising from retirement by promotion or acting arrangement. For consequential vacancies at entry ranks, recruitment exercises would be conducted and measures were in place to expedite the process.

### *Terms and conditions for civil servants*

#### Holidays and working hours for civil servants

26. The Chairman remarked that the Administration should take forward the alignment of statutory holidays with general holidays in a bid to standardize the leave entitlement of all employees. He was also dissatisfied that different employment terms and conditions existed in the civil service. For example, not every civil servant could enjoy the five-day week ("FDW") work arrangement. Also, in spite of the review conducted by the Administration in 2013 regarding the conditioned hours of work for Model Scale 1 ("MOD 1") Grades, only 40 of 7 450 MOD 1 staff were able to reduce their conditioned hours of work from 45 hours net per week to 45 hours gross per week. The Chairman

## Action

stressed that the working hours for MOD 1 staff would be 50 hours gross per week if their meal breaks were included, while the majority of civil servants were only required to work 44 hours gross per week.

27. In response, SCS pointed out that specific conditioned hours of work were laid down for different grades of civil servants according to operational requirements and other relevant considerations. He emphasized that there were around 170 000 serving civil servants, and about 72% of them were now working on a FDW pattern. Some B/Ds were still exploring the feasibility of migrating more staff to FDW work pattern. For example, the Food and Environmental Hygiene Department ("FEHD") had commenced a FDW trial scheme for around 400 staff and would conduct a review one year after the trial scheme had commenced. Nonetheless, some civil servants, e.g. those who had to work on shift, might not be able to enjoy the FDW arrangement.

28. SCS further advised that the Administration kept an open mind on the reduction of conditioned hours of work of individual grades. In order to ensure the prudent use of public resources, the Administration would only consider a proposal for a grade if it could comply with the prerequisites of cost-neutrality, no additional manpower and maintaining the same level of public services, as well as adhere to the principle of "same grade, same conditioned hours of work". In this regard, the Administration reduced the conditioned hours of work of operational Fire Stream staff in the Fire Services Department from 54 to 51 gross hours per week recently. Given that MOD 1 staff worked in different B/Ds and took up a wide range of job duties, it would not be easy to reduce the conditioned hours of work for all the MOD 1 Grades. The Administration would continue to exchange views with the MOD 1 Staff Consultative Council on this issue.

### Chinese medicine service for civil servants

29. Mr POON Siu-ping asked how the Administration would address some civil service union's request to include Chinese medicine service as part of the medical benefits for civil servants.

30. SCS clarified that Chinese medicine services fell outside the scope of civil service medical benefits under the prevailing policy as they were not part of the standard services of the Department of Health ("DH") and the Hospital Authority ("HA"). The existing 18 public Chinese medicine clinics ("CMCs") were self-financed and operated on a tripartite collaboration model involving HA, a non-governmental organization and a local university. The Government had no plan to expand the scope of

## Action

civil service medical benefits to include CMCs at this stage. He further advised that the Administration would provide members with the latest overview on the medical and dental benefits for civil servants, pensioners and eligible dependants in the first quarter of 2017.

### Pay surveys

31. Regarding the Deputy Chairman's question on the frequency of conducting the Starting Salaries Survey ("SSS") and Pay Level Survey ("PLS"), SCS explained that it was determined in accordance with the purpose of the surveys. SSS served to compare the starting salaries of civil service civilian grades with the entry pay of jobs in the private sector requiring similar qualifications. To ensure that the starting pay for new recruits to the civil service remained in line with that of the private sector, the Government decided that SSSs should be conducted at three-yearly intervals. As to PLS, its objective was to ascertain whether the pay levels of existing staff in the civil service were broadly comparable with the private sector. Since the conduct of a PLS would be more time consuming and would involve considerable work and resources for both the Government and private sector companies participating in the survey, PLSs were conducted at six yearly intervals. SCS further pointed out that there might be merits to consider the results of the three yearly SSS and six yearly PLS in conjunction with each other, as it was observed in the 2015 SSS that even though a degree graduate joining the Government might initially enjoy a pay lead over its private sector counterparts at the point of entry, it was possible that the pay lead might diminish or even disappear after a number of years. A specific study would be conducted to understand better the distinctive features and characteristics of job positions for degree graduates, and the Government would take this opportunity to examine whether the next SSS could be conducted in a more co-ordinated manner with the next PLS.

### *Interpretation services provided to ethnic minorities*

32. Mr HO Kai-ming asked whether the Administration could provide interpretation services for ethnic minorities to facilitate them to gain access to public services provided by the Government. SCS advised that support for the ethnic minorities was under the purview of the Constitutional and Mainland Affairs Bureau ("CMAB"), and he would convey Mr HO's suggestion to CMAB for consideration accordingly.

Action

**V. Non-civil service contract staff**

(LC Paper No. CB(4)124/16-17(03) -- Administration's paper on non-civil service contract staff

LC Paper No. CB(4)124/16-17(04) -- Paper on non-civil service contract staff prepared by the Legislative Council Secretariat (updated background brief))

Briefing by the Administration

33. At the invitation of the Chairman, SCS briefed members on the employment of non-civil service contract ("NCSC") staff within the Government and the measures taken to address the concerns that members had previously raised, details of which were set out in the Administration's paper (LC Paper No. CB(4)124/16-17(03)) ("the Administration's paper").

*(At 12:15 pm, the Chairman extended the meeting for 15 minutes to 1 pm to allow sufficient time for discussion.)*

Discussion

*Employment of NCSC staff by certain B/Ds*

Radio Television Hong Kong

34. Dr KWOK Ka-ki noted with concern that some B/Ds had a high proportion of NCSC staff, and that 32.6% of NCSC staff had continuous service of five years or more as at 30 June 2016. Noting that there were 238 NCSC staff in the Radio Television Hong Kong ("RTHK"), Dr KWOK sought the reasons for employing such a large number of staff in RTHK on NCSC terms.

35. SCS clarified that there was an operational need for RTHK to engage a certain number of NCSC staff for job-specific duties to meet changing community needs and audience tastes, maintain a certain degree of turnover of talents engaging in creative work, and tap the latest expertise in the market. RTHK also engaged some part-time NCSC staff who worked on a need basis. The Leisure and Cultural Services

Action

Department ("LCSD") had also employed a large number of NCSC staff for similar purpose.

Admin 36. At the request of Dr KWOK Ka-ki, SCS undertook to provide a breakdown of full-time NCSC staff employed by B/Ds by length of continuous service and salary range as mentioned in Annexes D and E of the Administration's paper respectively.

37. Mr LAM Cheuk-ting expressed concern that some NCSC staff with long years of continuous services might have quitted their jobs because of the lack of job prospect for the NCSC positions. In order to retain these experienced staff, Mr LAM called on the Administration to further replace these NCSC positions by civil service posts. He also asked why the Administration could not offer civil service appointments direct to NCSC staff who had worked in RTHK for a long period of time.

38. SCS reflected on his discussion with NCSC staff which showed that some of them were eager to accumulate work experience in the Government so as to secure a competitive edge over other applicants when they applied for civil service posts. SCS further pointed out that since the Government's policy was to select the most suitable persons to fill civil service vacancies through an open, fair and competitive process, direct appointment of NCSC staff to civil service posts was infeasible.

Admin 39. At the request of Mr LAM Cheuk-ting, SCS undertook to provide the percentage of full-time NCSC staff over the civil service establishment by B/Ds as at 30 June 2016.

Education Bureau

40. Mr IP Kin-yuen observed that although the total number of NCSC staff had dropped by 36% from 18 537 in June 2006 to 11 923 in June 2016, the number of NCSC staff engaged by the Education Bureau ("EDB") had only decreased by 16% from 1 377 to 1 157 over the same period. He urged CSB to liaise with EDB to expeditiously replace the NCSC positions by civil service posts in government schools and aided schools.

41. SCS explained that some NCSC staff were employed by government schools to provide services under time-limited funds/grants. There were also NCSC staff employed under the Funding Flexibility Scheme whereby government schools were given the flexibility to hire the right mix of supporting staff to meet their operational needs for

Action

clerical and janitor services at different times. SCS further advised that 43 NCSC positions in government schools had been replaced by civil service posts in 2014-2015 and 2015-2016 financial years. The engagement of NCSC staff was under constant review and CSB would continue to liaise with EDB to ascertain the need to replace those NCSC positions with established long-term service needs by civil service posts.

Admin 42. Mr IP Kin-yuen requested and the Administration agreed to provide a breakdown of full-time NCSC staff employed by EDB in government schools by reasons of employment as mentioned in Annex C of the Administration's paper.

Buildings Department

43. Referring to the layoff of 33 NCSC staff due to the completion of the Operation Building Bright Project ("the Project") in the Buildings Department ("BD"), the Chairman remarked that the Administration had only focused on cutting cost without caring about the well-being of these NCSC staff who had devoted loyal service for five to ten years. In view of the heavy workload borne by BD and since some of these NCSC staff had already been assigned with other routine duties, the Chairman queried why they could not be absorbed internally and urged the Administration to handle this matter more humanely.

44. In reply, SCS explained that according to his understanding, BD had made its best endeavours to redeploy these NCSC staff after completion of the Project. However, for those who had worked in BD for a long period of time, they might not find the entry salary of civil servants attractive considering their cumulative pay rise over the years. Nonetheless, these staff were welcomed to apply for civil service openings through open recruitment exercises, but it was possible that only some of them would be able to join the civil service.

*Change of mode of service delivery to outsourcing*

45. Mr LEUNG Yiu-chung commented that it was unreasonable for FEHD, LCSD and DH to replace a large number of NCSC staff who had worked for more than five years by outsourcing their work to contractors. As there were only some 200 NCSC staff in FEHD and around 300 to 400 NCSC staff for port health surveillance measures in DH, he asked whether the Administration could cease outsourcing in these departments and employ the NCSC staff as civil servants.

## Action

46. SCS replied that outsourcing was an alternative mode of service delivery adopted by B/Ds which had proved to be successful in cases like property management, but not public library service. LCSD chose to adopt a hybrid approach by deploying civil servants for frontline duties backed up by NCSC staff and outsourced workers during peak hours. During his visits to B/Ds, SCS noted that such an approach was supported by the staff side.

### *Cost savings from the NCSC arrangement*

47. Mr POON Siu-ping said that despite the reasons given by the Administration, the labour sector and labour unions had all along objected to the employment of NCSC staff with different conditions of service from civil servants. In this connection, he enquired whether the Administration had worked out the cost savings derived from employment of NCSC staff.

48. Mr LEUNG Kwok-hung held that the employment of NCSC staff might be the reason for a decline in service quality of some B/Ds. He commented that the Administration had merely focused on cutting costs without caring about the job security and prospect of NCSC staff or service quality, and requested the Administration to quantify the amount of savings derived from employing NCSC staff.

49. SCS stressed that cost reduction was not a main determinant of whether NCSC staff should be engaged. Moreover, it would be difficult to work out the cost of recruitment, which depended on a number of factors including the number of positions involved and the number of applications received. SCS also emphasized that although the terms and conditions of service of NCSC staff and civil servants were not the same, this did not necessarily mean that the former was inferior. For example, some people might prefer working on contract term with gratuity payment.

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

50. Mr POON Siu-ping noted that the total number of NCSC staff had reduced from 18 537 to 11 923 between June 2006 and June 2016, but the number of those who had served continuously for five years or more remained at 3 884 as at 30 June 2016. He called on the Administration to further replace these NCSC positions by civil service posts and enquired why there was one NCSC staff under CSB as at 30 June 2016.



Action

51. SCS advised that out of the 3 884 NCSC staff, about 1 800 were meant to cater for service needs subject to market fluctuations or jobs with conditioned hours less than that of civil servants, while about 1 200 occupied positions were under review. The Administration was focusing on the latter for possible conversion to civil service posts.

52. Pointing out that with 3 884 NCSC staff on continuous service for five or more years, Mr LEUNG Che-cheung was concerned that staff morale and operational efficiency might be affected. He asked whether the Administration would set a ceiling on the ratio of NCSC positions to civil service posts in B/Ds.

53. SCS explained that of the 11 923 NCSC staff as at 30 June 2016, about 3 000 were engaged by the trading fund departments to meet undulating demands.. For other B/Ds, a ceiling had been set for employment of NCSC staff and waiver would only be granted based on sound justifications.

54. Mr LUK Chung-hung suggested the Administration implemented a trial scheme for NCSC staff to abolish the practice of using accrued benefits arising from employer's mandatory provident fund contributions to offset severance payment/long service payment/gratuity. Noting that one of the criteria for employing NCSC staff was to meet service needs that were seasonal in nature or subject to market fluctuations, Mr LUK enquired why the number of NCSC staff with long years of continuous service stood at a high level of 32.6%.

55. SCS advised that a large number of these NCSC staff were engaged by the trading fund departments to respond effectively to customer requirements and market competition.

56. Given that another criterion for employing NCSC staff was to tap specific know-how, Mr LUK Chung-hung further enquired why the Administration did not employ these experts on civil service terms. SCS advised that only about 800 NCSC staff were engaged for this purpose, and most of them would not stay in the same position for more than five years.

57. In response to Mr LUK Chung-hung's enquiry on whether the Administration had set up a mechanism to give preferential consideration to NCSC staff applying for civil service posts, SCS reiterated that since the Government's policy was to select the most suitable candidates to fill civil service vacancies through an open, fair and competitive process, the Administration could not give preferential consideration to NCSC staff.

## Action

However, NCSC staff who met the basic entry requirements should generally enjoy a competitive edge over other applicants because of their relevant working experience. As a general practice, when B/Ds identified specific NCSC positions for replacement by civil service posts, the concerned NCSC staff would be notified well in advance so that they might prepare for the recruitment exercise. The average success rate of serving NCSC staff was around 16%, whereas the average success rate for other applicants was only around 2%.

58. The Chairman pointed out that the Hong Kong Federation of Trade Unions had all along requested the Administration to reduce the number of NCSC staff and replace their positions by civil service posts. He criticized that the Administration's reluctance to give preferential consideration to NCSC staff applying for civil service posts had exacerbated the problems that they were facing, i.e. lack of promotion prospects, salary increments, fringe benefits, job security and career development.

### *Other types of staff engaged by the Administration*

#### T-contract staff

59. Referring to some 2 600 T-contract staff engaged by the Administration, Mr Charles Peter MOK pointed out that in contrast to the decreasing NCSC staff size over the past years, the number of T-contract staff had been rising by about 10% annually in the past two years, and that some senior T-contract staff had rendered over 10 years of continuous service. Mr MOK was concerned that T-contract staff who were required to perform the same duties as civil servants of comparable ranks were remunerated on less favorable terms for a long period of time. He asked whether SCS had, in addition to civil servants, met with NCSC staff and agency workers, such as T-contract staff, to gauge their prevailing sentiments.

60. In reply, SCS said that he had met with both NCSC staff and agency workers when visiting B/Ds, and that the purpose of engaging T-contract staff was to set up, implement and maintain information technology ("IT") systems. Although the number of T-contract staff would fluctuate during different stages of project implementation, concern over cyber safety and security had prompted the Innovation and Technology Bureau to review the present arrangement and identify some T-contract positions for phased replacement by civil service posts. As this subject was outside the purview of CSB, it would be more

Action

appropriate for members to follow up at the Panel on Information Technology and Broadcasting.

61. Mr Charles Peter MOK said that he was keen to ensure that the Administration would conduct a review on the issue expeditiously and in a proper manner and report the outcome to the appropriate Panel.

*Aerodrome Control Trainees employed by the HKIA Staff Services Limited*

62. The Deputy Chairman pointed out that about 30 Aerodrome Control Officers had been employed for six years by the HKIA Staff Services Limited, a wholly owned subsidiary of the Airport Authority Hong Kong. These staff were employed neither on civil service terms nor on NCSC terms. However, they had been seconded to CAD to receive professional air traffic control training and perform air traffic control related duties together with civil servants. He enquired whether SCS had visited CAD after his assumption of office, and whether CAD was aware of the employment arrangement of these staff. He also asked how the Administration would address this issue.

63. SCS advised that although he had not visited CAD since taking up his office in July 2015, CSB was aware of the employment arrangement of these staff. The purpose of this arrangement was to provide CAD with some flexibility in securing additional manpower resources in rendering air traffic control services. He further said that as and when the permanent service needs had been established, there were arrangements for absorbing the staff into the civil service through the normal recruitment/appointment mechanism.

**VI. Any other business**

64. There being no other business, the meeting ended at 1:00 pm.