

立法會

Legislative Council

LC Paper No. CB(4)1531/17-18
(These minutes have been seen
by the Administration)

Ref : CB4/PL/PS

Panel on Public Service

**Minutes of meeting held on
Friday, 15 June 2018, at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon POON Siu-ping, BBS, MH (Chairman)
Hon Jeremy TAM Man-ho (Deputy Chairman)
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Charles Peter MOK, JP
Hon KWOK Wai-keung, JP
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP
Dr Hon CHIANG Lai-wan, JP
Hon CHUNG Kwok-pan
Hon Jimmy NG Wing-ka, JP
Hon LAM Cheuk-ting
Hon SHIU Ka-fai
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon Tony TSE Wai-chuen, BBS

Members absent : Hon CHU Hoi-dick
Hon HO Kai-ming

**Public Officers
attending** : **Agenda item IV**
Mr Joshua LAW, GBS, JP
Secretary for the Civil Service

Mr Thomas CHOW, JP
Permanent Secretary for the Civil Service

Ms Amy WONG
Deputy Secretary for the Civil Service 2

Mr Benjamin MOK
Principal Assistant Secretary for the Civil
Service (Pay & Leave)

Agenda item V

Mr Joshua LAW, GBS, 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

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

Staff in attendance : Ms Angela CHU
Senior Council Secretary (4)1

Ms Maggie CHUNG
Council Secretary (4)1

Mr Terry HON
Clerical Assistant (4)1

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I. Confirmation of minutes

(LC Paper No. CB(4)1218/17-18 -- Minutes of meeting held
on 13 April 2018)

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The minutes of the meeting held on 13 April 2018 were confirmed.

II. Information papers issued since the last regular meeting on 21 May 2018

2. Members noted that no information paper had been issued since the last regular meeting on 21 May 2018.

III. Date of next meeting and items for discussion

(LC Paper No. CB(4)1214/17-18(01) -- List of outstanding items for discussion

LC Paper No. CB(4)1214/17-18(02) -- List of follow-up actions)

3. Members agreed that the next regular Panel meeting would be held on 16 July 2018 to discuss the following items proposed by the Administration:

(a) Updated Overview of Post-service Outside Work by Directorate Civil Servants; and

(b) Managing work-related stress in the civil service.

(Post-meeting note: With the concurrence of the Panel Chairman, the next regular Panel meeting has been rescheduled to be held on 17 July 2018 at 2:30 pm to avoid clashing with an additional meeting of the Finance Committee ("FC") scheduled for the morning on 16 July 2018,)

IV. 2018-2019 Civil Service Pay Adjustment

(File Ref.: -- Legislative Council
CSBCR/PG/4-085-001/80 Brief
*(issued by the Civil Service Bureau
on 5 June 2018)*

File Ref.: -- Legislative Council
CSBCR/PG/4-085-001/80 Brief

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*(issued by the Civil Service Bureau
on 12 June 2018)*

LC Paper No. CB(4)1214/17-18(03) -- Paper on 2018-2019
Civil Service Pay
Adjustment prepared by
the Legislative Council
Secretariat (updated
background brief))

4. The Chairman reminded members that, in accordance with Rule 83A of the Rules of Procedure of the Legislative Council ("LegCo"), they should disclose the nature of any direct or indirect pecuniary interests relating to the subject under discussion at the meeting before they spoke on the subject.

5. At the invitation of the Chairman, Secretary for the Civil Service ("SCS") briefed members on the decision of the Chief Executive-in-Council ("CE-in-Council") made on 12 June 2018 that, with retrospective effect from 1 April 2018, civil service pay for 2018-2019 should be adjusted in accordance with the following pay offers made to the staff side of the four central consultative councils, details of which were set out in the LegCo Briefs issued by the Civil Service Bureau ("CSB") on 5 and 12 June 2018:

- (a) a pay increase of 4.06% (equals to the net pay trend indicator ("PTI") for the upper salary band) for civil servants in the upper salary band and the directorate subject to the pay points referred to in (i) and (ii) below the dollar values of which should be as specified -
 - (i) Master Pay Scale 34 at \$70,590; and
 - (ii) General Disciplined Services (Officer) Pay Scale 20 and Police Pay Scale 36 at \$70,470, and General Disciplined Services (Officer) Pay Scale 21 and Police Pay Scale 37 at \$70,970;
- (b) a pay increase of 4.51% (equals to the net PTI for the middle salary band) for civil servants in the middle salary band; and
- (c) a pay increase of 4.51% (equals to the net PTI for the middle salary band) for civil servants in the lower salary band, by invoking the "bring-up" arrangement.

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6. SCS said that the decision of CE-in-Council was made in accordance with the established annual civil service pay adjustment mechanism ("the established mechanism") having regard to the relevant factors, i.e. the net PTIs, the state of Hong Kong's economy, changes in the cost of living, the Government's fiscal position, the pay claims of the staff side and civil service morale.

2018-2019 civil service pay adjustment

7. Mr KWOK Wai-keung relayed the dissatisfaction of the Government Employees Association of the Hong Kong Federation of Trade Unions with the proposed 2018-2019 civil service pay adjustment which fell short of its request of 5% pay rise for all civil servants. He expressed concern that despite the Administration's claim to have considered all six factors when determining the pay offers for civil servants, very often the annual pay adjustment rates followed the net PTIs. He queried whether CE-in-Council had, when deciding the pay offers for 2018-2019, given sufficient consideration to factors other than the net PTIs. Dr Elizabeth QUAT pointed out that the staff representatives of disciplined services were of the view that under the current favourable economic conditions and with the Government's huge fiscal surplus, the Administration should offer civil servants a more generous pay rise.

8. SCS pointed out that the estimated financial implication arising from the 2018-2019 civil service pay adjustment was around \$9.9 billion which was substantially higher than that for 2017-2018 at \$5.5 billion. He stressed that the pay adjustment decision was made by CE-in-Council after considering all the relevant factors thoroughly, and the decision to invoke the "bring-up" arrangement to align the pay adjustment for civil servants in the lower salary band with those in the middle salary band demonstrated that CE-in-Council had made the decision having regard to the prevailing circumstances of each year.

Calculation of net PTIs

9. Noting that civil servants usually had to wait for more than 10 years to be promoted to a higher rank, Mr KWOK Wai-keung opined that the arrangement of deducting payroll cost of increments ("PCIs") from the gross PTIs was unfair to civil servants who had reached the maximum pay points of their ranks, and the Administration should take measures to address the problem. In this connection, Mr LAM Cheuk-ting sought the Administration's response to the staff

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side's concern about the relation between the rising trend of PCIs and increasing intake of civil servants.

10. SCS explained that the PCIs deduction arrangement had been implemented since 1989 on the recommendation of the Committee of Inquiry into the 1988 Civil Service Pay Adjustment and Related Matters ("Committee of Inquiry") in view of the inclusion of private sector in-scale increment and merit pay in the computation of gross PTIs. The Committee of Inquiry considered that PCIs should be deducted as a balancing factor to offset the in-scale increment and exceptional merit pay which should not be included in the gross PTIs. As regards civil servants' concerns on the rising trend of PCIs, he replied that PCIs varied from time to time, and the Administration would maintain communication with the staff side and explore whether there were other options to address the issue. Nevertheless, he stressed that as the PCIs deduction arrangement had been in place for about 30 years, the Administration had to be very cautious in considering any changes to the established mechanism and all possible circumstances should be taken into account.

11. In reply to the enquiries raised by Mr LAM Cheuk-ting and Dr CHIANG Lai-wan relating to the application of the PCIs deduction arrangement, SCS advised that before 1988, private sector in-scale increment and merit pay were not included in the calculation of PTIs. The staff side had been duly consulted before the introduction of the PCIs deduction arrangement which was applicable to all civil servants upon the recommendation of the Committee of Inquiry.

12. Given that some civil service ranks had shorter pay scales with fewer increments, staff of these ranks would reach their maximum pay points after a few years, Dr CHIANG Lai-wan asked whether increasing the number of pay points in the civil service pay scales would be a possible option as a means of motivation for these staff. SCS said that Dr CHIANG LAI-wan's proposal would represent an overhaul to the civil service pay scales. In fact, civil servants who had reached the maximum point of their ranks would still be awarded with annual increment if they were promoted to a higher rank.

13. Mr Tony TSE declared that he was a member of the Standing Commission on Civil Service Salaries and Conditions of Service. He was of the view that with the intake of a larger number of new recruits to the civil service in the coming year, the percentage of civil servants reaching the maximum points of their ranks should show a downward trend. Notwithstanding this, he and Mr IP Kin-yuen remarked that the

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Administration should pay heed to the repeated requests of the staff side to review the PCIs deduction arrangement. Acknowledging the uniqueness of the established mechanism, Mr TSE and Mr LAM Cheuk-ting considered that serious consideration must be given and the staff side duly consulted before any changes should be proposed to it.

Pay Trend Survey mechanism and methodology

14. Dr CHIANG Lai-wan said that to her understanding, the information provided by the participating companies of Pay Trend Survey ("PTS") might not be comprehensive. Dr Elizabeth QUAT and Dr Pierre CHAN also opined that the PTS methodology was unscientific as the participation of companies in PTS was entirely voluntary, and they urged the Administration to review PTS which had been in place for years.

15. SCS advised that the conduct of PTS was overseen by the PTS Committee which was a tripartite committee comprising, among others, representatives of the staff side of the four central consultative councils. Every year before the conduct of PTS, the PTS Committee would review and agree on the survey methodology and the survey field. The PTS Committee would also review the composition of the companies included in PTS so that the distribution of companies by major economic sectors in the survey field could generally reflect the distribution of Hong Kong's economically active population employed in companies of comparable scales.

16. Dr Elizabeth QUAT pointed out that the staff side representatives of the Disciplined Services Consultative Council ("DSCC") and three of the four constituent associations of the Police Force Council ("PFC") had withdrawn from the PTS Committee since 2013 as they were dissatisfied that factors other than the net PTIs had not been taken into serious consideration under the established mechanism. She asked whether the Administration would encourage these representatives to participate in the PTS Committee again.

17. SCS said that before submitting the pay adjustment proposals to CE-in-Council, he would personally meet the staff side representatives of the four central consultative councils, including representatives from DSCC and PFC, and the four major service-wide staff unions, to gauge their views. Invitations to meetings, papers and minutes of meetings were still being sent to the staff side representatives of DSCC and PFC so that they were kept informed and updated about the conduct of the annual

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PTS as well as the discussion of the PTS Committee. The Administration would continue the effort to persuade the staff side representatives to attend meetings of the PTS Committee again.

18. In response to Dr Pierre CHAN 's enquiry about whether data had been collected from the Hospital Authority ("HA") in PTS, SCS advised that HA was not selected for inclusion in PTS as HA used the government pay adjustment as the main factor in determining pay adjustments.

19. In view of the rapid changes in the labour market, Mr LAM Cheuk-ting asked whether the established mechanism could cater for the fast changing situation in the private sector. SCS advised that it was the Government's policy to maintain broad comparability between civil service pay and private sector pay under the established mechanism.

State of Hong Kong's economy and changes in the cost of living

20. Mr LAM Cheuk-ting said that the Democratic Party supported the proposed 2018-2019 civil service pay adjustment. He opined that as the cost of living in Hong Kong had been increasing in the past few years, the "bring-up" arrangement could help civil servants in the lower salary band sustain their standard of living and morale. Dr CHIANG Lai-wan was concerned that albeit the pay for civil servants in the lower salary band was increased by the same rate as that for civil servants in the middle salary band under the "bring-up" arrangement, civil servants in the lower salary band could only receive a smaller increase in dollar terms. She therefore asked whether the Administration would review and enhance the established mechanism, and implement measures to alleviate the economic burden of civil servants in the lower salary band. Dr Pierre CHAN expressed concern that the civil service pay adjustment rates could not catch up with the upsurge in the cost of living, in particular that the soaring housing expenses had accounted for an increasing share of the income of civil servants in middle and lower salary bands and requested the Administration to look into how the problem could be addressed.

21. SCS pointed out that CE-in-Council had considered the changes in the cost of living, represented by an increase of 2% in the headline Composite Consumer Price Index figures for the 12-month period ended March 2018 when considering the 2018-2019 pay offers. As the 2018-2019 civil service pay adjustment rates were quite substantially above the increase of the headline Composite Consumer Price Index, he

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believed that it would help civil servants maintain their purchasing power. Besides, he stressed that although changes in the cost of living was one of the relevant factors considered, it should be borne in mind that relieving the pressure of housing expenses on civil servants was not the aim of the annual civil service pay adjustment exercise.

Civil service morale

22. Dr Elizabeth QUAT commented that the established mechanism was not an effective means to address the morale problem of disciplined services staff. Taking into account the unique job nature and requirements of the disciplined services, she reiterated her request for an independent grade structure review ("GSR") for each disciplinary service and enquired about the latest progress and a timeline for implementation.

23. SCS stressed that the Administration attached great importance to civil service morale, and he was grateful that civil servants had been serving the community with professionalism and commitment despite mounting work pressure. As regards Dr Elizabeth QUAT's request of GSR, CSB had visited disciplined services departments to understand the manpower situation of individual grades and was examining whether there were sufficient justifications for the conduct of a GSR. CSB would endeavor to come up with a decision on whether to pursue a GSR for the disciplined services grades by end 2018. Dr Elizabeth QUAT urged CSB to further gauge views from the staff side on the issue.

Timetable for seeking approval from the Finance Committee

24. Whilst expressing support for the proposed civil service pay adjustment, Mr IP Kin-yuen, Dr CHIANG Lai-wan and Dr Pierre CHAN called on the Administration to submit the proposal to FC as soon as practicable. Mr IP and Dr CHAN were of the view that as it was an annual routine exercise to conduct PTS and seek FC's approval for civil service pay adjustment proposal, the Administration could speed up the process with a view to putting forward the proposal to the Panel and FC by June. Dr CHIANG also asked whether funding proposals which related to livelihood issues, including the civil service pay adjustment, could be accorded with a higher priority for discussion and approval at FC.

25. SCS elaborated that the annual PTS measured the year-on-year average pay movements of full-time employees in the private sector over a 12-month period from 2 April of the previous year to 1 April of the current year. Before submitting the PTS report, the PTS Committee had

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to collect, collate and analyze data from the participating companies; listen to the staff side's views; conduct meetings to consider and validate the PTS findings. As such, a lead time between the completion of the field work of PTS and the submission of the civil service pay adjustment proposal to LegCo would be unavoidable. The Administration would take members' concerns into account and see whether there was any room, if at all, to compress the processing time further. Regarding the 2018-2019 proposed civil service pay adjustment, the Administration aimed to seek FC's approval before LegCo's summer recess. In determining the order of items on the FC agenda, the Administration would adopt a holistic approach by taking into account a host of factors including the importance and urgency of the funding proposals.

26. With a view to expediting the creation of new posts, Dr CHIANG Lai-wan enquired whether bureaux/departments ("B/Ds") could conduct manpower forecast and include funding proposals relating to creation of new posts in the Estimates to be approved by LegCo in the context of the Appropriation Bill. SCS explained that according to the established practice, the endorsement of the Establishment Subcommittee and the approval of FC had to be sought in the event of creation, redeployment, and deletion of permanent and supernumerary directorate posts, and for changes to the structure of civil service grades and ranks. Under the annual Resource Allocation Exercise, B/Ds were requested to review their manpower situation and apply for additional resources for creation of civil service posts.

27. Dr CHIANG Lai-wan requested the Administration to provide after the meeting the number of civil service posts to be created in the next five years according to the medium manpower plans of B/Ds in view of the changes in population and other socio-economic factors as well as to meet operational needs.

(Post-meeting note: The Administration's written response was circulated to members vide LC Paper No. CB(4)1457/17-18(01) on 31 July 2018.)

Review on academic requirement of civil service posts

28. Mr Tony TSE was concerned that with the significant increase in post-secondary education opportunities over the years, a lot of the applicants for some civil service posts were over qualified for the basic academic requirement. He asked whether the Administration would consider conducting a review on the academic requirements for the relevant posts. In response, SCS advised that the entry requirements for

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appointments to the civil service, including the academic qualifications and working experiences of the candidates, were set according to the job nature and operational requirements of individual grades/ranks.

29. In closing, the Chairman said that members had no objection to the Administration's proposal to seek approval of FC on the proposed 2018-2019 civil service pay adjustment, and members urged the Administration to submit the proposal to FC as soon as possible.

V. Employment of persons with disabilities in the civil service

(LC Paper No. CB(4)1214/17-18(04) -- Administration's paper on employment of persons with disabilities in the civil service

LC Paper No. CB(4)1214/17-18(05) -- Paper on employment of persons with disabilities in the civil service prepared by the Legislative Council Secretariat (updated background brief))

30. At the invitation of the Chairman, SCS briefed members on the employment of persons with disabilities ("PWDs") in the civil service, details of which were set out in the Administration's paper (LC Paper No. CB(4)1214/17-18(04)).

Number of PWDs in the civil service

31. Referring to the appendices in LC Paper No. CB(4)1214/17-18(05) which were extracted from the Administration's response in the Examination of Estimates of Expenditure 2018-2019 by FC, Mr IP Kin-yuen sought the reasons for the decrease in the number of civil servants who declared their disabilities and the increase in the number of civil servants with disabilities leaving the civil service from 2012-2013 to 2016-2017. These two factors had a combined effect of reducing the number of civil servants who had declared their disabilities from 3 401 to 3 087 during the given period. Noting that the number of civil servants with disabilities leaving the civil service was on

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a rise, Mr Martin LIAO enquired whether the Administration had ascertained the difficulties PWDs faced at work.

32. SCS advised that there was no mandatory requirement for applicants for government jobs and serving civil servants to declare their disabilities. The situation on PWDs in the civil service was known on the basis of information available to B/Ds. Hence the figures as mentioned by members only reflected the minimum number of PWDs in the civil service at the time of reporting. The number of PWDs joining the civil service might fluctuate each year, depending on the number of posts available and the recruitment situation in a particular year. He added that the Administration had not collected statistics regarding the reasons for the rising trend of PWDs leaving the civil service, but noting the retirement wave of civil servants in the past few years, the rising trend was reasonable against that context.

33. Mr IP Kin-yuen called on the Administration to collect relevant statistics on the reasons for civil servants with disabilities leaving the civil service so as to better understand the situation. Furthermore, he suggested that, instead of comparing the recruitment success rate of applicants who had declared their disabilities across different B/Ds, the Administration should look into the success rates of the same/similar posts among different B/Ds, which, in his view, could provide a comparable and more realistic picture on the employment situation of PWDs in different B/Ds. SCS took note of Mr IP's suggestion and said that comparing the recruitment success rates of different B/Ds might still offer a useful reference, such as identifying those B/Ds with greater likelihood to offer suitable civil service posts for PWDs.

34. Noting from paragraph 3 of the Administration's paper that 1.8% of the strength of the civil service (i.e. 3 087 civil servants) were PWDs, Dr CHIANG Lai-wan enquired about the figure and the ratio of civil servants who became disabled after joining the civil service. SCS replied that the Administration had not collected the relevant statistics nor had it set an annual quota for employing PWDs in the civil service. Instead, the Administration had endeavored to put in place appropriate measures to facilitate their participation in the civil service recruitment process, and applicants who had declared their disabilities found suitable for appointment might be given an appropriate degree of preference over other applicants with comparable suitability for appointment.

35. In reply to Dr CHIANG Lai-wan's enquiry about the success rate of applicants who declared their disabilities in the recruitment exercises conducted in 2017-2018 as mentioned in paragraph 4 of the

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Administration's paper, Deputy Secretary for the Civil Service 1 pointed out that the 3.42% figure was broadly comparable to that of other qualified applicants, i.e. 3.67%.

Assistance offered to PWDs in the civil service

36. Pointing out that some old government offices he had visited were very crowded, Mr Tony TSE expressed concern that these offices would have little space to accommodate civil servants with disabilities, in particular wheelchair users. He enquired whether CSB would liaise with the Government Property Agency ("GPA") to plan for the provision of sufficient office accommodation for the large number of new civil servants to be recruited in the coming year and barrier-free access to facilitate PWDs who worked in B/Ds. Echoing similar views, Mr IP Kin-yuen also requested SCS to remind heads of B/Ds to ensure that sufficient accommodation should be provided for PWDs working in their B/Ds. Mr Martin LIAO also enquired about the types of assistance offered by B/Ds to facilitate PWDs at work.

37. SCS replied that there had been accommodation standards set down for different types of offices and different grades of staff by GPA. CSB would continue to communicate with GPA with regard to the needs of PWDs at workplace to ensure that adequate accommodation was provided for civil servants with disabilities. He said that during his visits to B/Ds, he observed that PWDs working at these B/Ds had been provided with sufficient office space as well as barrier-free access. He further pointed out that one of the aims of the Internship Scheme for Students with Disabilities ("Internship Scheme") was to enable B/Ds to appreciate the talents and potential of PWDs as well as arrangements to facilitate their daily work.

38. As regards the types of assistance offered to serving civil servants with disabilities, SCS said that relevant B/Ds would offer assistance and accommodate the needs of PWDs at workplace as far as practicable, and B/Ds could apply for funding to procure necessary technical aids and office furniture/equipment to enable them to perform their duties. The Administration would keep in view the needs of serving civil servants with disabilities and offer assistance as necessary.

39. Quoting examples of airports which had suitably modified the enquiry counter for staff with disabilities, Dr Elizabeth QUAT suggested the Administration draw overseas experience to facilitate the employment of PWDs. This could also help promote an image of inclusiveness in society. She also said that, apart from hardware, the Administration

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should formulate a work policy, such as conditioned hours, to facilitate the work of PWDs in the civil service. SCS took note of Dr QUAT's suggestion and said that CSB would keep in view the employment situation of PWDs in different B/Ds and identify postings suitable for newly recruited PWDs. B/D would also be reminded to pay attention to how the working environment could be suitably modified to suit their working needs.

Internship Scheme for Students with Disabilities

40. Dr CHIANG Lai-wan and Mr IP Kin-yuen supported the Internship Scheme in allowing young PWDs to gain hands-on work experience in the Government. Dr CHIANG enquired about the number of interns who had joined the civil service after participating in the scheme. SCS replied that as most of the interns had not yet graduated from their studies, the Administration did not have much information on their employment details. The Administration would attempt to collect information on their subsequent employment situation after completion of their studies.

VI. Any other business

41. There being no other business, the meeting ended at 12:37 pm.

Council Business Division 4
Legislative Council Secretariat
5 September 2018