

立法會
Legislative Council

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(These minutes have been seen
by the Administration)

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Legislative Council
Panel on Public Service

Minutes of meeting
held on Monday, 15 November 1999 at 10:45 am
in the Chamber of the Legislative Council Building

Members present : Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon Mrs Sophie LEUNG LAU Yau-fun, JP (Deputy Chairman)
Hon Michael HO Mun-ka
Hon LEE Cheuk-yan
Hon LEE Kai-ming, SBS, JP
Hon CHEUNG Man-kwong
Hon CHAN Kwok-keung
Hon CHAN Wing-chan
Hon Andrew WONG Wang-fat, JP
Hon Howard YOUNG, JP
Hon Ambrose LAU Hon-chuen, JP

Member attending : Hon Emily LAU Wai-hing, JP

Public officers attending : Items III to V

Mr LAM Woon-kwong
Secretary for the Civil Service

Ms Anissa WONG
Deputy Secretary for the Civil Service (1)

Mr D W PESCOD
Deputy Secretary for the Civil Service (2)

Mrs Susan MAK
Deputy Secretary for the Civil Service (3)

Item V only

Mr K C KWONG
Secretary for Information Technology and Broadcasting

Ms Eva CHENG
Deputy Secretary for Information Technology and Broadcasting

Clerk in attendance : Miss Salumi CHAN
Chief Assistant Secretary (1)5

Staff in attendance : Mr Matthew LOO
Senior Assistant Secretary (1)7

Action

I. Confirmation of minutes of meeting
(LC Paper No. CB(1) 308/99-00 — Minutes of meeting on 7 October 1999)

The minutes of the meeting held on 7 October 1999 were confirmed.

II. Date of next meeting and items for discussion
(LC Paper No. CB(1) 317/99-00(01) — List of follow-up actions)

Meeting on 20 December 1999

2. The Chairman reminded members that the Panel would discuss with the Administration and civil service unions on the consultative machinery of the civil service at the next regular meeting on 20 December 1999. So far, nine civil service unions had indicated that they would attend the meeting.

(Post-meeting note : At the request of the Administration and with the concurrence of the Chairman, the item on "Pensionable Personal Allowance for D3 and above or equivalent officers" was added to the agenda for the meeting on 20 December 1999.)

Meeting on 17 January 2000

3. As proposed by Mr CHEUNG Man-kwong, the Panel agreed to discuss at the regular meeting on 17 January 2000 the policy governing acceptance of outside appointments by civil servants after retirement or early retirement. The Administration would be invited to brief the Panel on the existing arrangements, and any proposed changes to the existing arrangements, governing acceptance of outside appointments, particularly in statutory bodies, subvented organizations, or private organizations, by directorate and non-directorate officers after retirement or early retirement. Members were concerned about:

- (a) whether permission was required for the proposed employment and if so, the criteria for granting the permission;
- (b) the steps taken by the Administration to ensure that there would be no conflict of interests between the officer's previous posting before retirement and his proposed employment; and
- (c) the implications of the proposed employment on the pension/allowance to be granted to the officer concerned after retirement.

III. Civil Service Starting Salaries Review 1999

— Briefing by the Administration on the result of staff consultation and the way forward

- (LC Paper No. CB(1) 317/99-00(02) — Paper provided by the Administration
- LC Paper No. CB(1) 62/99-00 — Paper provided by the Administration on “Starting Salaries Review — Implications for the Disciplined Services”)

4. The Chairman advised that as agreed by members at the meeting held on 22 July 1999, the Secretariat had invited submissions from major civil service unions and academics on the Civil Service Starting Salaries Review 1999 (the Review). The submissions (LC Paper Nos. CB(1) 289/99-00(01) to (17), CB(2) 208/99-00(01) and CB(1) 359/99-00(01)) and a summary of submissions (LC Paper No. CB(1) 288/99-00) had been issued to members for reference.

Proposal to apply new starting salaries and pay model to serving civil servants on transfer

5. Referring to paragraph 13 of the paper provided by the Administration, Mr CHEUNG Man-kwong and Mr CHAN Wing-chan expressed concern about the Administration's proposal to apply the new starting salaries and pay model to serving staff on transfer. Deputy Secretary for the Civil Service (2)(DSCS2) advised that there

were different categories of transfer. An officer on transfer from one post to another within the same grade would not be affected by the new starting salaries. As regards transfer to another grade, most of the officers concerned moved from a lower level grade to a higher level grade, for example, from the Executive Officer grade to the Administrative Officer grade. In handling these cases, the Administration's objective was to ensure that the officers concerned could maintain their existing salary level or be remunerated at one pay point higher. However, for those officers moving from a higher level grade to a lower level grade, the Administration saw no reason why they should be allowed to maintain their existing salary level. The officers concerned, as the new recruits, would be paid in accordance with the new starting salaries.

6. Responding to Mr CHEUNG Man-kwong, DSCS2 advised that if the officers on transfer could maintain their existing salary level, the transfer would have no implications on their entitlement to housing benefits.

7. Mr CHEUNG Man-kwong further asked whether civil servants were aware that the new starting salaries would apply on some of the serving staff on transfer. DSCS2 advised that the Staff Sides of the Central Staff Consultative Councils and civil service unions had been consulted on this point. Moreover, staff on transfer were normally interviewed by the management to make sure that they understood the implications of their transfer.

Proposal to conduct a full benchmark review every three to four years

8. Mr LEE Cheuk-yan noted that the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission) had recommended that a full benchmark review be conducted every three to four years with annual updating carried out in the interim, so as to ensure that the benchmarks were kept in line with private sector pay in future. Mr LEE was concerned that the annual updating exercise would result in a substantial difference in salaries between serving staff and new recruits, and would give rise to a situation where civil servants performing the same duties were remunerated at different salary levels, thus affecting staff morale. DSCS2 considered the situation not uncommon in the civil service, as staff with higher seniority in the same rank got higher salaries because of the annual increments. Regarding the benchmark review, the Administration did not envisage the increase in benchmark pay would consistently outstrip that of the pay trend adjustment. The Administration therefore did not expect the benchmark pay would rise or drop substantially in between years. In the circumstances, actual benchmark adjustments would most probably be made after the full benchmark review every three to four years.

9. Mr Ambrose LAU pointed out that while the private sector was quick in making salary adjustments in response to market changes, the proposed benchmark review to be conducted every three to four years might not keep pace with the changes. He considered that each review should capture data for a certain period before the review and take into account factors such as economic trend. In response, DSCS2 advised that

the Standing Commission's recommendation had already improved the current arrangement under which starting salaries review was conducted every ten years. The Administration would monitor closely to ensure that civil service pay was in line with private sector pay.

Proposal to standardize incremental dates

10. Mr LEE Cheuk-yan expressed concern about the Administration's proposal to standardize incremental dates for new recruits and staff on transfer to 1 April of each year. Under the proposed arrangement, new recruits who joined the civil service before 1 October would be eligible for one increment in the next year on 1 April, and those who joined after 1 October would be eligible for it on 1 April of the year after next. Mr LEE considered the proposal unfair to those who joined after 1 October as they had to wait 18 months for the first increment.

11. DSCS2 pointed out that a great majority of grades conducted and completed their annual recruitment exercises before 1 October. For those few grades where recruitment was not conducted annually, the grade management had the choice in shifting the recruitment dates to suit the circumstances. The Administration therefore did not anticipate any major problems with the proposal of standardizing incremental dates to 1 April.

Disruption of pay relativity between supervisory and subordinate ranks

12. Responding to Mr CHAN Wing-chan's concern about the disruption of pay relativity between some supervisory and subordinate ranks, DSCS2 advised that there had been a number of cases where new recruits filling supervisory posts were offered starting salaries lower than the current salaries of their subordinates. The Administration did not perceive this to be a major problem because normally, the supervisory rank had a much longer salary scale and better promotion prospects. Moreover, it would be rather unlikely for any grade management to put an inexperienced supervisor in charge of an experienced subordinate.

Timing of the Review

13. Mr CHAN Wing-chan and Mr LEE Kai-ming pointed out that the Review had been conducted at a time when Hong Kong's economy was at its worst. They considered it unfair to the civil servants. DSCS2 pointed out that in the recent decades, civil service salaries reviews had been conducted once every ten years, i.e. in 1979, 1989 and 1999. It would be unreasonable for the Administration not to conduct the review in 1999 because of the economic turmoil. Nevertheless, the Administration had accepted the Standing Commission's advice that more frequent reviews should be conducted.

14. Mr LEE Kai-ming was concerned that with the entry pay lowered, the Administration might face recruitment difficulties when the economy revived. DSCS2

advised that in line with the Government's policy of keeping in step with remuneration practices of the larger and more established companies in the private sector, the third quartile level of private sector pay data had been used as reference in determining the new benchmarks. Hence, the starting salaries recommended by the Standing Commission were more favourable than the average market rates. Moreover, the whole remuneration package in the civil service, comprising salaries, fringe benefits and career opportunities, was still attractive and competitive in the market. The Administration was therefore of the view that the proposed reduction in starting salaries would not affect its ability to recruit. However, if it turned out to be problems, the Administration would deal with them under the existing mechanisms, such as the granting of incremental credits for experience.

Review of civil service salaries beyond entry level

15. Mr Michael HO asked whether and when the Administration would conduct a review of civil service salaries beyond the entry level. In response, DSCS2 advised that a comprehensive review of civil service salaries was very complex and time-consuming. The Administration would consider carefully before making a decision on whether such a review would be conducted. Nevertheless, the grade management of individual grades might initiate a review of the pay levels of the grade as and when necessary.

Staff consultation

16. Mr Michael HO noted from the submissions that civil servants had various views on the Review. In response to Mr HO's enquiry, DSCS2 advised that the Administration had consulted the four Central Staff Consultative Councils, service wide unions and departmental unions, and had gathered views from the departmental consultative committees. The Administration was studying their feedback carefully and would try to address them in the final proposal.

Way forward

17. Responding to Mr Michael HO, DSCS2 advised that the Administration aimed to implement the new starting salaries and the new pay model when the recruitment freeze was lifted. In response to the Chairman, Secretary for the Civil Service (SCS) advised that the current recruitment freeze would end on 1 April 2000 but the Administration had yet to decide whether it should be extended. Nevertheless, the Administration aimed to conclude the Review before the end of the financial year. SCS assured members that the Administration would brief the Panel on its final decision on the Review in due course.

(Post-meeting note : The Legislative Council Brief on the Civil Service Starting Salaries Review was issued to members vide LC Paper No. CB(1)616/99-00 on 15 December 1999 and the Panel was briefed by the Administration at the meeting on 17 January 2000.)

Action

IV. Civil service promotion system

(LC Paper No. CB(1) 317/99-00(03) — Paper provided by the Administration)

Promotion boards

18. Responding to Mr CHAN Wing-chan, Deputy Secretary for the Civil Service (1) (DSCS1) advised that promotion boards determined objective selection criteria and selected meritorious officers for filling higher rank posts by assessing the relative merit of all eligible candidates, having regard to their performance and conduct. In most cases, all eligible candidates came from the lower rank of the same grade. In some cases, however, the eligible candidates might include officers of other grades and/or outside candidates. All eligible candidates would be considered in accordance with the same selection criteria. DSCS1 pointed out that recommendations made by promotion boards would be submitted to the Public Service Commission (PSC) for endorsement. PSC and CSB might send observers to monitor the conduct of promotion boards. Usually, the Chairman of PSC attended all meetings of the promotion boards for directorate posts.

Integrity checks

19. Responding to Mr CHEUNG Man-kwong, DSCS1 advised that all eligible candidates, including outside candidates, were required to undergo integrity checks. The outside candidates, if found suitable for appointment to promotional ranks, would be appointed on agreement terms during the initial period. Mr CHEUNG was concerned that these officers might, after completion of agreements, leave the Government and enter into any business or employment that might constitute a conflict of interest with their previous posts in the civil service. In response, DSCS1 advised that agreement officers ranked at D3 and above were required to seek prior permission from the Chief Executive (CE) before they took up employment outside the Government within one year after the completion of their agreements.

Proposal under the Civil Service Reform

20. Referring to paragraph 10 of the paper provided by the Administration, Mr LEE Cheuk-yan and Mr CHAN Wing-chan asked for details of the Administration's proposal to introduce a more competitive appointment system for filling vacancies in higher ranks. DSCS1 responded that under the Civil Service Reform, the Administration proposed to widen the field of candidates to other appropriate grades or ranks or bringing in outside candidates with the relevant skills, expertise or experience. While this practice was allowed under the existing system, the Administration proposed to promote it for the benefit of facilitating the intake of suitable candidates where promotion from staff in the grade could not meet the requirement. On the other hand, to provide a clear and structured career development framework, the Administration recognized the need to maintain reasonable aspirations for serving staff to advance in the civil service. Hence, it would not open up higher rank vacancies to competition indiscriminately.

Guidelines for introducing greater flexibility into the appointment system would be worked out in consultation with the Staff Sides and departmental management.

Statistics

21. In response to Mr LEE Kai-ming, DSCS1 advised that the Administration did not have the statistics on the number of meritorious officers who had left the civil service for lack of promotion opportunities, and the number of officers who had refused to be promoted.

Performance appraisal system

22. The Deputy Chairman pointed out that an effective performance appraisal system was essential to enable a fair and merit-based promotion system. In the recent years, human resource management (HRM) in the private sector had developed some concepts and guidelines on selection of suitable candidates, for example, the concept of core competency. She asked whether the Administration would apply the concept to the civil service appraisal system. DSCS2 advised that in the past five years, the Administration had adopted an aggressive policy of promoting modern HRM techniques in performance appraisals. For example, core competencies which were central to an individual's performance were included in the appraisal forms. Moreover, the Administration had proposed under the Civil Service Reform to set up assessment panels with a view to improving the appraisal system.

V. Policy of transfer of departmental grade officers to Administrative Officer posts and Corporatization of Radio Television Hong Kong

Information papers for the meeting

23. Mr CHEUNG Man-kwong noted that the Administration had not provided any information paper for agenda item V and requested the Administration to explain the reasons. In response, SCS advised that the general policy of appointment and promotion in the civil service had already been set out in the information paper provided by the Administration for agenda item IV. He therefore considered it not necessary to provide another information paper on the policy of transfer of departmental grade officers to Administrative Officer (AO) grade posts. However, he was prepared to answer members' questions on the subject. On the other hand, Secretary for Information Technology and Broadcasting (SITB) advised that in considering whether certain government departments or services should be corporatized, a comprehensive review was required before deciding on the way forward. In view of the smooth operation of Radio Television Hong Kong (RTHK), the Administration did not see any urgent need to conduct such a review for RTHK. In the circumstances, the Administration had not prepared any paper on the subject of corporatization of RTHK.

24. Mr CHEUNG Man-kwong expressed his strong dissatisfaction with the Administration at not providing any information paper for the agenda item. He pointed out that the first part of the agenda item arose from the recent transfer of Miss CHEUNG Man-yea from the post of Director of Broadcasting (D of B), a departmental grade post, to the post of Principal Hong Kong Economic and Trade Representative in Tokyo, an AO grade post. Mr CHEUNG queried why the Administration had not provided an information paper setting out the relevant transfer policy and the facts about Miss CHEUNG's case. On the corporatization of RTHK, Mr CHEUNG pointed out that there had already been numerous discussions and certain studies on the subject. He queried why the Administration had not provided an information paper setting out the views of the parties concerned and the result of the studies. Mr CHEUNG stated that in the circumstances, the Democratic Party would not participate in the discussion of the agenda item and would ask a question on the subject at a Council meeting. He then left the meeting.

(Post-meeting note : Mr Michael HO asked an oral question on the transfer of Miss CHEUNG Man-yea and the editorial independence and autonomy of RTHK at the Council meeting on 8 December 1999.)

25. Mr Andrew WONG and Ms Emily LAU considered that the Administration should have provided an information paper to facilitate discussion of the agenda item.

Policy of transfer of departmental grade officers to Administrative Officer grade posts

26. SCS advised that a promotion board comprising the Chief Secretary for Administration as the Chairman, the Financial Secretary as the ex-officio member and other senior officers in the AO grade, including SCS, as members, would be convened to select suitable candidates to fill vacancies at Heads of Department level of the AO grade. The board would consider all eligible candidates from the AO grade and other grades, having regard to their ability, personality and other relevant factors. The Chairman of PSC would normally attend the board meeting and monitor the operation of the board.

27. SCS also pointed out that there had been precedent cases in which departmental grade officers were selected to fill vacancies in the directorate level of the AO grade. He quoted the two cases as follows:

Mr PANG Tsan -wing, Kenneth

- Land Registrar (a departmental grade post at D4 level)
- Commissioner for Economic and Trade Affairs, USA (an AO grade post at D6 level)
- Commissioner of Rating & Valuation (a departmental grade post at D5 level)

Mr KWONG Hon-sang

- Director of Highways (a departmental grade post at D6 level)

- Secretary for Works (an AO grade post at D8 level)

28. Mr Andrew WONG was concerned about the transfer of directorate officers from one grade to another and that Mr Kenneth PANG had been transferred from a departmental grade post to an AO grade post, and then to another departmental grade post. SCS advised that a departmental grade officer, if found suitable to fill a vacancy in the AO grade, would be required to act in the post for a certain period. The officer would be transferred to the AO grade when he was formally appointed to the post after the acting period. As regards Mr Kenneth PANG, he had acted in the post of the Commissioner for Economic and Trade Affairs, USA, and then redeployed in 1999 as the Commissioner of Rating & Valuation, a departmental grade post. He had not been transferred to the AO grade.

29. Responding to Mr Andrew WONG's further question, SCS advised that Miss CHEUNG Man-yea was appointed to act in the post of the Principal Hong Kong Economic and Trade Representative in Tokyo and that a decision would be made in due course on whether she would be transferred to the AO grade. As regards Dr E K YEOH, SCS pointed out that before he was appointed as the Secretary for Health and Welfare, he was the Chief Executive of the Hospital Authority and not a civil servant. In the circumstances, the normal transfer and acting arrangements in the civil service did not apply to him.

Transfer of Miss CHEUNG Man-yea, former Director of Broadcasting

30. Responding to Ms Emily LAU, SCS advised that Mr Paul LEUNG, current Principal Hong Kong Economic and Trade Representative in Tokyo, had been serving in that post for two and a half years. As the Administration planned to transfer Mr LEUNG to a new post, a promotion board had been convened recently to select a suitable candidate to fill the anticipated vacancy. Responding to Mr LEE Cheuk-yan, SCS advised that the promotion board had considered all eligible candidates from the AO grade and other grades, not only Miss CHEUNG Man-yea. Under normal circumstances, the eligible candidates were not aware that they were being considered for a certain post. However, as the post in question was an overseas post, the Administration had collected the views of the eligible candidates on whether they were interested in taking up an overseas posting. Miss CHEUNG had indicated her interests in this respect.

31. Mr LEE Cheuk-yan asked whether the Administration had sought the views of all the eligible candidates concerned. SCS advised that as a general practice, all AOs were required to indicate regularly whether they were interested in taking up overseas postings. As regards departmental grade officers, the Administration relied on their own initiative to make such an indication. Miss CHEUNG Man-yea had taken the initiative to do so. Responding to Mr LEE's enquiry on when Miss CHEUNG had made the indication, SCS considered it inappropriate for the Administration to disclose the information as it might infringe Miss CHEUNG's privacy.

32. Responding to Ms Emily LAU, SCS confirmed that the transfer of Miss CHEUNG Man-yee was not made under any political pressure. Ms LAU further asked whether the Administration had received any complaints about the performance of RTHK or Miss CHEUNG as D of B in the recent years. SCS and SITB stated that they had not received such complaints.

33. Ms Emily LAU considered that the Administration's decision to promote Mr CHU Pui-hing to succeed Miss CHEUNG Man-yee as D of B had been made in great haste. SCS pointed out that that was not the case. He advised that normally, where there was a vacancy in the directorate post, a promotion board would be convened as soon as possible. In view of the public concern about the transfer of Miss CHEUNG and who would be her successor, the Administration had arranged the promotion board expeditiously and requested PSC to consider the board's recommendation as early as possible. SCS assured members that the Administration had followed the established procedures in handling the case.

Corporatization of RTHK

34. Mr LEE Cheuk-yan said that as far as he could remember, the Director of Business and Services Promotion Unit (DSPU) had stated that the Administration would consider the suitability of various departments for corporatization. In view of SITB's advice in paragraph 23 above, Mr LEE asked whether RTHK was not one of the departments concerned. In response, SITB reiterated that at present, the Administration did not see any urgent need to review whether RTHK should be corporatized.

VI. Any other business

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

Legislative Council Secretariat

16 February 2000