

立法會
Legislative Council

LC Paper No. CB(1)1439/05-06
(These minutes have been seen
by the Administration)

Ref : CB1/PL/PS/1

Panel on Public Service

Minutes of meeting
held on Thursday, 20 April 2006 at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon LI Fung-ying, BBS, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon WONG Kwok-hing, MH
Hon KWONG Chi-kin

Members absent : Hon Bernard CHAN, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon Howard YOUNG, SBS, JP

Public officers : Agenda Items III and IV

attending

Miss Denise YUE, GBS, JP
Secretary for the Civil Service

Mr Andrew WONG Ho-yuen, JP
Permanent Secretary for the Civil Service

Agenda Item III

Mrs Rebecca LAI, JP
Permanent Secretary for the Civil Service (Special Duties)

Mr K S SO
Deputy Secretary for the Civil Service (2)

Agenda Item IV

Miss Jennifer MAK, JP
Deputy Secretary for the Civil Service (1)

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

Staff in attendance : Ms Rosalind MA
Senior Council Secretary (1)8

Mr Justin TAM
Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)8

Action

- I. Confirmation of minutes of meeting**
(LC Paper No. CB(1)1279/05-06 — Minutes of meeting on
28 February 2006)

The minutes of the meeting held on 28 February 2006 were confirmed.

- II. Date of next meeting and items for discussion**
(LC Paper No. CB(1)1280/05-06(01) — List of outstanding items for
discussion

LC Paper No. CB(1)1280/05-06(02) — List of follow-up actions

LC Paper No. CB(1)1288/05-06(01) — Letter dated 7 March 2006 from
Hon LEE Cheuk-yan to the Clerk
to Panel

LC Paper No. CB(1)1288/05-06(02) — Paper provided by the
Administration

LC Paper No. CB(1)1318/05-06(01) — Letter dated 11 April 2006 from the Clerk to Panel to the Secretary for the Civil Service

LC Paper No. CB(1)1318/05-06(02) — Letter dated 18 April 2006 from Hon WONG Kwok-hing

2. The Chairman informed members that the Civil Service Bureau (CSB) had originally proposed the following two discussion items for the next regular meeting scheduled for 15 May 2006:

- (a) Implementation of five-day week in the Government; and
- (b) Measures for managing cases of misconduct and under-performance in the civil service.

3. The Chairman also pointed out that there were two discussion items proposed by members, one by Mr LEE Cheuk-yan and the other by Mr WONG Kwok-hing. Given that there were a total of four proposed discussion items, CSB had indicated that it had no objection to deferring the item in paragraph 2(b) above to a future meeting.

4. The Chairman informed members that Mr LEE Cheuk-yan, having noted the information paper provided by CSB on “Civil servants’ freedom and right to join trade unions and take part in trade union activities” (LC Paper No. CB(1)1288/05-06(02)), requested that the subject be scheduled for discussion at a meeting of the Panel. In this connection, Mr LEE Cheuk-yan pointed out that the information paper had not fully addressed the concerns set out in his letter dated 7 March 2006 (LC Paper No. CB(1)1288/05-06 (01)).

5. As regards the item proposed by Mr WONG Kwok-hing, the Chairman referred members to the letter dated 11 April 2006 from the Clerk to Panel to the Secretary for the Civil Service (SCS) on issues arising from a case quoted in the investigation report published by the Office of The Ombudsman on 6 April 2006 on the Medical Fee Waiver System (LC Paper No. CB(1)1318/05-06(01)), and Mr WONG’s letter dated 18 April 2006 (LC Paper No. CB(1)1318/05-06(02)). In this connection, Mr WONG Kwok-hing expressed concern about the effectiveness of the current mechanism, at both the departmental and central levels, for handling complaints or views raised by civil servants. He requested that the subject be scheduled for discussion at the Panel meeting on 15 May.

6. After discussion, members agreed on the following arrangements:

- (a) To schedule the item proposed by CSB mentioned in paragraph 2(a) above, and the item proposed by Mr WONG Kwok-hing and the related issues, for discussion at the meeting on 15 May;

- (b) To schedule the item proposed by Mr LEE Cheuk-yan for discussion at the meeting on 19 June; and
- (c) To defer the item proposed by CSB mentioned in paragraph 2(b) above to a future meeting.

7. The Chairman directed the Clerk to liaise with CSB on the meeting arrangements accordingly.

III. Review of fringe benefit type of civil service allowances

(LC Paper No. CB(1)1280/05-06(03) — Letter from the Secretary for the Civil Service to the Chairman with an information paper

LC Paper No. CB(1)1280/05-06(04) — Background brief prepared by the Legislative Council Secretariat)

Declaration of interest

8. Mr KWONG Chi-kin declared that his wife was a civil servant and was eligible for the payment of fringe benefit type of allowances.

Briefing by the Administration

9. At the invitation of the Chairman, SCS briefed members on the final change proposals arising from the review of fringe benefit type of civil service allowances. SCS advised that over the years, some of the allowances provided to civil servants had become out of step with present day circumstances. In addition to ceasing the payment of the majority of these allowances to new entrants, the Administration started a comprehensive review on the fringe benefit type of civil service allowances in 2004. The review was subsequently held in abeyance in view of the Government's appeal to the Court of Final Appeal (CFA) in relation to the pay adjustment ordinances. Following the conclusion of the appeal in which the CFA ruled in favour of the Government in July 2005, the Administration revived the review and issued in September 2005 a consultation note setting out a package of change proposals for staff consultation. Taking account of the policy objectives of the review, legal considerations, views of the advisory bodies as well as feedback from staff, the Administration had finalized the package of change proposals, which were set out in paragraphs 7 to 18 of the paper provided by the Administration.

10. SCS further advised that according to the legal advice obtained from the Department of Justice (DoJ), based on the legal principles established by the CFA judgment in the pay adjustment ordinances case, Article 100 of the Basic Law did not seek to prohibit or inhibit changes to pay, allowances, benefits or conditions of service

of public officers appointed before 1 July 1997, except to the extent that such changes made them less favourable than those entitlements before that date. In other words, changes which were permissible before July 1997 by statute or under the unilateral variation clause embodied in the terms of appointment of civil servants might be implemented subject to the “no less favourable than before” test. In brief, DoJ had advised that the final change proposals were lawful, and might be effected under the unilateral variation clause without the enactment of legislation.

Discussion

11. In response to the Chairman’s enquiry, SCS said that the number of civil servants affected by the final change proposals varied according to different types of allowances. For example, the total number of civil servants eligible to apply for Overseas Education Allowance (OEA) and Local Education Allowance (LEA) amounted to around 120 000 and 150 000 respectively but the current number of officers receiving OEA and LEA payments were only less than 5 000 and about 20 000 respectively. For other fringe benefit type of allowances, such as the Furniture and Domestic Appliances Allowances (F&DAA), and the Air-conditioning Allowance (ACA), relatively smaller number of civil servants were eligible for these allowances, and the current number of staff receiving F&DAA and ACA were about 14 000 and a few hundred respectively.

12. Mr KWONG Chi-kin said that civil service staff bodies generally considered the final change proposals acceptable. In particular, they welcomed the Administration’s decision to withdraw its original proposal to set the OEA ceiling rates for new claimants in Hong Kong dollars having regard to staff feedback during the consultation. Mr KWONG however raised concern about the views expressed by the staff bodies of the Police Force that the change proposals represented a unilateral variation of the terms of employment of civil servants and were therefore unlawful. He requested the Administration to address this concern.

13. In response, SCS reiterated that according to the legal advice obtained from DoJ, the final change proposals were lawful. She noted that DoJ had advised that the unilateral variation clause embodied in the terms of appointment of civil servants (which existed prior to July 1997) permitted the Government to abolish an outmoded allowance or benefit (or implement a variation to the adjustment mechanism of an allowance or benefit) which was not a significant part of an eligible officer’s total emoluments. She further stated that in addition to the legal considerations, the Administration attached great importance to staff consultation and staff views in its formulation of the final package of change proposals. Indeed, the Administration had revised its original proposals, where appropriate, having regard to staff feedback. SCS assured members that the final change proposals were lawful, fair and reasonable.

14. Mr LEE Cheuk-yan was concerned how far the Administration had applied the principles of lawfulness, fairness and reasonableness in undertaking the review,

for example, in deciding whether the OEA ceiling rates for new claimants should be set in foreign currencies or in Hong Kong dollars and whether F&DAA should be abolished. Given the limited changes permissible through the variation clause in the employment contract, Mr LEE was of the view that the current review was not very fruitful and should not have been conducted from the outset. The Chairman remarked that the review was conducted in response to the calls of Legislative Council Members and the public in recent years for more effective control over government expenditure on civil service pay and fringe benefits.

15. SCS responded that in taking forward the review, lawfulness had to be the Administration's bottom line. Apart from legal considerations, the Administration had also taken into account staff views expressed during the two rounds of consultation. Quoting the final change proposal for payment of OEA as an example, SCS pointed out that while DoJ had confirmed that it was legally permissible to bring the OEA ceiling rates back to the level as at 30 June 1997 for both existing and new claimants, the Administration considered it justified for existing claimants to retain the current ceiling rates so as to minimize the possible disruption that might be caused to the overseas schooling arrangements already made for existing claimants. In addition, while it was legal for the Government to stick to its original proposal of setting the OEA ceiling rates for new claimants in Hong Kong dollars, the Administration decided to continue to disburse the OEA allowances in foreign currencies having regard to the consultation feedback that the Government should be more able to bear the risk of exchange rate fluctuations than individual OEA recipients. The original proposal was therefore withdrawn. As regards F&DAA, the Administration noted DoJ's advice that the Government might be exposed to higher risk of legal challenge from civil servants if the allowance was to be abolished. Taking account of the consultation feedback and the fact that most of the existing claimants were junior staff (in the disciplined services), the Administration decided to withdraw the original proposal of abolishing F&DAA. All these decisions were made on the basis of the guiding principles of lawfulness, fairness and reasonableness.

16. Referring to the advice of DoJ quoted by SCS in paragraph 13 above, Mr James TO was of the view that whether an allowance represented a significant part of an eligible officer's total emoluments should be determined according to the circumstances of the officer. For example, the provision of OEA to a civil servant of the lower rank and who had a number of children undertaking overseas studies might constitute a significant part of his total emoluments. Mr TO therefore urged the Administration to examine the legality of the change proposals carefully in consultation with DoJ. SCS assured members that the Administration had taken forward the review in a prudent manner and examined in great detail issues relating to the legality of the change proposals. She reiterated that according to DOJ's advice, the final change proposals were lawful.

Conclusion

17. There being no further questions from members, the Chairman concluded the discussion. He pointed out that the members present did not express any objection to the final change proposals. Members noted that the Administration planned to submit the final change proposals to the Finance Committee for approval at its meeting to be held on 19 May 2006.

IV. Resumption of open recruitment for selected grades included in the Second Voluntary Retirement Scheme

(LC Paper No. CB(1)1280/05-06(05) — Paper provided by the Administration)

Briefing by the Administration

18. At the Chairman's invitation, SCS briefed members on the proposal to moderate the five-year recruitment freeze arrangement imposed on grades included in the Second Voluntary Retirement (VR II) Scheme. SCS highlighted the following points:

- (a) VR II Scheme and general civil service recruitment freeze
 - (i) The VR II Scheme was introduced in 2003 and covered a total of 229 grades. A five-year open recruitment freeze had been imposed on all the ranks in the VR grades (even if only one or some of the ranks of a grade were included in the Scheme) from March 2003 to March 2008.
 - (ii) A general civil service recruitment freeze had separately been imposed since 1 April 2003 with no end date, with exemption allowed on a case-by-case basis subject to the approval by a panel co-chaired by the Chief Secretary for Administration and the Financial Secretary with SCS as member (the CS/FS Panel). This exemption arrangement however did not apply to VR grades.
- (b) Moderation of the five-year open recruitment freeze arrangement for VR grades
 - (i) Some of the VR grades were facing staff shortage problem due to unanticipated circumstances, including the actual wastage in the last few years had exceeded the projection done in 2003 when the VR II Scheme was introduced, the policy initiatives announced in the 2005-06 Policy Address had engendered a need for more manpower. The Administration had therefore obtained the approval of the Chief Executive (CE) in Council to moderate the five-year open recruitment freeze arrangement for VR grades so as to allow a very limited number of VR grades to conduct open recruitment ahead of the expiry of the recruitment freeze in March 2008.

- (ii) Applications for open recruitment from those VR grades which fully met the prescribed parameters (paragraph 7 of the paper provided by the Administration) would be submitted to the CS/FS Panel for consideration. CSB would scrutinize the applications very stringently to ensure that only a very limited number of grades would be considered. It was anticipated at this stage that some 20 or so grades of the 229 VR grades might be eligible for exemption.
- (iii) There were 30 VR grades the entry ranks of which were not included in the VR II Scheme but nonetheless were subject to the five-year open recruitment freeze because one or more of the higher ranks in these grades were included in the Scheme. The Administration considered that, as a matter of principle, these entry ranks should be excluded from the open recruitment freeze rule. Instead, they should come under the general civil service recruitment freeze and the bureaux and departments concerned might apply to the CS/FS Panel for exemption on a case-by-case basis.

Discussion

Justifications for the Administration's proposal

19. Mr LEE Cheuk-yan was concerned whether the list of the 229 grades included in the VR II Scheme had been worked out by the Directors of Bureau (DoBs)/Heads of Department (HoDs) concerned in a prudent manner. Quoting the Labour Officer and Health Inspector grades as examples, Mr LEE considered that these two grades should not have been included in the VR II Scheme given their heavy workload. The Controlling Officers concerned should be held accountable for any wrong assessment of the staffing requirements and inaccurate staff surplus projection in the VR grades, and for the subsequent manpower shortage in these grades.

20. SCS responded that as she had pointed out earlier at the meeting, the staff shortage problem in some VR grades was caused by changes in circumstances that were unforeseeable when bureaux and departments drew up the list of VR grades in 2003. For example, the Severe Acute Respiratory Syndrome (SARS) outbreak was confirmed in March 2003 after the selection of grades for the VR II Scheme which was undertaken in 2002 and one of the aftermath of SARS was the enhancement of environmental hygiene and the associated increase in demand for health and cleansing staff. Another example was the requirement for additional staff to implement the policy initiatives in the 2005-06 Policy Address, such as the enhancement of food safety control, and the setting up of new Economic and Trade Offices. As such, there was no question of holding any officer accountable for the changes in manpower requirements in these VR grades.

21. Mr LEE Cheuk-yan noted that another reason for staff shortage was that the actual number of retirees in recent years exceeded the estimated number. He was concerned whether the situation was caused by the fact that those civil servants who had not joined the VR II Scheme were subject to increased workload and pressure after deletion of the VR posts, and they therefore did not wish to stay on in the civil service. Mr KWONG Chi-kin expressed similar concern and urged CSB to boost civil service morale.

22. SCS pointed out that with the increasing expectation from the public and the legislature on the quality of public services in recent years, it was a fact that civil servants had been facing increased work pressure. However, not all cases of natural wastage in the civil service were attributed to the increase in workload or work pressure. In fact, individual civil servants had their different reasons when they decided to exercise their right to retire within the age range permissible under the concerned pension schemes. SCS expected that civil servants would, despite the increase in workload or work pressure, continue to uphold the quality of public services, and that the public held civil servants in high respect and appreciated their efforts.

23. Mr KWONG Chi-kin expressed support for the Administration's proposal to moderate the five-year open recruitment freeze arrangement for some of the VR grades. He pointed out that as far as he knew, some VR grades were facing succession problem and as a result, some officers in the grades were required to double down the duties of their subordinates. SCS explained that this was related to the 30 VR grades the entry ranks of which were not included in the VR II Scheme because they were not projected to face a surplus situation, but were subject to the five-year open recruitment freeze because one or more of the higher ranks in these grades were included in the Scheme. As such, doubling down arrangements had to be made for officers at the higher ranks to take up the duties of vacant posts in the lower ranks. The Administration considered that these entry ranks should be excluded from the five-year open recruitment freeze and had made a recommendation under the current proposal accordingly. At the request of Mr LEE Cheuk-yan, SCS undertook to provide the Panel with a list of the 30 VR grades concerned.

24. Mr LEE Cheuk-yan was concerned that a number of VR-takers were employed by government bureaux/departments on non-civil service contract (NCSC) terms after they had left the civil service. He requested the Administration to provide the number of such cases by bureau/department and by grade. SCS undertook to liaise with the DoBs/HoDs concerned to see whether they kept such information. She thought such information might not be kept in every bureau/department. Since compiling such information would be quite labour-intensive, she did not consider it worthwhile to require every bureau/department to compile such information. She undertook to pass information that was available to the Panel. She further pointed out that some VR-takers might be employed by contractors providing various services to government bureaux/departments and, if so, they were not re-employed by the Government.

Impact of the Administration's proposal

25. Ms LI Fung-ying pointed out that the VR II Scheme was introduced in 2003 to facilitate the Administration to achieve its target of reducing the civil service establishment. While it might be a wrong decision to have included some of the grades in the VR II Scheme, Ms LI considered that from a forward looking perspective, the Administration's current proposal of moderating the five-year open recruitment freeze arrangement was worth supporting so as to address the problem of manpower shortage in the bureaux and departments concerned. However, Ms LI was concerned that given the overall target of reducing the civil service establishment to about 160 000, the proposal might in effect transfer the manpower shortage problem to other bureaux/departments. In other words, some other bureaux/departments might have to further reduce their establishment in order to offset the posts in some VR II grades which would be allowed to conduct open recruitment.

26. SCS responded that in the management of the civil service, the guiding principles for the Administration were to have a forward looking perspective and to develop a dynamic civil service which could adapt to changes in circumstances. She reiterated that due to changes in circumstances that were unforeseeable when bureaux and departments drew up the list of the VR grades in 2003, some VR grades had a more imminent need for conducting open recruitment. Nevertheless, for the majority of the 229 grades included in the VR II Scheme, the manpower surplus position anticipated during the launch of the Scheme remained unchanged. It was therefore expected that only some 20 or so VR grades would be allowed to resume open recruitment before the expiry of the five-year recruitment freeze in March 2008. SCS also pointed out that the approval granted by the CS/FS Panel for bureaux/departments to conduct open recruitment would not result in reduction in establishment of other bureaux/departments, as the approval would only allow the bureaux/departments concerned to recruit civil servants to fill existing vacancies. For example, the Hong Kong Police Force (HKPF) had been granted approval for open recruitment to fill over 2 000 posts since 2003. Given that there were existing vacancies in HKPF, the exemption would not have any impact on the total establishment of the department, nor the establishment of other bureaux/departments.

Target of reducing the civil service establishment and civil service recruitment freeze

27. Mr WONG Kwok-hing welcomed the Administration's proposal to moderate the five-year open recruitment freeze arrangement for VR grades. Mr WONG was however of the view that the scope of the proposed moderation was too limited and might not adequately address the problem of manpower shortage in bureaux/departments under the general recruitment freeze. In this connection, Mr WONG urged the Administration to allow bureaux/departments to conduct open recruitment having regard to their operational needs, instead of imposing a recruitment freeze on all bureaux/departments across the board for achieving the Government's overall target to reduce the civil service establishment.

28. In reply, SCS explained that the Government's target to reduce the civil service establishment to about 160 000 by the end of 2006-07 was pledged by the former CE in 2003 and reaffirmed by the incumbent CE in his 2005-06 Policy Address. To facilitate reduction of the civil service establishment and to bring about long-term savings to the Government, the VR II Scheme was introduced in 2003 and a five-year open recruitment freeze was imposed on all the ranks in the 229 VR grades covered by the Scheme. Separate from the VR II Scheme, a general civil service open recruitment freeze had also been imposed since 1 April 2003, affecting about 700 or so grades. Despite the general recruitment freeze, bureaux or departments which had operational needs to recruit might apply to the CS/FS Panel for exemption on a case-by-case basis. Up to March 2006, the CS/FS Panel had granted exceptional approval for open recruitment to fill over 4 000 posts. SCS further explained that it would not be logical or reasonable to lift the five-year recruitment freeze for all VR grades as they were included in the VR II Scheme due to identified or anticipated surplus.

29. Responding to Mr LEE Cheuk-yan's enquiry, SCS advised that under the current mechanism for application for exemption from the recruitment freeze, DoBs/HoDs might submit their applications where circumstances warranted and no deadline was imposed on such applications. In this connection, SCS advised that CSB would provide the Panel with regular updates (the first one to be provided at the end of 2006) on approval granted by the CS/FS Panel for exemption from the recruitment freeze, with relevant information including the number of posts approved for open recruitment and the grades involved.

Admin

(Post-meeting note: The Administration clarified after the meeting that the regular updates mentioned in paragraph 29 above would only cover the approval granted by the CS/FS Panel for exemption from the recruitment freeze imposed on VR II grades.)

30. Noting the significant gap between the civil service establishment and strength, Mr LEE Cheuk-yan was concerned about the real manpower position of the civil service and the number of vacancies which would not be filled. He was also concerned whether the Administration planned to further reduce the civil service establishment to below 160 000 by the end of March 2007.

31. In reply, SCS reiterated that the Government's target was to reduce total civil service establishment to around 160 000 by 2006-07. She pointed out that this target would be realized, following the further reduction of the civil service establishment of about 163 000 in March 2006 to 162 000 in March 2007. She noted the actual strength of the civil service by the end of March 2007 would be below 160 000, probably in the range of 155 000 to 156 000. SCS recapped her explanation on the existence of a gap between the establishment and strength of the civil service at the Panel meeting on 28 February 2006. One of the reasons for the gap was that leave reserve posts were required to accommodate officers on final leave before retirement. These leave reserve

posts made up for part of the civil service establishment but were not counted as vacancies to be filled. At Mr LEE Cheuk-yan's request, SCS undertook to provide figures on the total civil service establishment and strength as at a specified date, with breakdown by bureau/department.

(Post-meeting note: The information required in paragraphs 23, 24 and 31 was provided by the Administration and circulated to members vide LC Paper No. CB(1)1487/05-06(01) on 12 May 2006.)

32. Referring to his experience as the Vice-Chairman of the Eastern District Council, Mr WONG Kwok-hing pointed out that the manpower shortage problem in the Eastern District Office had resulted in the employment of temporary and NCSC staff to meet operational needs. In this connection, Mr WONG requested the Administration to provide the number of NCSC staff employed by the 229 VR II grades and the other 700 grades, which were subject to the five-year recruitment freeze and the general open recruitment freeze respectively, since the commencement of the recruitment freeze.

33. In response, SCS explained that CSB would not be able to provide the information requested by Mr WONG Kwok-hing. She pointed out that the NCSC Staff Scheme was introduced in 1999 to provide flexibility for bureaux/departments to employ staff outside the civil service on fixed term contract to meet operational needs that were part-time, short-term, or where the mode of delivery of the service was under review or likely to be changed. The employment of NCSC staff was not in any case a consequence of the general recruitment freeze. SCS reiterated that a mechanism was in place under the general open recruitment freeze for controlling officers of bureaux/departments to apply for approval to conduct open recruitment where operational needs so warranted. Referring to the example quoted by Mr WONG, SCS believed that as the controlling officer, the Director of Home Affairs would give due consideration to the need for open recruitment to address any manpower shortage problem in District Offices and if the need was established, would submit an application to the CS/FS Panel for exemption from the general recruitment freeze.

34. SCS recalled that as she had mentioned at the last Panel meeting held on 20 March 2006, CSB would conduct a special review of the NCSC staff situation to better understand individual department's overall manpower situation. Where it was established that civil servants instead of NCSC staff should be employed to meet specific service needs, the Administration would devise feasible measures with the concerned departments to address this problem, e.g. to turn the posts concerned to civil service posts to be filled through open recruitment. It was anticipated that the review would be completed around the end of 2006. With a clearer picture on the overall manpower situation upon the completion of the review, CSB would assess whether the target level of civil service establishment of around 160 000 would need to be adjusted upward slightly and if so, CSB would submit proposals to the top level

of the Government for consideration. SCS stressed that any modifications to the target level would only be made with the approval of CE.

35. Mr KWONG Chi-kin welcomed SCS's idea of making upward adjustments to the target level of civil service establishment of about 160 000. He considered that the upward adjustments would enable the conversion of some positions currently filled by NCSC staff to civil service posts, where the long-term operational needs of the work concerned were justified upon completion of the review of the NCSC Staff Scheme.

36. Mr LEE Cheuk-yan was of the view that from the outset, the target of reducing the civil service establishment to about 160 000 was artificially imposed by the top level of the Government on bureaux/departments and the two VR Schemes were introduced to delete civil service posts for achievement of the artificial target. Ms LI Fung-ying expressed a similar view. Mr LEE and Ms LI welcomed the initiative taken by SCS to review the overall manpower situation and consider devising measures to meet the operational needs of bureaux/departments, including making proposals to CE for adjusting the target level of civil service establishment.

37. Ms LI Fung-ying and Mr KWONG Chi-kin expressed concern about the impact of the five-year recruitment freeze for VR grades and the general recruitment freeze for the civil service on the succession planning of bureaux/departments. In response, SCS pointed out that succession planning in bureaux/departments would not be an issue of concern in the immediate future. However, if the open recruitment freeze continued to be imposed for a longer period, say ten to fifteen years, the problem of succession planning might arise. The Administration was aware of the issue and therefore would not rule out the possibility of making minor adjustments to the target level of civil service establishment and would keep the recruitment freeze arrangement under close monitoring.

Conclusion

38. There being no further question from members, the Chairman concluded the discussion. He pointed out that the Panel supported in principle the Administration's proposal to moderate the five-year recruitment freeze arrangement for the VR grades included in the VR II Scheme, and that a majority of the members present also urged the Administration to make upward adjustments to the target level of civil service establishment having regard to the operational needs of bureaux/departments.

V. Any other business

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

Council Business Division 1
Legislative Council Secretariat
12 May 2006