

立法會

Legislative Council

LC Paper No. CB(1)2513/08-09
(These minutes have been seen
by the Administration)

Ref : CB1/PL/ PS/1

Panel on Public Service

Minutes of meeting held on Monday, 29 June 2009, at 8:30 am in Conference Room A of the Legislative Council Building

Members present : Hon LEE Cheuk-yan (Chairman)
Hon Mrs Regina IP LAU Suk-ye, GBS, JP (Deputy Chairman)
Dr Hon Margaret NG
Hon CHEUNG Man-kwong
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon LEUNG Kwok-hung

Members attending : Hon James TO Kun-sun
Hon WONG Kwok-hing, MH

Member absent : Hon WONG Sing-chi
Hon IP Wai-ming, MH
Dr Hon PAN Pey-chyou

**Public officers
attending** : **Agenda item III**

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

Mr Andrew H Y WONG, JP
Permanent Secretary for the Civil Service

Ms Mimi LEE
Deputy Secretary for the Civil Service 3

Agenda item IV

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

Mr Andrew H Y WONG, JP
Permanent Secretary for the Civil Service

Mr Brian LO
Deputy Secretary for the Civil Service 2

Clerk in attendance : Ms Joanne MAK
Chief Council Secretary (1)2

Staff in attendance : Ms Connie FUNG
Senior Assistant Legal Adviser 1

Ms Sarah YUEN
Senior Council Secretary (1)6

Miss Winnie CHENG
Legislative Assistant (1)5

Action

- I Confirmation of minutes of meeting**
(LC Paper No. CB(1)2019/08-09 —Minutes of meeting on 29
May 2009)

The minutes of the meeting held on 29 May 2009 were confirmed.

- II Information papers issued since last meeting**
(LC Paper No. CB(1)1995/08-09(01) —Administration's paper on
conversion of Model Scale
1 civil servants from
Category B to Category A
status)

2. Members noted the above paper issued since the last meeting.

3. In consideration of Ms LI Fung-ying's proposal and the Police Force Council Staff Side (PFC SS)'s request, members agreed to schedule a special meeting on Tuesday, 7 July 2009, at 8:30 am to discuss "2009-2010 civil service pay adjustment and grade structure review" and to receive views from deputations on the issues. A notice to invite public views would also be posted on the Legislative Council (LegCo) website.

4. Noting that the Administration was planning to brief the Panel in July 2009 on the Report on Review of Post-service Outside Work for Directorate Civil Servants, members agreed to schedule another special meeting in July to discuss the report and, if possible, the item on "Employment of non-civil service contract staff" also.

III Review of performance pledges

(LC Paper No. CB(1)1959/08-09(01) —Administration's paper on review of performance pledges)

5. The Secretary for the Civil Service (SCS) briefed members on the review of performance pledges in the Government and highlighted the on-going and planned improvement measures.

6. Mr WONG Kwok-hing queried why, despite the performance pledges, there were many complaints against various government departments, in particular the Food and Environmental Hygiene Department (FEHD) about market management; the Leisure and Cultural Services Department about tree management; and the Water Supplies Department (WSD) about wrong meter readings and the handling of water seepage problems.

7. SCS responded that bureaux/departments (B/Ds) were constantly reviewing their performance pledges to identify areas for improvement. Many B/Ds had also formulated performance pledges regarding their handling of complaints. However, the performance of B/Ds in this regard would be affected by various factors, e.g. inadequate/invalid information supplied by complainants would require additional follow-up actions to be taken by the B/Ds concerned. In the case of water seepage, the owner of the flat being complained about might refuse entry by government officers concerned to carry out inspection. In order to improve the handling of complaints by B/Ds in general, the Director of Administration had recently reviewed and updated the relevant guidelines for reference by B/Ds.

8. In response to Mr WONG Kwok-hing's concern about the respective performance pledges promulgated by all B/Ds, SCS explained that B/Ds had

published their performance pledges on their departmental websites, and in their annual reports or leaflets/pamphlets for distribution to the public. She also undertook to keep in view the adequacy of existing measures to enhance public awareness of the performance pledges introduced by B/Ds.

9. Mr CHEUNG Man-kwong highlighted public concerns about recent incidents where ambulances of the Fire Services Department (FSD) had experienced mechanical failure. He said that where emergency services were concerned, no delay should be tolerated. SCS explained that every department which provided emergency services realized the need to meet rising public expectations. To minimize mechanical failure of ambulances, additional resources had been made available in 2009-2010 for implementing a replacement programme to reduce the age of 80% of the ambulance fleet to less than two years. FSD and the Electrical and Mechanical Services Department had also agreed on a package of improvement measures for the repair and maintenance of ambulances.

10. Mr CHEUNG Man-kwong opined that if the performance pledges of emergency services could not be 100% met, the Administration should review how the relevant procedures should be improved by making reference to international standards and overseas experience. In response, SCS agreed to relay Mr CHEUNG's views to the relevant B/Ds for consideration.

Admin

11. Mr TAM Yiu-chung enquired about the mechanism for monitoring the achievement rates of performance pledges of all B/Ds. SCS responded that most B/Ds published and regularly updated their achievements alongside their performance targets in Controlling Officer's Reports and departmental websites. Follow-up actions would also be taken as necessary to strengthen services where performance targets could not be achieved. Improvements would also be made to performance pledges as necessary in response to public feedback. To further enhance the implementation of performance pledges in the Government, the Civil Service Bureau (CSB) would issue a circular setting out detailed guidelines (hereafter referred to as "the planned guidelines") and the best practices in performance pledges for reference by all B/Ds. CSB would keep in view the service-wide achievement rates of performance pledges on a regular basis. The planned guidelines would also remind B/Ds to regularly review their respective performance pledges.

Admin

12. Ms LI Fung-ying expressed concern about the Administration's claim that in the past three years, B/Ds had, on average, achieved 95% of their performance targets every year. She considered it necessary to look beyond the achievement rate. Taking the case of FSD as an example, she pointed out that from January 2004 to June 2008, the department managed to achieve 92.5% of the target response time of 12 minutes (comprising a 2-minute activation time and a 10-minute travelling time) for the emergency ambulance service. However, the fact was that emergency calls answered within the

2-minute activation time had increased from 87.4% to 95.6%, while the percentage of achieving the 10-minute travelling time performance pledge had decreased from 91.2% to 87.4%. Ms LI considered it necessary for the Administration to closely examine individual B/Ds' achievement rates of performance targets.

13. SCS agreed that B/Ds should set performance levels in meaningful terms and ensure the quality and performance targets of their services could really meet public expectations. The concerned policy bureaux would monitor the performance of individual departments under their purview.

14. Dr Margaret NG considered that performance pledges had positive effect in ensuring service quality and in identifying areas for improvement. She, however, pointed out that there were different considerations in the evaluation of service standard, and the achievement rate of performance pledges might not really be able to reflect the actual service quality. Citing the example of the Labour Tribunal, Ms NG considered that the scheduling of the first hearing for a case within a short time should not be the only factor for evaluation of the service quality, as what might happen afterwards was that little progress was made by the court in handling the case concerned. She added that in the case of the Legal Aid Department too, instead of just looking at the processing time of an application, there might be a need to assess whether the application had been properly dealt with, e.g. how far the department was able to approve applications made by applicants who had a genuine need for legal aid.

15. SCS said that the planned guidelines would remind B/Ds to set meaningful performance pledges which could reflect public expectations of service standard and quality. She added that members might also bring up for discussion at the relevant policy Panels the achievement of specific performance pledges and areas for improvements in particular service areas. In response to Dr Margaret NG's comment that many performance indicators in the annual Controlling Officer's Reports were too brief for monitoring purpose, SCS advised that members might also refer to B/Ds' annual reports and websites for relevant details.

16. Mr WONG Kwok-hing drew the Administration's attention to the public's criticisms of the service of the 1823 Call Centre, such as referral of complaints it received to other departments instead of directly handling them. SCS responded that the Efficiency Unit, which operated the Centre, had already reviewed the mode of operation of the Call Centre in the past year and provided training to its staff to enhance efficiency. She further explained that the Centre essentially served as a single point of contact for answering enquires and receiving complaints, and would play the role of a facilitator in identifying which department(s) should be responsible to address a complaint and forward the department(s)' replies to the complainant. It was therefore the relevant

department(s) that would be responsible for investigating the complaint and taking follow-up actions. She further noted that the Centre acted as the enquiry and complaint vehicle for eight to ten participating departments; and that the other departments had their own complaint handling mechanisms.

Admin 17. Ms LI Fung-ying expressed concern that the outsourcing of government services might affect service quality and efficiency. Dr Margaret NG shared her concern. In response to Ms LI on how the quality of outsourced services was monitored, SCS explained that relevant performance targets would be specified in outsourcing contracts as appropriate. For example, in contracts for the management, operation and maintenance of government tunnels, the air quality to be maintained in the tunnels would be specified. In this way, achievement of performance pledges could be ensured through monitoring implementation of the relevant contracts. In response to Ms LI's request, SCS agreed to provide information on the achievement rates of performance targets in respect of government services before and after these services were contracted out, where available, with emphasis on the Hongkong Post and FEHD.

18. Summing up, the Chairman urged the Administration to relay members' views to B/Ds, and to consider conducting an overall review of the performance pledges regularly.

IV 2009-2010 civil service pay adjustment

(File Ref.: CSBCR/PG/4-085-001/62 — Administration's paper on 2009-2010 civil service pay adjustment

File Ref.: CSB/CR/PG/4-085-001/62 — Administration's paper on 2009-2010 civil service pay adjustment

LC Paper No. CB(1)2056/08-09 — Background brief prepared by the Legislative Council Secretariat

LC Paper No. CB(1)1912/08-09(01) — Submission from Police Force Council Staff Side

LC Paper No. CB(1)1988/08-09(01) - Further submission from Police Force Council Staff Side

LC Papers Nos. CB(1)1989/08-09(01) - and (02) Two further submissions from Police Force Council Staff Side)

19. SCS briefed members on the decision of the Chief Executive-in-Council (CE-in-Council) on 23 June 2009 that civil servants in

the lower and middle salary bands should have a pay freeze, while a pay cut of 5.38% would be imposed on civil servants in the upper salary band and above (the proposed pay adjustment).

Mass meeting of Police staff side on 28 June 2009

20. Mr CHEUNG Man-kwong highlighted the decision of the Police staff side at their mass meeting on 28 June 2009 to cancel their planned protest march after the Commissioner of Police (the Commissioner) had made undertakings to follow up on their concerns about recommendations made in the report on the grade structure review (GSR) of the disciplined services. He questioned if the Government had made a secret deal in this regard with the Police staff side, and expressed concern that the Government's approach in handling the matter might give rise to perception of favourable treatment of the Police and might engender discord among civil servants.

21. In response, SCS denied that there had been any secret deal. She pointed out that the proposed pay adjustment and GSR were two separate and unrelated issues. Apart from the GSR report from the Standing Committee on Disciplined Services Salaries and Conditions of Service, the Administration was also examining the other two GSR reports from the Standing Committee on Directorate Salaries and Conditions of Service, and the Standing Commission on Civil Service Salaries and Conditions of Service, with a view to drawing up the Administration's recommendations for the CE-in-Council's consideration in September or October 2009.

22. Mr CHEUNG Man-kwong referred to the Police staff side's request for a separate pay scale, and cautioned that it might lead to a power transfer if SCS were sidelined on such an important matter. SCS responded that while she would provide her views on this matter to the CE-in-Council, the final decision in this regard rested with the CE-in-Council. As SCS, she was accountable for all policy matters relating to management of the civil service including their remuneration/terms and conditions of service; and that the staff in the Police were an integral part of the civil service.

The proposed pay adjustment

23. Mr WONG Kwok-hing said that LegCo Members belonging to the Hong Kong Federation of Trade Unions were opposed to the proposed pay cut for the upper salary band and above. He said that the proposed pay cut might trigger off a spate of wage cut, which might dampen consumption desire and adversely affect the economy. Considering the above impacts and likely judicial review against the proposed pay cut, Mr WONG suggested a pay freeze for civil servants in the upper salary band, or carrying forward the proposed pay cut to future years and offsetting it against future pay increases. The Chairman stated that the Hong Kong Confederation of Trade

Unions was also opposed to the proposed pay cut for similar reasons. Considering the Government's fiscal position, he opined that the proposed pay freeze should be pursued for all civil servants.

24. SCS responded that the CE-in-Council had decided on the proposed pay adjustment having regard to all the relevant factors under the existing pay adjustment mechanism. She said that it was the government policy to maintain civil service pay at a level broadly in line with that of private sector employees. She explained that there was no "carry forward" arrangement under the existing mechanism because each year's pay adjustment was a separate exercise and decided upon having regard to all the relevant factors.

25. Ms LI Fung-ying questioned why although the pay trend indicators derived from the findings of the 2009 Pay Trend Survey (PTS) for the three non-directorate salary bands were all negative, pay reduction had only been proposed for the upper salary band and above, and not the other two salary bands, if the CE-in-Council had given regard to the same relevant factors. In her view, the above inconsistent decisions would give rise to greater grievances from those civil servants who had recently been promoted to the senior rank, particularly if they were also affected by the deferral of the implementation of relevant GSR recommendations. SCS responded that the CE-in-Council had taken into consideration all relevant factors including the state of the economy, changes in the cost of living, the Government's fiscal position, etc. in deciding to reduce pay for the upper salary band and above. However, in weighing these factors against one another for different salary bands, the CE-in-Council might have different considerations.

26. Mr WONG Kwok-hing enquired whether the Administration would consider not to introduce the relevant bill into LegCo having regard to Members' views expressed at this meeting. SCS responded that the bill would be introduced into LegCo as scheduled in accordance with the decision by the CE-in-Council. Mr WONG urged the Administration to further consider his views above for the sake of maintaining social harmony.

2009 Pay Trend Survey

27. Noting that some representatives of the staff sides of relevant central consultative councils had expressed concerns about the results of the 2009 PTS and the inclusion of two companies code named L080 and L057 in the survey field, Ms LI Fung-ying sought details from the Administration about what problems had arisen with the 2009 PTS.

28. SCS responded that the annual PTS was commissioned by a tripartite Pay Trend Survey Committee (PTSC), comprising ten staff side representatives from the four central consultative councils, three management representatives

from the Administration, and three members of two advisory bodies on civil service salaries and conditions of service (namely the Standing Commission on Civil Service Salaries and Conditions of Service and the Standing Committee on Disciplined Services Salaries and Conditions of Service) who were non-officials. At the PTSC meeting held in June 2009 to examine the 2009 PTS findings, 12 (including six out of ten representatives of the staff sides of the central consultative councils) of the 16 members accepted and validated the survey findings. The remaining four members held different views. The above split decision had been reported to the CE-in-Council when it examined the proposed pay adjustment.

29. In response to the Deputy Chairman's concern about the inclusion of the two companies in the survey field in 2009, SCS said that it was in fact the staff side representatives who had suggested at a March meeting of PTSC to include the two companies in the 2009 PTS survey field on condition that they accepted the invitation to participate in the survey and that they could comply with the established survey methodology. The Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service (JSSCS) then approached the two companies and confirmed with them that they would participate in the survey and that they would be able to provide the required data and comply with the methodology. As such, the two companies were included in the survey field in the 2009 PTS. In early May 2009, JSSCS issued to the 16 members of PTSC an information paper listing all companies, including the two in question, in the 2009 survey field. After the announcement of the preliminary PTS results, two staff side representatives questioned the inclusion of the two companies. They considered that it was only a conditional approval made at the March meeting to include the two companies in the survey field. They held the view that confirmation of acceptance of the inclusion of the two companies in the survey field was still required to be made at a PTSC meeting.

(Post-meeting note: SCS subsequently clarified that the PTSC meeting above was held in January and not March 2009.)

30. Mr James TO enquired why the two companies had not been included in the survey field in 2008 when they introduced generous pay rises but were included in the 2009 survey field when they made substantial pay cuts. He also sought the response of SCS to the query raised about "refusal to allow a proper examination of the documents on both the two companies" by PFC SS in Annex A to their letter dated 11 June 2009 to SCS.

31. SCS said that JSSCS had made available the documents to the 10 staff side representatives for their perusal. She further explained that the two companies were included in the 2008 survey field. The data provided by one of the two companies had been excluded from calculation of PTIs for the 2008 PTS because the data it had provided did not comply with the established

methodology. The data had included pay adjustments attributed to internal and external relativities. When asked to segregate the data provided into those which were non-pay trend factors and those which were related to pay trend factors, the company was unable to do so. Hence, the data it had provided could not be included for calculation of PTI for the 2008 PTS.

32. Mr James TO asked why SCS had not made the above explanation to the staff sides or the public earlier to address concern about whether there had been selective inclusion of companies in the survey field. SCS explained that she was not a member of PTSC, and JSSCS was not part of CSB but a separate unit in the Government. All along discussions relating to the 2009 PTS had been held within PTSC, and CSB was only involved in its operation through two CSB representatives on PTSC. Since she was only the user of PTS findings, she did not consider it appropriate for her to explain on behalf of PTSC for fear of compromising the independence of the PTS mechanism, which had been established through years of joint efforts from the three sides involved. She, however, noted that PTSC had held meetings in May and June and a few informal meetings with the staff side representatives to address their concerns about the 2009 PTS findings. She understood that the Chairman of PTSC had also written to the staff side representatives of the relevant central consultative councils to address their concerns. She also noted that JSSCS had also made available the relevant documents on the two companies for perusal by PTSC members.

Clerk

33. Members agreed that the Chairman of PTSC and representatives of JSSCS should also be invited to attend the special meeting on 7 July 2009 to join the discussion. A request should be made to PTSC for provision of copies of its letters to staff side representatives to the Panel before the special meeting. To facilitate members' deliberation, SCS was also requested to provide the following information before the meeting –

Admin

- (a) The criteria for the selection of companies for inclusion in the survey field under the PTS mechanism;
- (b) The basis for determining whether the data collected from a company included in the survey field would be adopted for calculation of the gross pay trend indicators;
- (c) Explanation of the reasons to exclude the two companies code named L080 and L057 from the 2008 PTS for the purpose of calculating the gross pay trend indicators, but to include them in the 2009 PTS; and
- (d) Written response to the concerns raised by PFC SS about the 2009 PTS as elaborated in Annex A to its letter dated 11 June 2009 to SCS.

(To allow sufficient time for discussion, the Chairman extended the meeting by 15 minutes.)

34. Mr LEUNG Kwok-hung opined that it was a corporation's social responsibility to provide its pay adjustment data in accordance with the calculation criteria of the survey methodology of PTS. He expressed concern that if more companies also failed to meet the methodology in providing data to PTSC, practical problems would be posed to the PTS mechanism. In this connection, he asked if it was possible that a weighted approach could be used for adjustment of such data provided by individual companies. Mr LEUNG also asked whether correspondences between the two companies code named L080 and L057 and PTSC could be provided.

35. SCS explained that that any change to the existing PTS mechanism would need to be thoroughly discussed and agreed by all the three sides on PTSC and major changes had to be approved by the CE-in-Council. Any deviation from the established methodology in conducting PTS would arouse concerns about the validity of the survey outcome. SCS further said that the participation of companies in PTS was entirely voluntary. In inviting companies to participate in the survey, the PTSC Chairman had emphasized in her invitation letter that the pay-related information collected would be kept strictly confidential.

36. In response to Mr LEUNG Kwok-hung's further enquiry, SCS said that there was no legal consequence for a company if it was found to have provided inaccurate data to PTSC. She, however, stressed that upon receipt of data provided by a company, JSSCS would seek the confirmation of the company concerned as to the accuracy of the data it provided. SCS also invited members to note that each year, pay trend surveys were also conducted by various human resources think tanks and professional bodies. As these survey findings would also be published, they could be used for comparison with the findings obtained under the existing PTS mechanism.

Subvented sector staff

37. Ms LI Fung-ying expressed concern about the implications of the proposed pay adjustment on the subvented sector. SCS responded that by established practice, following a civil service pay adjustment, the Government would adjust generally the financial provisions for those subventions which were price adjusted on the basis of formulae including a factor of civil service pay adjustment. However, it would be up to individual subvented bodies, as employers, to decide whether to adjust the salaries of their employees and, if so, the rate of pay adjustment.

38. The Chairman noted that for most subvented bodies, the adjusted

amounts of subventions would be calculated in accordance with the weighted average of the pay adjustment decided for the civil service (as was done in previous years). If the civil service pay for 2009-2010 was adjusted according to the pay offers, the weighted average of civil service pay adjustment rates would be -1.56%. In response to the Chairman's enquiry, SCS said that the actual number of months in which the proposed pay cut would be implemented would be factored into the calculation of the adjusted amounts of subventions as appropriate.

V Any other business

39. There being no other business, the meeting ended at 10:45 am.

Council Business Division 1
Legislative Council Secretariat
27 August 2009