

立法會
Legislative Council

LC Paper No. CB(1)1545/10-11
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by the Administration)

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Panel on Public Service

**Minutes of meeting held on
Monday, 17 January 2011, at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon Mrs Regina IP LAU Suk-ye, GBS, JP (Chairman)
Hon IP Wai-ming, MH (Deputy Chairman)
Hon LEE Cheuk-yan
Dr Hon Margaret NG
Hon CHEUNG Man-kwong
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, SBS, JP
Hon WONG Sing-chi
Dr Hon PAN Pey-chyou
Hon LEUNG Kwok-hung

Member attending : Hon WONG Kwok-hing, MH

Member absent : Dr Hon LEUNG Ka-lau

Public officers attending : Agenda item IV
Miss Denise YUE, GBS, JP
Secretary for the Civil Service

Mr Raymond H C WONG, JP
Permanent Secretary for the Civil Service

Mrs Ingrid YEUNG, JP
Deputy Secretary for the Civil Service 1

Agenda item V

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

Mr Raymond H C WONG, JP
Permanent Secretary for the Civil Service

Ms Shirley LAM
Deputy Secretary for the Civil Service 3

Agenda item VI

Mr Kim Anthony SALKELD, JP
Head, Efficiency Unit

Mr YUK Wai Fung
Assistant Director, Efficiency Unit (2)

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

Staff in attendance : Ms Sarah YUEN
Senior Council Secretary (1)6

Ms LI Wing-chi
Legislative Assistant (1)5

Action

- I Confirmation of minutes of meeting**
(LC Paper No. CB(1)953/10-11 - Minutes of meeting on
15 November 2010)

The minutes of the meeting held on 15 November 2010 were confirmed.

II Information papers issued since last meeting

(LC Paper No. CB(1)1073/10-11 (01) and (02) —Correspondences between the Food and Environmental Hygiene Department and the Hong Kong Food and Environmental Hygiene Department Employees Association as well as the Civil Service Bureau's response to the issues raised therein)

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

III Items for discussion at the next meeting scheduled for 21 February 2011

(LC Paper No. CB(1)1001/10-11(01)	No. - List of outstanding items for discussion
LC Paper No. CB(1)1001/10-11(02)	No. - List of follow-up actions)

3. The Chairman extended welcome to the new Permanent Secretary for the Civil Service Mr Raymond WONG, and expressed thanks to his predecessor Mr Andrew WONG for his contribution to the work of the Panel.

4. Members agreed to discuss the following items at the next regular meeting on 21 February 2011 –

- (a) Acceptance of qualifications under the new 3-3-4 academic structure for civil service appointments; and
- (b) Government outsourcing.

5. In relation to (b) above, Mr WONG Kwok-hing invited the Administration to note that after the introduction of the statutory minimum wage requirement, some contractors' staff engaged for delivery of public services would be denied remuneration during meal breaks. He urged the

Administration to take remedial action. After brief discussion, members noted that the matter was being followed up by the Labour and Welfare Bureau and the Panel on Manpower.

6. At the request of Dr PAN Pey-chyou, members agreed to discuss the item on "Requests for the conduct of grade structure reviews for specific non-directorate civilian grades: assessment criteria" at the regular meeting in March.

7. At the suggestion of Mr LEE Cheuk-yan, members also agreed to add "Hours of work of the civil service" to the Panel's list of outstanding items for discussion. The Administration agreed to provide a paper on the subject in due course.

8. Mr LEE Cheuk-yan and Mr WONG Kwok-hing urged the Administration to follow up a case involving mainly non-civil service contract (NCSC) staff and agency workers presently used by the Buildings Department (BD), who might lose their jobs as a result of tightened entry requirements of the posts they presently occupied. As these staff members' employment contracts would mostly expire on 31 January 2011, their contracts might not be renewed if they could not meet the tightened entry requirements. In response, the Secretary for the Civil Service (SCS) agreed to follow up the case in close liaison with Mr LEE and Mr WONG as soon as practicable, and provide a written report on the case to the Panel for members' information.

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IV Updated overview of the civil service: establishment, strength, retirement, resignation and age profile

(LC Paper CB(1)1001/10-11(03)	No. —Administration's paper on an overview of the civil service: establishment, strength, retirement, resignation and age profile
LC Paper CB(1)1040/10-11(01)	No. —Background brief on "Overview of the civil service: establishment, strength, retirement, resignation and age profile" prepared by the Legislative Council Secretariat)

9. SCS briefed members on the salient points of the Administration's paper providing an update on the overall establishment, strength, retirement, resignation and age profile situation of the civil service.

Succession and training

10. Ms LI Fung-ying expressed concern that succession problem might arise from the projected significant increase in the annual average number of retiring civil servants (around 6 800) in the five-year period ending 2019-2020, which almost doubled that (around 3 500) in the past five years which ended 2009-2010. Mr WONG Kwok-hing and Dr PAN Pey-chyou echoed Ms LI's concern and called for measures to mitigate the situation. Ms LI further opined that the difference between the establishment and strength of the civil service was alarming despite the Administration's explanation that the strength was invariably smaller than the establishment because of the lead-time required for recruitment and the taking of pre-retirement leave before civil servants retired from the service. She opined that early preparations and recruitment planning should be made to minimize the difference considering that the Administration should be well aware of the number of retiring officers and the lead time required for recruitment. Ms LI urged the Administration to expedite the recruitment process to improve the aging profile of the civil service and address the heavy workload of staff so as to boost morale. She also called for measures to systematically gear up training to enable staff to prepare for higher responsibilities.

11. In response, SCS said that since 2007-2008 when the general open recruitment freeze was lifted in phases, many departments had been recruiting civil servants to meet the demand for new and improved services to the public. However, the lead time required for recruitment exercises might have lengthened because of the large number of applications received for many recruitment exercises. In two recent exercises for instance, some 40 000 and 20 000 applications had respectively been received. Notwithstanding that, the bureaux/departments (B/Ds) concerned would expedite the processing of applications and the issuance of appointment letters as quickly as practicable, so as to avoid keeping suitable candidates waiting for too long and improve the manpower situation.

12. At Ms LI Fung-ying's request, SCS agreed to provide information on the major recruitment exercises to be conducted by individual B/Ds in the near future, with a breakdown of the number of vacancies concerned by grade.

13. Mr WONG Kwok-hing opined that the employment of front-line staff and those in the lower ranks on NCSC terms had caused problems in experience retention, as there was a relatively high turnover rate of NCSC staff since they could not be converted to civil servants by "through-train arrangements". In this regard, he urged the Administration to expedite the conversion of NCSC staff, in particular the 500 NCSC staff in the Leisure and Cultural Services Department (LCSD), to civil servants because a large majority of them had worked in LCSD for a number of years and some had even worked for eight to ten years. Their long years of service in the same positions also demonstrated the long-term needs for the relevant positions. He further opined that to attract high-calibre candidates to join the civil service, the Government should cease using NCSC staff to fill positions for which there was a long-term service need.

14 In response, SCS advised that as LCSD had completed reviews on the modes of service delivery of public libraries and museums, conversion of the relevant NCSC positions to civil service posts had already been taken forward progressively, and open and fair recruitment exercises were being conducted to fill these civil service posts. NCSC staff were encouraged to take part in the open recruitment exercises if they wished to become civil servants. She added that apart from some 4 000 NCSC positions identified for conversion to civil service posts in the 2006 review, Heads of Bureaux and Departments (hereafter referred to as HoDs) had also been asked to keep their NCSC positions on regular review, to convert appropriate ones to civil service posts, and to seek additional civil service posts where justified.

15. The Deputy Chairman also expressed concern about the succession problem in the civil service and problems in experience accumulation despite the resumption of general open recruitment since 2007-2008. In his view, experience retention was important to ensuring quality in the civil service. He said that increases in labour disputes in recent years might have resulted from the retirement or resignation of experienced Labour Officers.

16. SCS responded that she met each HoD at least once a year to discuss the manpower planning of the department concerned, with a view to identifying any succession problems so that timely remedial actions could be taken. To expedite the recruitment process, HoDs concerned could start planning for recruitment exercise in advance of anticipated retirement of serving civil servants and implementation of new policy initiatives. In tandem with these efforts, the Administration had also put

in place systematic in-service training and development programmes for civil servants.

Establishment and strength

17. Mr LEE Cheuk-yan noted that both the establishment and strength of the civil service were at a record low in recent years because of six years of general open recruitment freeze which only ended in 2007-2008 (namely from 1999-2000 to 2006-2007 save for 2001-2002 and 2002-2003). Moreover, after discounting the normal difference of around 5 000 between the establishment and strength of the civil service, he reckoned that the civil service strength stood at only some 155 000. When viewed against the over 190 000- and even 200 000- strong civil service establishment at its peak in 1998-1999 and 1990-1991 respectively, and against the increase in both the population and service needs over the past 20 years, there were apparently insufficient civil servants to ensure the adequacy of public service in terms of both quality and quantity. To ensure service quality and avoid overloading civil servants, Mr LEE urged the Administration to increase the civil service establishment to at least 170 000 to meet the demand for new and improved services to the public, such as the enforcement of new statutory requirements like the minimum wage requirement.

18. SCS responded that since 2007 no predetermined ceiling had been imposed on the civil service establishment. New posts would be created where justified to meet the demand for new or improved services to the public. As such, individual B/Ds could bid for additional posts under the annual resource allocation exercise, and the bids would be considered in the light of the justifications put forward, actual service needs and changes, and scope for staff redeployment, etc. In fact, since 2007-2008, the size of the civil service had continued to grow modestly.

19. Mr LEE Cheuk-yan, however, considered the above growth in the civil service establishment insufficient to meet new and improved service demands. He also pointed out that as learnt from civil service staff unions/associations, HoDs in general had great hesitation in bidding for additional posts. He therefore urged SCS to clearly explain to all HoDs that the ceiling on the civil service establishment had already been lifted, and that HoDs could bid for additional posts where necessary. In response, SCS reiterated that though conscious of the need to maintain a lean and efficient civil service, the Administration considered bids for additional posts seriously on a case-by-case basis. For example, the Secretary for Development had requested to increase the manpower of BD

in the coming financial year for removal of unauthorized building works from 1 April 2011. Likewise, the Labour Department had also requested additional manpower for enforcement of the statutory minimum wage requirement from May 2011 onwards.

20. Mr WONG Kwok-hing opined that the number of government staff might actually exceed 200 000 although many of them were NCSC staff and agency workers. Dr PAN Pey-chyou expressed concern about the aging profile of the civil service and problems associated with the NCSC Scheme and use of agency workers as discussed before. He called upon the Administration to make better staff planning to maintain a consistent civil service policy and stability of the service.

21. SCS indicated agreement with Dr PAN Pey-chyou on the importance of a stable civil service but she opined that the Administration should also make suitable adjustments to the civil service in response to changes in the external environment, such as the Asian financial turmoil in 1997 which had led to significant fiscal deficits. At that time there was a need to reduce the size of the civil service so as to contain the recurrent expenditure of the Government, of which some 60% was on salary for civil servants and employees in the subvented sector. With the improvement of the Government's fiscal position, open recruitment had already resumed since April 2007, and the target to contain the civil service establishment within around 160 000 was abolished. Dr PAN Pey-chyou, however, opined that the size of the civil service should not be adjusted according to the Government's financial position because an over-emphasis on cost-saving might lead to labour exploitation.

Retirement and resignation

22. The Chairman opined that the retirement and resignation position of the civil service should be examined in the light of not only the number but also the ranks and grades of the officers concerned. Highlighting the significant resources and time required to train up Administrative Officers (AOs), she expressed concern about their resignation position, particularly AOs at Directorate Pay Scale Point 4 or above. Pointing out that their resignation position might be affected by the policy and arrangements governing post-service employment of former directorate civil servants (the control regime), the Chairman sought details on the arrangements. She expressed concern that the likely tightening of the control regime in response to the recommendations made by the independent Committee on Review of Post-Service Outside Work for Directorate Civil Servants (the Review Committee) and the Select Committee to Inquire into Matters

Relating to the Post-service Work of Mr LEUNG Chin-man (the Select Committee) might cause more directorate civil servants to leave the civil service for employment in public bodies, which offered higher pay and no restriction from post-service employment.

23. SCS responded that the number of resigned directorate civil servants, objectively speaking, was not alarming. The Administration had been closely monitoring the resignation of directorate civil servants. From information collected during their exit interviews, there was no evidence to suggest that the resignations were related to the control regime. However, as reflected in views submitted to the Civil Service Bureau in the current consultation exercise on the Select Committee's recommendations, further tightening of the control regime might affect the morale of directorate civil servants. It might also deter suitable and high-calibre candidates from joining the civil service. It might cause some civil servants to decline promotion to the directorate ranks and some directorate civil servants might decide to resign and leave the civil service early.

24. The Chairman cautioned SCS against taking the reasons given for leaving the civil service at exit interviews at face value. She further pointed out that not only AOs but also directorate staff of professional grades were also concerned about the likely tightening of the control regime because they would be similarly affected. She considered it would be too stringent to impose additional post-service work restrictions on government doctors, dentists and legal counsels.

25. SCS responded that only during the sanitization period would post-service outside work, other than work covered by the blanket permission, be strictly prohibited. During the control period, former directorate civil servants would be allowed to take up outside work after obtaining prior permission from SCS. She further explained that applications for post-service employment would be examined in the light of the prevailing policy objectives, and would be approved if the work concerned would not constitute any real or potential conflict of interest with the applicants' previous government service, or cause negative public perception embarrassing the Government and undermining the image of the civil service.

26. Dr Margaret NG asked SCS to reconfirm whether professional civil servants such as dentists and lawyers were strictly restricted from taking up post-service employment in the relevant fields. According to her understanding, post-service employment for these professional staff in

their respective fields was in general permissible considering that their conduct was already governed by the relevant codes of conduct respectively issued by the professional bodies to which they belonged. Post-service employment would be denied only where there were real or potential conflicts of interest with their previous government service.

27. SCS confirmed that professional civil servants were not restricted from seeking post-service employment in their respective fields during the control period. From a practical point of view, their post-service employment might be affected by the particular profession they belonged to. For example, government engineers should not have difficulty in obtaining approval for post-service employment in the engineering field because there were many engineering companies and it would be unlikely for a government engineer to have dealings with all of them while in government service. The same, however, might not be the case for professional civil servants responsible for vessel safety as there were only a few such companies in Hong Kong and it was possible for a civil servant to have dealings with all of these companies while in government service. These civil servants might therefore have difficulty in seeking post-service employment in the same profession without causing concern on real, potential or perceived conflict of interest. This notwithstanding, SCS emphasized that every application for post-service employment would be examined on its own merits, and approval would be given if real, potential or perceived conflict of interest was not involved. Even if there might be potential or perceived conflict of interest, approval might still be granted after imposing additional restrictions to address such potential problem or perception.

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28. Noting the above response, Dr Margaret NG opined that to avoid misunderstanding, the Administration should clearly explain the above to civil servants and the public. She also sought details on the retirement and resignation position, specifically the yearly retirement position of directorate civil servants since 1985-1986, their age profile and a breakdown of their age at the time of retirement over the past 25 years, and the number of directorate civil servants projected to retire in the following 25 years. The Administration noted her request.

29. Mr LEUNG Kwok-hung opined that the Administration should not be too concerned about people being discouraged from joining the civil service as a result of tightened control over post-service employment because good civil servants should have a sense of mission, and should not be too eager to seek post-service employment. If not, they might as well pursue a career in the private sector instead. Moreover, tightening of the

control regime was necessary for safeguarding public interest as revealed by Mr LEUNG Chin-man's case and similar cases. SCS responded that although civil servants' concerns about tightened control would be taken into consideration when examining improvements to the control regime, the protection of public interest remained a major consideration.

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30. Mr LEUNG Kwok-hung opined that the Political Appointment System was to blame for the low morale and hence brain drain of AOs because the Under Secretaries and Political Assistants were receiving unreasonably high pay without having to go through promotion, so that AOs could stand little chance of being eventually promoted to the highest rank in the civil service. He therefore requested the Administration to provide details on the respective ratios between the vacancies filled by internal promotion and those filled by external recruitment in individual B/Ds since 2008.

31. SCS responded that as political appointees were not civil servants, their appointment did not have any impact on the civil service establishment or on promotions within the civil service. On promotion within the civil service, the present arrangement was that posts in promotional ranks were usually filled by internal promotion of suitable and meritorious serving civil servants from the lower ranks in the same grade. Only when no serving civil servant was considered suitable for promotion would direct recruitment from outside the civil service be considered for filling vacancies in promotional ranks. She noted that over 90% of posts in the promotional ranks were filled by internal promotion.

V Leadership and management training for the civil service

(LC CB(1)1001/10-11(04)	Paper No. — Administration's paper on leadership and management training for the civil service)
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32. SCS presented an updated overview of the provision of leadership and management training by the Civil Service Bureau.

Leave to attend training programmes

33. While welcoming the provision of training to civil servants, Ms LI Fung-ying highlighted complaints that civil servants had to attend

mandatory training programmes outside office hours with no compensation by way of time-off. She considered the arrangement unreasonable because the officers concerned attended the courses as required and not voluntarily. Moreover, if they were not granted time-off, they would have insufficient time for rest.

34. SCS undertook to follow up the complaints highlighted by Ms LI Fung-ying after the meeting. She explained that the time-off arrangement was very complicated because different civil service regulations were involved. She further explained that the Administration was in fact already adopting a flexible approach in this regard. For example, many training seminars were held during office hours and staff could attend them during their working hours. For voluntary local training programmes that spanned over a period of time, civil servants could attend them without using their own leave. Where justified, special approval might be granted for the payment of overtime allowance for attending training courses outside working hours, such as in the case of ambulance personnel in the Fire Services Department who had to receive special training to enable them to perform their duties satisfactorily but there was difficulty in scheduling the training during their working hours. For training conducted outside Hong Kong, civil servants attending such training would not be able to earn leave during the training period.

35. Ms LI Fung-ying urged the Administration to ensure that civil servants would always be compensated by way of time-off if they were required to receive mandatory work-related training outside office hours.

Concerns relating to non-civil service contract staff

36. Mr LEUNG Kwok-hung considered it undesirable that while making various efforts to train up civil servants, the Administration was encouraging experienced civil servants to leave by introducing various voluntary retirement (VR) schemes, and by refusing to allow those NCSC staff who had worked in the Government for a long time to become civil servants by the "through train" arrangement. He opined that the down-sizing of the civil service in the late nineties to save money was the cause of the current succession problem in the civil service, and the problem could hardly be addressed by training efforts because such efforts were in his view merely cosmetic. In his view, instead of continuing to exploit NCSC staff as highlighted above, the Administration should make greater efforts to take care of middle and junior-ranking civil servants, prevent directorate civil servants from profiteering from post-service employment, and follow the commercial sector's example of attaching

great importance to human resources. If not, the community as a whole would suffer from a decline in the quality of public services because civil servants were responsible for providing the services.

37. SCS responded that only two general VR schemes had been conducted so far. They took place in 2000 and 2003 respectively and covered those grades which had surplus staff. Moreover, while experience retention was important, it was noted that many people aspired to join the civil service as shown in the two recruitment exercises highlighted in paragraph 11 above. To ensure fairness, there was a need to maintain the policy that NCSC staff should apply to join the civil service through an open and fair recruitment process. However, given NCSC staff's working experience in the Government, they should have a competitive edge over other candidates.

38. The Deputy Chairman enquired whether NCSC staff could receive training as well, pointing out that many of them had in fact stayed in the Government for a long time, and that to ensure fairness they should have the opportunity to benefit from training. In this regard, he also pointed out that it was divisive not to provide equal treatment to different types of staff in the Government, and cautioned that grievances so arising might have led to the increase in leakage of confidential information from government departments.

39. SCS responded that the Administration would provide relevant training, including orientation programmes and job-related training, to NCSC staff to better equip them to discharge their duties. However, leadership and management training would generally be provided only to civil servants who would have a life-long career in the civil service and who might be required to shoulder heavier responsibilities upon promotion in due course. She added that given the differences between the two categories of staff in employment terms and conditions, such treatment might not necessarily be unfair.

Proposals on improvement

40. The Chairman opined that the Administration should be willing to make long-term investment in civil servants' training by sponsoring them to attend overseas training programmes of at least one year long instead of only four weeks as was the general case. She also highlighted the focused and in-depth training which Singapore provided to its civil servants, and urged Hong Kong to follow suit. To improve tree management in Hong Kong which she considered unsatisfactory because

of the lack of expertise, she further stressed the need to send civil servants overseas to receive training in skill areas not available in Hong Kong.

Admin. 41. SCS thanked the Chairman for her proposals, and undertook to relay her views to the Development Bureau because staff training to support policy/departmental initiatives like tree management was formulated by the relevant B/Ds. Noting the response, the Chairman stressed the need to ensure that front-line and not policy-making staff would be given training in the relevant skills.

VI Replacement of the 1823 Call Centre Systems

(LC Paper No. — Administration's paper on
CB(1)1001/10-11(05) replacement of the 1823
Call Centre Systems)

42. The Head, Efficiency Unit (H/EU) briefed members on the financial proposal on replacement of obsolete systems in the 1823 Call Centre (1823) to ensure continued efficient and effective services to the public.

43. Ms LI Fung-ying enquired whether the above replacement works would have any implications on 1823's staffing. H/EU replied in the negative, and explained that staffing would instead be affected by how efficiently 1823's systems could run, and how many departments could use 1823's service. At present, some departments could not access 1823's service because of its limited capacity. EU was, however, expecting some increase in staff even before completion of the replacement works because there were already concerns about the queues of calls waiting to be put through to 1823.

44. Noting that there were at present only 21 departments participating in 1823, the Chairman enquired about the conditions for participation, and asked why departments which handled a large number of public enquiries, such as the Housing Department, did not use 1823's service. H/EU responded that 1823 only dealt with general enquiries and not case-specific enquiries involving personal information. There were originally only five to eight participating departments, and the number had already increased to 21 though it could increase no further because of capacity constraints. There were at present 15 departments awaiting participation, and it was hoped that after the replacement works they could be included in the list of participating departments.

45. In response to the Chairman on the estimated recurrent expenditure for the proposed replacement systems, the Assistant Director, EU (2) explained that as compared to the existing expenditure, the additional recurrent expenditure for the proposed systems was only \$0.9 million, after taking into account the savings arising from ending the annual maintenance cost of the existing systems. EU would absorb the additional recurrent expenditure from within its existing resources.

46. Summing up, the Chairman said that the Panel supported submission of the current proposal to the Finance Committee for further consideration.

VII Any other business

47. There being no other business, the meeting ended at 12:40 pm.

Council Business Division 1
Legislative Council Secretariat
15 March 2011