# 立法會 Legislative Council

LC Paper No. CB(4)883/14-15 (These minutes have been seen by the Administration)

Ref: CB4/PL/PS

#### **Panel on Public Service**

Minutes of meeting held on Monday, 16 February 2015, at 10:45 am in Conference Room 3 of the Legislative Council Complex

**Members present**: Hon POON Siu-ping, BBS, MH (Chairman)

Hon LEE Cheuk-yan

Hon Emily LAU Wai-hing, JP Hon TAM Yiu-chung, GBS, JP

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Hon LEUNG Kwok-hung

Hon Claudia MO

Hon LEUNG Che-cheung, BBS, MH, JP

Hon SIN Chung-kai, SBS, JP

Hon IP Kin-yuen

Hon TANG Ka-piu, JP

Hon Tony TSE Wai-chuen, BBS

**Members absent**: Hon KWOK Wai-keung (Deputy Chairman)

Dr Hon LEUNG Ka-lau

Hon Martin LIAO Cheung-kong, SBS, JP

**Public officers** 

attending

: Agenda item III

Mr Paul TANG, JP

Secretary for the Civil Service

Mr Raymond H C WONG, JP

Permanent Secretary for the Civil Service

Mr Anthony MAK
Principal Assistant Secretary for the Civil Service
(Training and Development)

# Agenda item IV

Mr Paul TANG, JP Secretary for the Civil Service

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

Ms May CHAN, JP Deputy Secretary for the Civil Service 2

Miss Winnie CHUI Principal Assistant Secretary for the Civil Service (Pay & Leave)

# Agenda item V

Mr Paul TANG, JP Secretary for the Civil Service

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

Ms May CHAN, JP Deputy Secretary for the Civil Service 2

Ms Winnie NG, JP Secretary General, The Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service

Miss Winnie CHUI Principal Assistant Secretary for the Civil Service (Pay & Leave)

**Clerk in attendance:** Miss Mary SO

Chief Council Secretary (4)2

**Staff in attendance**: Ms Cindy CHAN

Senior Council Secretary (4)2

Ms Rebecca LEE

Council Secretary (4)2

Miss Vivian YUEN

Legislative Assistant (4)2

#### **Action**

## I. Paper(s) issued since the last meeting

Members noted that no information paper was issued since the last meeting.

# II. Date of next meeting and items for discussion

LC Paper No. CB(4)488/14-15(01) -- List of outstanding items for discussion

LC Paper No. CB(4)488/14-15(02) -- List of follow-up actions

- 2. <u>Members</u> agreed to discuss the following items proposed by the Administration at the next regular meeting scheduled for Monday, 16 March 2015 at 10:45 am:
  - (a) Civil service-related issues featuring in the 2015-2016 Budget; and
  - (b) An overview of medical and dental benefits for civil servants, pensioners and eligible dependants.
- 3. Mr LEE Cheuk-yan said that some disciplined service unions had expressed their views and concerns on the initiatives to be adopted by the Administration for taking forward the extension of the service of civil servants after the release of the 2015 Policy Address. Mr LEE suggested that the Panel should invite representatives from the civil service staff unions/associations to give views on the way forward for extending the service of civil servants. Members agreed.

# III. An overview of training and development for civil servants

LC Paper No. CB(4)488/14-15(03)

-- Administration's paper on "An Overview of Training and Development for Civil Servants"

LC Paper No. CB(4)488/14-15(04)

-- Updated background brief on "Training and development for civil servants" prepared by the Legislative Council ("LegCo") Secretariat

4. At the invitation of the Chairman, <u>Secretary for the Civil Service</u> ("SCS") briefed members on the provision of training and development for civil servants by the Civil Service Bureau ("CSB"), details of which were set out in the Administration's paper (LC Paper No. CB(4)488/14-15(03)).

National studies and Basic Law training

- 5. Mr LEE Cheuk-yan expressed concern that civil servants were being brainwashed into a "One country, One system" mindset through attending national studies and Basic Law training organized by the Civil Service Training and Development Institute ("CSTDI"). The confrontational approach adopted by the Police in the handling of the "Occupy Central" movement was a testament that civil servants were no longer politically neutral in discharging their duties.
- 6. <u>SCS</u> responded that political neutrality was one of the core values of the civil service. All civil servants were well aware of their responsibility, as set out in the Civil Service Code, to implement the policies and decisions of the Government of the day in a professional and impartial manner. <u>SCS</u> further said that the objective of national studies training was to enhance civil servants' understanding of and exposure to the systems and developments in the Mainland. These efforts took the form of training courses and theme-based visits to the Mainland, local seminars, civil service exchange programme and a dedicated website on Mainland-related information and developments. In respect of the Basic Law training, its objective was to enhance civil servants' understanding of the Basic Law.
- 7. In response to Mr LEE Cheuk-yan's question, <u>SCS</u> said that CSB would not be able to provide the long list of speakers involved in various national studies training, and for programmes held in the Mainland, as speakers were arranged by the universities/institutions concerned. <u>Permanent Secretary for the Civil Service</u> ("PSCS") supplemented that national studies training covered a

range of topics such as economic and social developments. CSB engaged experts in the relevant fields as speakers irrespective of their background.

- 8. Mr LEUNG Kwok-hung asked whether the national studies or Basic Law programmes organized by CSTDI covered the White Paper on "The Practice of 'One Country, Two Systems' Policy in the Hong Kong Special Administrative Region" issued by the Central Government on 10 June 2014 ("the White Paper") and the book entitled "Xi Jinping: The Governance of China".
- 9. <u>SCS</u> responded that the White Paper was covered in some of the national studies and the Basic Law training programmes. Regarding whether the book entitled "Xi Jinping: The Governance of China" was covered, <u>PSCS</u> replied in the negative. He pointed out that the aim of national studies training organized by the CSTDI was to enhance civil servants' understanding of the latest developments in the Mainland's political, economic, social, cultural and legal systems.
- 10. Mr TAM Yiu-chung urged CSB to enhance the content and delivery of Basic Law training for civil servants, such as placing more emphasis on the theory and principles of "One Country, Two Systems" and inviting Basic Law experts from the Mainland, such as those who had involved in the drafting of the Basic Law, as guest lecturers.
- 11. <u>SCS</u> responded that CSB had been devoting resources to deepen civil servants' understanding and knowledge of the Basic Law. CSTDI would invite Basic Law experts from the Mainland to provide Basic Law training for civil servants where practicable.

# Overseas training for civil servants

- 12. Mr IP Kin-yuen said that apart from providing national studies and Basic Law training to civil servants, CSB should also arrange sufficient overseas programmes for civil servants. Noting from paragraph 15 of the Administration's paper that about 13 000 civil servants attended national studies and Basic Law training in 2014, Mr IP asked about the number of civil servants attended overseas executive development programmes in 2014 apart from the Advanced Leadership Enhancement Programme organized by CSTDI every year for around 40 directorate civil servants as mentioned in paragraph 6 of the Administration's paper.
- 13. <u>SCS</u> responded that it was understandable that the number of civil servants attended overseas executive development programmes was small as compared to that attended national studies and Basic Law training because

overseas executive development programmes aimed at grooming directorate officers and officers with potential for advancement to the directorate level whereas national studies and Basic Law training aimed at enhancing the understanding of civil servants at different levels about the latest developments in the Mainland and equipping them with the knowledge of the Basic Law to better assist them in discharging their duties. Another reason was that these overseas programmes were costly with most of them lasted for four weeks and there were also post-graduate courses that ran up to one year.

- 14. <u>Principal Assistant Secretary for the Civil Service (Training and Development)</u> supplemented that apart from the CSTDI, individual bureaux/departments ("B/Ds") also sponsored their officers to attend overseas executive development programmes. He further said that although about 13 000 civil servants attended national studies and Basic Law training in 2014, about 30 000 civil servants attended various local and overseas leadership and management development programmes provided/arranged by the CSTDI each year.
- 15. Mr IP Kin-yuen requested CSB to provide information on the number of senior civil servants who had participated in the overseas attachment and executive development programmes organized/sponsored by the CSTDI and B/Ds respectively each year since 1997. PSCS remarked that it would be difficult to ask all B/Ds to trace the figures for such a long period of time but CSB undertook to provide information on the number of senior civil servants who had participated in the overseas attachment and executive development programmes organized/sponsored by the CSTDI in recent years.
- 16. Mr Tony TSE expressed support for providing training to civil servants that would equip them with the necessary skills, knowledge and mindset necessary for providing quality service to the public. Apart from enhancing civil servants' understanding of the latest developments in the Mainland, Mr TSE said that it was also important to provide overseas training opportunities to enable selected civil servants to gain wider exposure and develop broader perspectives. Noting that civil servants who were granted full-pay study leave of one year or more by the Government to attend training courses were required to sign an undertaking to serve in the civil service for a prescribed number of years after the study, Mr TSE asked whether there were any cases of civil servants who failed to complete the post-training service as agreed in the undertaking in the past 10 years; and if so, the number of civil servants involved.
- 17. <u>PSCS</u> responded that CSB did not have the information on the number of civil servants who failed to complete the post-training service as agreed in the undertaking, as such undertaking was entered into between the staff and the B/D

concerned. <u>PSCS</u> however surmised that such number, if any, should be very small.

# Leadership and management development

- 18. <u>Ms Emily LAU</u> noted from paragraph 11 of the Administration's paper that the CSTDI organized regular short seminars delivered by prominent speakers and experts on topical subjects for senior civil servants. <u>Ms LAU</u> questioned the effectiveness of these seminars in enhancing the capability of senior civil servants in discharging their duties. For example, although a seminar on "Strategies for tackling Hong Kong's demographic challenges" was organized in 2014, no progress had been made by the relevant B/Ds to tackle the problems faced by Hong Kong's ageing population, such as the development of universal retirement protection for Hong Kong people.
- 19. <u>SCS</u> explained that seminars on topical subjects organized by the CSTDI aimed at providing senior civil servants with background information of such subjects. Should a B/D consider it necessary to equip its staff with the necessary skills and knowledge for, say, the formulation of a certain policy area, the B/D would organize its own in-depth training programmes for such purpose.
- 20. <u>Ms Emily LAU</u> said that to improve the relationship between the executive authorities and the legislature, CSTDI should provide training to senior civil servants to enhance their skills in communicating with LegCo Members.
- 21. <u>SCS</u> responded that one of the major functions of the CSTDI was to provide training to enhance the skills of civil servants in communicating with different stakeholders such as LegCo Members, District Council members, public and media. <u>PSCS</u> supplemented that to enhance the skills of senior civil servants in communicating with LegCo Members, CSTDI had invited Hon Jasper TSANG, President of LegCo, to share his valuable insights and experience on the subject at a leadership programme for senior civil servants held last year.

# Continuous learning

22. Mr Tony TSE noted from paragraph 28 of the Administration's paper that a Training Sponsorship Scheme was offered by CSB to encourage civil servants, whose starting salary at Master Pay Scale ("MPS") Point 16 or below (or equivalent), including Model Scale I staff, to pursue learning through external courses. Mr TSE asked whether, and if so, what action(s) would be taken by CSB to encourage more frontline civil servants to participate in the Training Sponsorship Scheme, having regard to the fact that only about \$13.8 million had been granted to B/Ds for over 5 000 frontline civil servants to participate in the

Scheme since 2005 as mentioned in paragraph 14 of the updated background brief on "Training and development for civil servants" (LC Paper No. CB(4)488/14-15(04)).

23. <u>PSCS</u> responded that the Training Sponsorship Scheme aimed at encouraging frontline civil servants to pursue continuous learning outside office hours. The sponsorship ceiling was \$6,000 per applicant per year. The number of courses i.e. three courses per applicant per year was sufficient to meet the needs of frontline staff to undertake work-related external courses for continuous learning. For the 2014-2015 Training Sponsorship Scheme, the allocation of about \$2 million should be sufficient for frontline staff to pursue continuous learning outside office hours. <u>PSCS</u> further said that apart from sponsoring frontline civil servants to pursue continuous learning outside office hours, B/Ds had all along been providing vocational training to meet job-specific needs of their frontline staff.

#### Other issue

- 24. <u>Ms Emily LAU</u> expressed concern that a recent visit of the Commissioner of Police to the Ministry of Public Security in the Mainland only came into light after the visit had taken place. <u>Ms LAU</u> asked whether B/Ds were required to make known to the public each and every duty visit outside Hong Kong to be undertaken by directorate civil servant(s), including purpose and person(s) to meet, prior to the visit.
- 25. <u>SCS</u> responded that due to the varying nature of the duty visits outside Hong Kong undertaken by directorate civil servants and the high frequency of such visits, CSB considered that it was best to let individual B/Ds decide which of their duty visits outside Hong Kong should be made known to the public.
- 26. <u>Ms Emily LAU</u> was of the view that as the Government was accountable to the public, it was necessary for B/Ds to make known to the public all duty visits outside Hong Kong undertaken by directorate civil servants prior to the visits. <u>Mr LEUNG Kwok-hung</u> expressed a similar view.

## Conclusion

27. In closing, the Chairman said that the Panel would continue to monitor the provision of training and development for civil servants by CSB.

# IV. 2015 Starting Salaries Survey

LC Paper No. CB(4)488/14-15(05) -- Administration's paper on "Starting Salaries Survey 2015"

LC Paper No. CB(4)488/14-15(06)

-- Updated background brief on "Starting Salaries Surveys for the civil service" prepared by the LegCo Secretariat

## **Declaration of Interest**

28. <u>Mr Tony TSE</u> declared that he was a member of the Standing Commission on Civil Service Salaries and Conditions of Service ("the Standing Commission").

# Briefing by the Administration

29. <u>SCS</u> briefed members on the conduct of the next Starting Salaries Survey ("SSS") in accordance with the Improved Civil Service Pay Adjustment Mechanism, details of which were set out in the Administration's paper (LC Paper No. CB(4)488/14-15(05)).

# Discussion

- 30. Mr Tony TSE expressed support for the conduct of the triennial SSS so as to ensure that the starting salaries of non-directorate civilian grades of the civil service could continue to attract staff of suitable calibre to provide the public with an effective and efficient service. Although 1 April 2012 was the survey reference date for the 2012 SSS, Mr TSE said that according to his understanding the Standing Commission had yet to decide whether 1 April 2015 would be the survey reference date for the 2015 SSS. Mr TSE further said that the Standing Commission would strive to submit its findings and recommendations of the 2015 SSS to CE within a reasonable period of time from the reference date to be chosen, so as to ensure the relevancy of findings.
- 31. In view of the increasing number of reports on suspected corrupt act by some senior government officials in recent years, <u>Ms Emily LAU</u> enquired about the measures that had been/would be taken by the Administration to uphold probity and integrity in the civil service.
- 32. <u>SCS</u> responded that throughout the years, CSB and the Independent Commission Against Corruption ("ICAC") had been working closely with B/Ds

to promote and enhance integrity in the civil service through a three-pronged approach, namely, prevention, education and training, and sanction. On prevention, emphasis was placed on the provision of clear policies and guidelines to provide guidance to individual civil servants, with proper checks and balances being built into B/Ds' operational and service systems. In respect of education and training, CSB and ICAC had been making sustained efforts to promote the importance of integrity at all levels in the civil service through the arrangement of workshops and seminars as well as issue of publications etc. As to sanction, disciplinary punishments would be strictly administered upon finding a civil servant guilty of misconduct after fair proceedings in order to achieve punitive and deterrent effect. Furthermore, civil servants should report promptly, either directly or through their B/Ds as appropriate, to the ICAC any suspected corrupt act.

- 33. Mr SIN Chung-kai expressed support for the conduct of the annual Pay Trend Survey ("PTS"), the triennial SSS and the six-yearly Pay Level Survey ("PLS") to ascertain whether civil service pay was broadly comparable with private sector pay. Mr SIN however pointed out that there was a recent case, i.e. the 2013 PTS, whereby civil servants did not fully accept the Government's decision on pay adjustment. To maintain the stability of the civil service, Mr SIN asked whether improvement would be made to, say, the methodology, survey field and application framework of the aforesaid pay-related surveys.
- 34. <u>SCS</u> responded that the Government had all along taken into account all relevant factors in considering the application of the findings of PTS, SSS and PLS. He cited the consideration of the findings of the 2012 SSS as an example. Although the findings of the 2012 SSS indicated that the market third quartile (P75) pay level of Qualification Group ("QG") 9 (Degree and Related Grades) and QG 10 (Model Scale 1 Grades) was lower than the civil service benchmark pay by 8.8% and 5.7% respectively, the Standing Commission, taking into account all relevant factors such as the inherent differences between the civil service and private sector pay systems and the need to maintain the stability of civil service pay, recommended that no change should be made to the existing benchmark pay of QG 9 and QG 10. The Government agreed to the Standing Commission's recommendation.
- 35. Deputy Secretary for the Civil Service 2 supplemented that the Standing Commission would, as in previous SSSs, fully engage the Staff Sides at various stages of the survey. For example, although the list of private sector organizations invited to provide pay data in the 2012 SSS would be used as a starting point for the survey field in the 2015 SSS, the survey field could be revised after taking into account views from the Staff Sides.

- 36. Mr TANG Ka-piu asked whether the raising of the retirement age of civil service new recruits to 65 for civilian grades and to 60 for disciplined services grades would be one of the factors that the Standing Commission would take into account when considering the application of the findings of the 2015 SSS.
- 37. <u>SCS</u> responded that the Administration would defer to the Standing Commission to decide whether or not to take into account the higher retirement age for civil service new recruits in considering how the results of the 2015 SSS should be applied to civil service basic ranks. <u>SCS</u> however considered that higher retirement age for civil service new recruits should not have a direct bearing on the SSS.
- 38. Mr TANG Ka-piu said that he had received a complaint from the staff association of the Electrical and Mechanical Services Department ("EMSD") that the EMSD management had ceased to create civil service posts for technician trainees and instead had employed non-civil service contract ("NCSC") staff to fill these entry-level posts. Mr TANG urged CSB to look into this matter which had barred young people of suitable calibre to join the civil service.
- 39. <u>SCS</u> responded that as trading fund departments, such as EMSD, were responsible for their own finances, it was necessary to provide them with greater flexibility than other government departments in the employment of NCSC staff to better cope with rapid market changes. Nevertheless, B/Ds would need to provide sufficient justification to CSB for replacing civil service posts with NCSC positions.

## Conclusion

40. In closing, the Chairman said that the Panel would keep in view of the implementation of the 2015 SSS.

# V. 2013 Pay Level Survey: Application to the Civil Service

File Ref: CSBCR/PG/4-085-001/37 -- LegCo Brief on "2013 Pay Level Survey: Application to the Civil Service" issued by Civil Service Bureau on 10 February 2015

41. <u>SCS</u> briefed members on the application of the 2013 PLS, details of which were set out in the above LegCo Brief. Subject to members' views, the Administration would seek the approval of the Finance Committee ("FC") for the adjustments to the relevant pay scales with effect from 1 October 2014.

- Mr TANG Ka-piu echoed the views expressed by the Government 42. Employees Association ("GEA") in its letter dated 12 November 2014 to SCS about the need to continue to conduct PLS in future, as the annual PTS could also achieve the purpose of ascertaining whether civil service pay remained broadly comparable with private sector pay. (The GEA's letter (Chinese version only) was issued to members vide LC Paper No. CB(4)173/14-15 on 18 November 2014.) With the Government increasingly contracted out frontline jobs to the private sector, Mr TANG further expressed concern that the salaries of junior civil servants would be at risk of being adjusted downward in future should a plus/minus 5% be continued to be adopted as the acceptable range of difference between the civil service and private sector pay indicators for a Job Level ("JL") Mr TANG pointed out that the findings of the in the next PLS exercise. 2013 PLS already revealed that the civil service pay indicator for JL 2 (i.e. those civilian civil servants remunerated on MPS Point 11-23) was higher than the private sector pay indicator by 4%.
- 43. SCS responded that the PTS and the PLS were two different types of surveys in that the PTS aimed to ascertain the year-on-year pay adjustments in the private sector whereas the PLS aimed to ascertain whether the level of civil service pay remained broadly comparable with that of the private sector pay. SCS further said that a holistic approach was adopted by the Standing Commission in applying the survey results to non-directorate civilian civil Apart from "broad comparability" with the private sector, the Standing Commission had taken and would continue to take into account other factors such as attractiveness and stability of civil service pay; inherent differences between the civil service and private sector and their uniqueness; inherent discrepancies in statistical surveys and elements of chance; and overall interest in its consideration on how the survey results should be applied to civil service pay. The fact that the Standing Commission recommended that the salaries of officers in JL 5 (i.e. those civilian civil servants remunerated on MPS Point 45-49) should be raised by 3%, despite the fact that the survey findings revealed the civil service pay indicator for JL 5 was lower than the private sector pay indicator by 8%, was a testament that a holistic approach was adopted. SCS also said that the Administration agreed to the Standing Commission's view that, in the light of the experiences gained in conducting the 2006 and 2013 PLSs, it was an opportune time to conduct a review of the PLS, which might possibly cover, inter alia, the survey methodology, application issues and frequency for the conduct of the PLS. The review, to be conducted by the Administration, should take place before the next PLS exercise.
- 44. Mr TANG Ka-piu asked whether the salaries of staff of Hospital Authority ("HA") and subvented welfare organizations in the same salary range as JL 5

would also be raised by 3% with effect from 1 October 2014. <u>SCS</u> clarified that the salaries of staff of HA and welfare organizations on lump sum grant subvention were delinked from civil service pay. He pointed out that since the salaries of some subvented bodies were delinked from the civil service, there was no justification to adjust subventions across the board.

- 45. Mr LEUNG Kwok-hung considered that only raising the salaries of civilian civil servants in JL 5, civil servants in the disciplined services and ICAC staff remunerated on the equivalent range of pay points as JL 5 as well as civilian directorate civil servants and heads of disciplined services and ICAC by 3% with effect from 1 October 2014 was tantamount to "fattening the top and thinning the bottom". Mr LEUNG said that as the PLS sought to compare civil service pay with private sector pay and as private sector organizations tended to remunerate their senior staff more generously than their junior staff, it was inevitable that the pay disparity between senior and junior civil servants would continue to be widened. As wide pay disparity between senior and junior civil servants would create conflicts amongst civil servants, Mr LEUNG said that pay data collected from private sector organizations should be weighted to reflect the situation that private sector organizations tended to remunerate their senior staff more generously than their junior staff.
- 46. <u>SCS</u> disagreed that the Administration had been "fattening the top and thinning the bottom" in adjusting civil service pay. For examples, although the pay for senior civil servants was adjusted downward some 10 years ago, the pay for civil servants in the middle and lower salary bands was only frozen. In the 2014 PTS, although the net pay trend indicator ("PTI") for civil servants in the lower salary band was 3.80%, the Government decided to bring up the pay adjustment for civil servants in the lower salary band to align to the net PTI for the middle salary band at 4.71%. <u>SCS</u> further said that since the adoption of the Improved Civil Service Pay Adjustment Mechanism in 2007, the cumulative pay increase for civil servants in the upper salary band was 31.6% whereas that for civil servants in the middle and lower salary bands was 35.4%.
- 47. Mr TAM Yiu-chung said that PLS should continue to be conducted in future, unless a better alternative could be identified, to ascertain whether civil service pay was broadly comparable with private sector pay. Mr Tony TSE expressed a similar view.
- 48. Mr TAM Yiu-chung suggested adopting a larger range, say, plus/minus 8%, as the acceptable range of difference between the civil service and private sector pay indicators for a job level in the next PLS exercise, so as to allay the concern that the salaries of junior civil servants would be adjusted downward.

<u>SCS</u> undertook to convey Mr TAM's suggestion to the Standing Commission for consideration.

## Conclusion

49. In closing, the Chairman said that members did not object to the Administration's seeking FC's approval for the adjustments to the relevant pay scales with effect from 1 October 2014.

# VI. Any other business

- 50. Mrs Regina IP said that she had received complaints from quite a number of disciplined services staff that they had applied for public rental housing ("PRH") flats under the Civil Service Public Housing Quota ("CSPHQ") Scheme before they retired but had yet to be allocated a PRH flat when they formally retired. Mrs IP urged CSB to look into the matter.
- 51. <u>SCS</u> responded that despite the great demand for PRH in the community, CSB had been able to increase the number of special quota under the CSPHQ Scheme for disciplined services this year. CSB would continue to strive to increase such quota under the CSPHQ Scheme to better meet the public housing need of disciplined services civil servants.
- 52. There being no other business, the meeting ended at 12:40 pm.

Council Business Division 4
<u>Legislative Council Secretariat</u>
30 April 2015