

立法會

Legislative Council

LC Paper No. CB(4)714/16-17

(These minutes have been seen
by the Administration)

Ref : CB4/PL/PS

Panel on Public Service

**Minutes of meeting held on
Monday, 20 February 2017, at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon KWOK Wai-keung (Chairman)
Hon Jeremy TAM Man-ho (Deputy Chairman)
Hon Paul TSE Wai-chun, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon IP Kin-yuen
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, JP
Hon Jimmy NG Wing-ka, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon SHIU Ka-fai
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon CHAN Chun-ying

Members absent : Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon LEUNG Kwok-hung
Hon Michael TIEN Puk-sun, BBS, JP
Hon CHAN Han-pan, JP
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHUNG Kwok-pan
Hon CHU Hoi-dick

**Public Officers
attending**

: Agenda item IV

Mr Clement CHEUNG, JP
Secretary for the Civil Service

Mr Thomas CHOW, JP
Permanent Secretary for the Civil Service

Mr LI Pak-hong, JP
Director of General Grades
Civil Service Bureau

Mr Ricky CHONG
Principal Assistant Secretary for
Innovation and Technology

Mr Victor LAM, JP
Deputy Government Chief Information Officer
(Infrastructure and Operations)

Ms Fiona LI Man-wai
Chief Executive Officer (Administration)
Office of the Government Chief Information Officer

Agenda item V

Mr Clement CHEUNG, JP
Secretary for the Civil Service

Mr Thomas CHOW, JP
Permanent Secretary for the Civil Service

Mr Eddie MAK, JP
Deputy Secretary for the Civil Service 1

Clerk in attendance

**: Mr Anthony CHU
Chief Council Secretary (4)1**

Staff in attendance : Ms Wendy JAN
Senior Council Secretary (4)7

Miss Maggie CHUNG
Council Secretary (4)1

Ms Cynthia TAM
Legislative Assistant (4)9

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I. Confirmation of minutes

(LC Paper No. CB(4)540/16-17 -- Minutes of meeting on
19 December 2016)

The minutes of the meeting held on 19 December 2016 were confirmed.

2. Dr CHIANG Lai-wan asked whether it was possible for the draft minutes of regular panel meetings be confirmed at the meeting in the following month. The Chairman said that it might be difficult to do so due to the duration of meetings and the lead time required for various parties to comment on the draft. He directed the Clerk to explore measures to expedite the process.

II. Information papers issued since the last regular meeting on 25 January 2017

(LC Paper No. CB(4)539/16-17(01) -- Submission from the
Government Amenity
Management Supervisors
General Union (Chinese
version only) (Restricted
to members only)

LC Paper No. CB(4)539/16-17(02) -- Administration's response
to the submission from
the Government Amenity
Management Supervisors
General Union
(Restricted to members
only))

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3. Members noted that the above papers had been issued since the last meeting.

III. Date of next meeting and items for discussion

(LC Paper No. CB(4)554/16-17(01) -- List of outstanding items for discussion

LC Paper No. CB(4)554/16-17(02) -- List of follow-up actions)

4. Members noted that the next regular Panel meeting would be held on 20 March 2017 to discuss the following items proposed by the Administration:

- (a) An overview of medical and dental benefits for civil servants, pensioners and eligible dependants; and
- (b) Civil service-related issues featured in the 2017-2018 Budget.

5. Dr CHIANG Lai-wan said that she and Dr Elizabeth QUAT had forwarded a joint letter dated 17 February 2017 to the Chairman on how the Administration handled groundless and false allegations against civil servants. She suggested that this issue should be discussed by the Panel as soon as possible. In this connection, the Chairman advised that the Administration had been requested to provide a written response to the letter, and the Panel would decide on the next step after receiving the Administration's response.

(Post-meeting note: The joint letter was issued to members on 20 February 2017 vide LC Paper No. CB(4)587/16-17(01).)

6. Dr CHIANG Lai-wan proposed to discuss items 4 and 5 of the "List of outstanding items for discussion" regarding the employment of persons with disabilities and ethnic minorities respectively, and requested the Administration to include in its information paper statistics of the new recruits with disabilities in the civil service as well as the civil servants who had become disabled after joining the service. In response, Secretary for the Civil Service ("SCS") said that the Administration had planned to report the progress of these two items to the Panel between April to July 2017, and he would consider whether the discussion could be advanced.

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7. Regarding those civil servants who became disabled after joining the Government, SCS explained that job applicants and serving officers had no obligation to declare their disabilities, if any. The respective Bureaux/Departments ("B/Ds") only came to know about their disabilities when they requested special arrangements for selection tests/interviews during the recruitment process or technical aids to facilitate performance of official duties. Nevertheless, the Civil Service Bureau ("CSB") could look into the possibility of collating some relevant statistics on the present situation.

IV. Use of agency workers

(LC Paper No. CB(4)554/16-17(03) -- Administration's paper on the use of agency workers

LC Paper No. CB(4)554/16-17(04) -- Administration's paper on the T-contract services

LC Paper No. CB(4)554/16-17(05) -- Paper on the use of agency workers prepared by the Legislative Council Secretariat (updated background brief))

8. Members noted a letter dated 17 February 2017 from Mr Charles Peter MOK tabled at the meeting regarding the engagement of T-contract staff by the Government.

(Post-meeting note: Mr MOK's letter was issued to members after the meeting on 21 February 2017 vide LC Paper No. CB(4)593/16-17(01).)

9. At the invitation of the Chairman, SCS briefed members on the use of agency workers by B/Ds as set out in the Administration's paper (LC Paper No. CB(4)554/16-17(03)). Deputy Government Chief Information Officer (Infrastructure and Operations) ("DGCIO") also briefed members on the engagement of information technology ("IT") contract staff by B/Ds under a term contract (commonly known as "T-contract") centrally administered by the Office of the Government

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Chief Information Officer, as set out in the Administration's paper (LC Paper No. CB(4)554/16-17(04)).

T-contract staff

10. Mr Charles Peter MOK expressed disappointment that the Administration still engaged some 2 760 T-contract staff as at 31 December 2016. He was not convinced of the Administration's explanation for engaging T-contract staff, and considered it unfair for T-contract staff to perform the same duties as civil servants of comparable ranks under less favorable terms, in particular in the provision of fringe benefits. As such, he urged the Government to formulate a plan to convert these T-contract staff to civil servants, particularly those with long years of service, by phases. Dr Pierre CHAN shared a similar concern and asked for a timetable for absorbing T-contract staff into the civil service.

11. DGCIO said that the use of T-contract staff for implementation of time-limited IT projects had been proved effective since 1980s. The arrangement enabled the Administration to tap the latest expertise and a larger pool of talented professionals in the market within a short period of time to work with civil servants in fostering IT development and enhancing e-Government services in Hong Kong. Due to the flourishing IT market and the strong demand for IT professionals from both public and private sectors, the wages of T-contract staff had all along been kept at competitive levels, which were comparable to their counterparts in the civil service. Since it was the Government's policy to select the most suitable candidates to fill civil service vacancies by open and fair competition, direct appointment of T-contract staff to civil service posts would not be in line with the said principle.

12. DGCIO said that the Government was open to suggestions on the administrative arrangements and the contract provisions. For example, in 2013, the administrative arrangements were changed so that the service fee payable to the T-contractors would not be deducted when typhoon signal No. 8 or above or rainstorm black warning signal was issued. The Government had also lifted the "cooling period" requirement on T-contract staff when the latter was to be re-engaged by another T-contractor, upon expiry of his existing service period, for another job assignment in the same or a different B/D. The above refinements in T-contract system were meant to foster T-contract staff's commitment in the provision of services to the Government, and to facilitate the implementation of e-Government services with the input of T-contract staff who worked collaboratively with civil servants.

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13. In response to the enquires of Mr Charles Peter MOK and the Deputy Chairman on the number of T-contract staff who had been recruited as civil servants through open recruitment, DGCIO said that out of some 1 000 T-contract staff who were at the junior level, about 100 of them had applied for about 60 Analyst/Programmer II ("APII") posts in the civil service through an open recruitment exercise last year, and six of them had successfully been recruited as civil servants. The average success rate of T-contract staff was around 6% (i.e. out of about 100 applicants who were serving as T-contract staff, six were hired as civil servants), whereas the average success rate for other applicants was only around 3% (i.e. out of about 1 500 other applicants, about 50 were hired as civil servants). The figures showed that only a small portion of T-contract staff had interest in applying for civil service posts, but the average success rate of serving T-contract staff was higher than that of other applicants in the last APII recruitment exercise. DGCIO said that the usual means of filling civil service vacancies at a higher rank was by promotion of officers from the lower rank of the same grade. Only if there were insufficient suitable candidates from the lower rank for promotion to the higher rank would consideration be given to fill vacancies at the higher rank by open recruitment. There were indeed open recruitment exercises for civil service posts at the higher ranks of the AP grade in the 1990s. In any event, it was up to individual T-contract staff to choose whether to apply for APII posts in the civil service having regard to all relevant factors. The Government always welcomed T-contract staff to apply for civil service vacancies through open recruitment.

14. The Deputy Chairman noted with concern that on average, the length of services of Senior Project Manager and Senior Systems Analyst engaged by B/Ds through T-contractors were 10.6 years and 7.2 years respectively. DGCIO responded that some T-contract staff had indeed been working in the same B/D throughout the years, but they were responsible for different IT projects. Some had also been given the opportunities of promotion to higher level positions under their employment with T-contractors.

15. Regarding the Chairman's concern about possible IT security problems arising from the engagement of T-contract staff, DGCIO said that T-contract staff would not be assigned duties involving specific security requirements or sensitive information, as such duties would only be performed by civil servants.

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Agency workers engaged by B/Ds

16. Mr CHAN Chi-chuen noted that the total number of agency workers engaged by B/Ds had significantly reduced from 2 398 in September 2009 to 974 in September 2016, and enquired about the reasons and the Government's stance on using agency workers. SCS explained that the number of agency workers used by B/Ds had significantly reduced starting from 2009 because (i) the Government had, after the economic downturn, resumed the recruitment of civil servants, in particular for the clerical and secretarial grades; and (ii) CSB promulgated guidelines for the use of agency workers for reference by B/Ds as set out in paragraph 4 (a) to (d) of the Administration's paper on the use of agency workers (LC Paper No. CB(4)554/16-17(03)) in April 2010, and made constant monitoring efforts to ensure B/Ds' strict compliance with the guidelines. The Administration considered that agency workers were necessary in some situations, such as tiding over short-term manpower gap caused by the lead time required to conduct recruitment exercise.

17. Noting that seven B/Ds were using more than 50 agency workers as at 30 September 2016, Mr POON Siu-ping asked whether the Administration would consider setting a ceiling on the number of agency workers.

18. SCS pointed out that the number of agency workers used by B/Ds had remained stable over the past few years and most of them were called upon to cope with urgent or unforeseen operational needs. The use of agency workers by B/Ds to fill short-term manpower gap had increased by 15% from 2015 to 2016 while the use of agency workers by B/Ds to meet service needs that entailed an irregular work pattern or where the nature of work involved rendered it difficult to recruit and retain staff had significantly reduced by 28% during the same period, indicating a change in the pattern of deployment.

19. SCS further said that setting a ceiling on the number of agency workers might limit the flexibility of B/Ds in responding to urgent or unforeseen operational needs. Nevertheless, CSB would keep a close watch to prevent any possible abuse.

20. Both Mr POON Siu-ping and Mr CHAN Chi-chuen voiced concern on whether the supply of agency workers to B/Ds were dominated by a few employment agencies. The Administration was therefore requested to provide the number of such employment agencies as at 30 September 2016 and a breakdown on workers supplied by each of them.

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21. Responding to Mr CHAN Chi-chuen's enquiry about the prolonged use of certain employment agencies by some B/Ds, SCS said that CSB would urge the B/Ds to explore other feasible alternatives. A typical example was the Water Supplies Department ("WSD") which decided to adopt a mixed mode of service delivery that comprised 30% civil servants, 10% non-civil service contract ("NCSC") staff and 60% agency workers for its 24-hour customer enquiry hotline.

22. In this connection, the Chairman cited recent experience of his call to the WSD's hotline being unattended for 10 minutes and asked why it could not be subsumed under the 1823 Call Centre.

23. SCS advised that the 1823 hotline was mainly manned by NCSC staff, who had undergone intensive training so as to access an extensive database of information on a wide scope of subjects. On the other hand, the agency workers used by WSD for supporting its customer enquiry hotline were only required to handle enquiries related to one single department. SCS further said that he would follow up on the Chairman's observation.

24. Noting that the Education Bureau ("EDB") was using 99 agency workers as at 30 September 2016, the highest number among B/Ds, Mr IP Kin-yuen sought the reasons for that, and the types of work performed by these agency workers.

25. SCS advised that EDB only used 70 agency workers in September 2015, and that the increase was attributable to a few new projects, such as processing applications for the 2017-2018 Registration Certificate for Kindergarten Admission under the Free Quality Kindergarten Education Scheme.

26. Given the long-term nature of the Free Quality Kindergarten Education Scheme, Mr IP Kin-yuen asked whether the Administration would consider using civil servants to meet this service need. SCS assured members that EDB would seek additional manpower resources through the established mechanism if necessary.

Protection for agency workers

27. In reply to the Chairman's enquiry about the wage protection for agency workers and T-contract staff, SCS pointed out that the Administration had implemented a number of measures in this regard. For instance, B/Ds had required all bidders to state the wage levels of

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their staff who would be assigned to work in the procuring B/Ds should their bids be successful, and agency workers would be made aware of the committed monthly wages.

28. SCS further explained that a marking scheme and a demerit point system were in place which required procuring B/Ds to take into account bidders' track record of compliance with certain statutory and contractual obligations, and that transgressions, if identified, would be promptly reported to the Labour Department.

29. On Mr POON Siu-ping's concern about the benchmarks used by the Administration to determine the minimum wage levels of agency workers, SCS advised that employment agencies were required to pay their staff salaries not lower than the average monthly wages for the relevant industry/occupation as published in the Census & Statistics Quarterly Report of Wage and Payroll Statistics for December 2010 or the average monthly wages for "General Workers for all selected industries" as published in the above mentioned Report, unless it was overtaken by the prevailing Statutory Minimum Wage plus one paid rest day in every period of seven days. The updated statistics on the monthly wage levels in the above mentioned Report would be used as appropriate.

30. In reply to Mr CHAN Chi-chuen's enquiry about the pay levels of WSD's agency workers as compared with their civil service counterparts, SCS said that their pay levels were comparable to that of Assistant Clerical Officers, which ranged from around \$13,000 to \$24,000.

31. Mr POON Siu-ping asked whether the Administration would consider specifying in the service contracts that the terms and conditions as well as fringe benefits offered to agency workers should be at a level more favourable than the provisions in the Employment Ordinance (Cap. 57), such as specifying the standard working hours of 44 hours per week and overtime rate of 1.5 times their regular rate of pay, in order to improve the fringe benefits for agency workers engaged by B/Ds.

32. The Chairman opined that same as civil servants, agency workers also provided services to the public. He called on the Administration to provide civil service fringe benefits to agency workers, in particular those who had worked in B/Ds for more than one year, with a view to alleviating the problem of "different pay for the same job" faced by them.

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33. SCS responded that since B/Ds were merely procuring services and agency workers were not government employees, they would not be eligible for fringe benefits. He further advised that government's outsourcing system together with the issue of provision of fringe benefits to employees of service contractors had recently been discussed at the Panel on Manpower. In considering whether to provide fringe benefits to employees of service contractors, SCS underscored that attaining optimal utilization of public funds was paramount.

34. Dr Pierre CHAN opined that reducing cost was the main reason behind the use of agency workers by the Administration, which had created the problem of "different pay for the same job". He expressed concern about the less favourable fringe benefits provided to the agency workers who also provided public services. In reply, SCS stressed that the use of agency workers had enabled B/Ds to respond effectively to unforeseen operational needs and tide over short-term manpower gaps. The operational needs could not be met in a timely manner by other means, such as employment of civil servants or NCSC staff. He stressed that it was more important to strengthen the monitoring mechanism on the use of agency workers by B/Ds. In addition, CSB would discuss with relevant B/Ds on the mode of service delivery in order to contain or reduce the number of agency workers.

35. Responding to the Chairman's enquiry about the impact on agency workers if the Administration decided to abolish the practice of using accrued benefits under employer's mandatory provident fund ("MPF") contributions to offset severance payment/long service payment, SCS said that as any changes in the MPF offsetting arrangement would affect the cost of supplying manpower by employment agencies, they would have to take into account such changes when placing their bids.

36. Referring to paragraph 16 of the Administration's paper stating that in the past three years, CSB had not received any application from B/Ds to renew or re-let service contract for the supply of agency workers for an aggregated period exceeding 15 months, the Deputy Chairman asked whether it was possible for B/Ds to evade the system by repeatedly renewing service contracts of 15 months or less with a short break of a few months in between. SCS replied that the manpower supplied by employment agencies was usually related to urgent, ad hoc or temporary operational needs, and that recurring tasks could be dealt with through term contracts.

Admin 37. At the request of the Deputy Chairman, SCS undertook to provide statistics of complaints received by CSB and individual B/Ds

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about contravention of wage requirements by employment agencies for the past three years.

V. Update on extension of the service of civil servants

(LC Paper No. CB(4)554/16-17(06) -- Administration's paper on the update on extension of service of civil servants

LC Paper No. CB(4)554/16-17(07) -- Paper on the update on extension of the service of civil servants prepared by the Legislative Council Secretariat (updated background brief))

38. At the invitation of the Chairman, SCS briefed members on the progress made in implementing the initiatives for extending the service of civil servants as set out in the Administration's paper (LC Paper No. CB(4)554/16-17(06)).

Adjusted mechanism on further employment of serving civil servants

39. Dr Pierre CHAN expressed concern that senior officials formulated the adjusted mechanism on further employment to pave way for their own future. SCS clarified that the adjusted mechanism was applicable to all grades and ranks. Further employment for civil servants in specific ranks would be subject to oversight by CSB and the Public Service Commission ("PSC") (for ranks under its purview). The duration of service extension approved each time was capped at 12 months for promotion ranks, and the staff on further employment would not be eligible for promotion.

40. Dr Pierre CHAN and Mr POON Siu-ping expressed concern about the composition of selection boards for further employment applications. SCS assured members that to ensure fairness, the composition of selection boards would model on that of promotion and recruitment boards. Deputy Secretary for the Civil Service 1 supplemented that selection boards would comprise officers of appropriate ranking and familiar with the job requirements of the rank

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concerned. The chairman and members should be of a substantive rank higher than that of the candidates to be considered for further employment, with the chairman holding a post at least two ranks above that of the candidates.

41. The Chairman queried whether selection boards for further employment would be convened for each grade/rank in each B/D. SCS said that selection board would be formed for a rank as and when the B/D concerned determined that there was a need to conduct selection exercise for further employment for that rank.

42. The Chairman and Mr POON Siu-ping asked about the implementation timeline of the adjusted further employment mechanism. SCS advised that CSB was consulting the staff sides and hoped to be able to finalize the implementation guidelines as soon as practicable after receiving their feedback in March 2017.

43. In response to Dr Pierre CHAN's question regarding the resources of further employment, SCS explained that staff on further employment would normally continue to occupy posts in their own substantive ranks and hence no extra costs would be incurred for the establishment of additional posts.

44. Pointing out that some serving civil servants might wish to serve beyond their retirement age in view of their family situation and financial needs, Mr HO Kai-ming suggested the Administration issuing questionnaires to collate views from civil servants on whether they would choose to work beyond their retirement age, and invite eligible officers to apply for extension of service as soon as practicable. This could also facilitate the civil servants in life planning and the Administration in long-term manpower planning.

45. SCS said that raising the retirement age of new recruits appointed to the civil service on or after 1 June 2015 was a long-term solution to tackle challenges posed by demographic changes and shrinkage of the labour force. On the other hand, as operational needs, succession planning and recruitment situation varied from grade to grade and from time to time, the Government considered that allowing civil servants to opt for a higher retirement age was not conducive to manpower planning. He noted that natural wastage rate of the civil service was cyclical, expected to decrease from 4.2% for the five-year period ending 2023-2024 to 2.8% in the five-year period ending 2033-2034 and it took about 14 years on average for a civil servant to get

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promoted to the next higher rank. Hence, the Government must be very cautious in avoiding promotion blockage.

46. SCS and Deputy Secretary for the Civil Service 1 further advised that to facilitate advance planning, B/Ds had been requested to prepare medium-term manpower plans to assess the need to deploy flexible tools for extension of service with reference to relevant information, including the number of vacancies and new posts in each rank/grade during the period covered. If it was considered necessary to conduct a further employment selection exercise, B/Ds would invite applications accordingly.

Final extension of service beyond retirement age

47. Mr POON Siu-ping enquired about the number of applications received and approved by the Administration since February 2016 following implementation of the revised arrangements for final extension of service, whereby the maximum period was raised from 90 days to 120 days, as well as the distribution of the approved applicants.

48. SCS replied that after implementation of the revised arrangements for final extension of service on 25 February 2016, B/Ds had processed 2 327 out of 2 811 applications received by 24 December 2016, of which 1 617 were approved, with an average approval rate of 69%. The approval rate for officers at ranks with maximum pay point below Master Pay Scale point 10, from point 10 to 33, and above point 33 was 73%, 66% and 75% respectively.

Higher retirement age and statutory retirement age

49. The Deputy Chairman opined that adopting a higher retirement age for new recruits appointed to the civil service might have an impact on the promotion prospects and morale of serving civil servants. However, he understood that with a longer life expectancy, many people were able and willing to stay longer in the labour force. To mitigate the impact on existing staff, he called on the Administration to implement any new retirement and employment initiatives over a longer timeframe. Dr Pierre CHAN expressed concern that engaging serving civil servants for further employment beyond their retirement age might cause promotion blockage to younger civil servants.

50. SCS said that the Government promulgated a package of flexible initiatives for service extension after careful consideration of various factors, including promotion blockage. These initiatives served to

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balance the interests of different cohorts of civil servants while maintaining effective management of the civil service.

51. The Chairman pointed out that despite the Administration had extended the retirement age of new recruits appointed to the civil service on or after 1 June 2015, similar measures had not been adopted in the private sector. Taking into account that the Chief Executive had recommended in the 2017 Policy Address raising the eligibility age for elderly comprehensive social security assistance from 60 to 65 in view of the policy of encouraging young-olds to join the workforce, the Chairman asked if the Administration would consider setting a statutory retirement age.

52. SCS replied that he was not aware of any plan for introducing a statutory retirement age, but careful deliberations would be required as it could have a profound impact on society. However, the Government had set an example for other employers by deploying the flexible tools for extension of service.

(At 12:42 pm, the Chairman extended the meeting for 15 minutes to 12:57 pm to allow sufficient time for discussion.)

Other concerns

53. In response to the Deputy Chairman's question, SCS said that the terms of appointment applicable to the officers concerned would remain unchanged during the period of further employment/final extension of service.

54. Mr HO Kai-ming was worried about the difficulties posed to the Administration in managing civil servants with different employment terms and conditions and retirement ages. SCS advised that the number of pensionable civil servants would decrease gradually with natural wastage and they would be replaced by civil servants under the Civil Service Provident Fund Scheme.

55. Dr Pierre CHAN remarked that retired supervisory staff in the Hospital Authority might be engaged to perform clinical duties, and enquired whether civil servants would stay in their current posts or take up other jobs under various initiatives for service extension. SCS pointed out that civil servants could either work in different capacities under the Post-retirement Service Contract Scheme or remain in their current posts under the adjusted mechanism for further employment.

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VI. Any other business

56. There being no other business, the meeting ended at 12:48 pm.

Council Business Division 4
Legislative Council Secretariat
16 March 2017