

立法會 *Legislative Council*

LC Paper No. CB(4)945/18-19
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by the Administration)

Ref : CB4/PL/PS

Panel on Public Service

**Minutes of meeting held on
Monday, 18 March 2019, at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon Gary FAN Kwok-wai (Chairman)
Hon Martin LIAO Cheung-kong, SBS, JP (Deputy Chairman)
Hon WONG Ting-kwong, GBS, JP
Hon Charles Peter MOK, JP
Hon KWOK Wai-keung, JP
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, BBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Hon CHU Hoi-dick
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon SHIU Ka-fai
Dr Hon Pierre CHAN
Hon Jeremy TAM Man-ho
Hon Tony TSE Wai-chuen, BBS
Hon CHAN Hoi-yan

Members absent : Hon Mrs Regina IP LAU Suk-yee, GBS, JP

**Public Officers
attending** : **Agenda item III**

Mr Joshua LAW, GBS, JP
Secretary for the Civil Service

Mr Thomas CHOW, JP
Permanent Secretary for the Civil Service

Mr Brian LO, JP
Deputy Secretary for the Civil Service 1

Ms Amy WONG
Deputy Secretary for the Civil Service 2

Mr Eric CHAN, JP
Deputy Secretary for the Civil Service 3

Mr Hermes CHAN
Director of General Grades
Civil Service Bureau

Agenda item IV

Mr Joshua LAW, GBS, JP
Secretary for the Civil Service

Mr Thomas CHOW, JP
Permanent Secretary for the Civil Service

Mr Brian LO, JP
Deputy Secretary for the Civil Service 1

Clerk in attendance : Mr Anthony CHU
Chief Council Secretary (4)1

Staff in attendance : Miss Shirley HAU
Senior Council Secretary (4)1

Mr Griffin FUNG
Legislative Assistant (4)7

Mr Terry HON
Clerical Assistant (4)1

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I. Information papers issued since the last regular meeting on 18 February 2019

(LC Paper No. CB(4)563/18-19(01) -- Administration's response to the submission from the Coalition of Civil Servants on Medical and Dental Benefits for Civil Service Eligible Persons

LC Paper No. CB(4)624/18-19(01) -- Letter dated 30 January 2019 from Hon Jeremy TAM Man-ho requesting information on the establishment and manpower situation of lifeguards in the Leisure and Cultural Services Department (Chinese version only)

LC Paper No. CB(4)624/18-19(02) -- Administration's response to the letter dated 30 January 2019 from Hon Jeremy TAM Man-ho requesting information on the establishment and manpower situation of lifeguards in the Leisure and Cultural Services Department)

Members noted that the above papers had been issued since the last regular meeting on 18 February 2019.

II. Date of next meeting and items for discussion

(LC Paper No. CB(4)632/18-19(01) -- List of outstanding items for discussion

LC Paper No. CB(4)632/18-19(02) -- List of follow-up actions)

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2. Members agreed that the next regular meeting of the Panel on Public Service would be held on 15 April 2019 to discuss the following items proposed by the Administration:

- (a) Employment of non-ethnic Chinese in the civil service; and
- (b) Implementation of five-day week in the Government.

III. Civil service-related matters featured in the 2019-2020 Budget

(LC Paper No. CB(4)632/18-19(03) -- Administration's paper on the civil service-related matters featured in the 2019-2020 Budget)

3. At the invitation of the Chairman, Secretary for the Civil Service ("SCS") briefed members on the civil service-related matters featured in the 2019-2020 Budget, details of which were set out in the Administration's paper (LC Paper No. CB(4)632/18-19(03)).

Changes in civil service establishment in 2019-2020

4. Dr CHIANG Lai-wan enquired if the Administration was using any formula in working out the changes made to the civil service establishment, e.g. increase in civil service posts corresponding to the increase in population. SCS responded that no formula was used in determining the changes in civil service manpower. Instead, individual Bureaux/Departments ("B/Ds") would bid for additional posts to cope with their expansion of services and increase in manpower demand arising from new policies and initiatives in the coming year, which in some cases might not directly correlate with the changes in population. Having regard to the prevailing fiscal position, competing bids of all B/Ds and their priorities as a whole, the Administration would examine individual B/Ds' bids and approve additional civil service posts when the operational needs were fully justified. Dr CHIANG was unsatisfied with SCS's reply. She opined that there must be a set of guidelines/principles for the Civil Service Bureau ("CSB") to objectively assess the bids, and these guidelines/principles should be made known to members with a view to helping them scrutinize the Administration's establishment proposals.

5. Mr Tony TSE welcomed the Administration's plan to expand the civil service workforce in response to the increased workload of civil servants and the public's expectation of quality services. He also

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suggested that the Administration should provide the number of time-limited posts and posts converted from non-civil service contract ("NCSC") positions in order to show the actual changes in the civil service establishment. SCS responded that out of the 3 481 new posts created in 2019-2020, there were 377 extended time-limited posts and 985 newly created time-limited posts.

6. Noting that the number of civil service posts in the Hospital Authority ("HA") had decreased from 1 165 in 2017-2018 to 968 in 2018-2019, and a further reduction of 135 posts was expected in 2019-2020, Dr CHIANG Lai-wan and Dr Elizabeth QUAT enquired about the continuous reduction in civil service posts. They also sought details of the 336 new posts to be created in the Department of Health ("DH") in 2019-2020 and the Administration's plan to recruit such a large number of new staff under the current situation of severe shortage of healthcare manpower.

7. SCS explained that upon the establishment of HA, civil servants working in the former Hospital Service Department could choose to retain their status of civil servants in HA. When these staff retired, the relevant civil service posts would be deleted accordingly and HA would recruit new staff on HA terms of employment to fill the vacancies. As regards DH, SCS advised that the new posts comprised 159 doctors, nurses, and allied health professionals, over 100 general grades staff and 19 hospital administrators. These additional posts were mainly created to cope with the manpower needs for regulating private healthcare facilities, improving uptake of seasonal influenza vaccine, implementing measures to prevent and control non-communicable diseases such as the Colorectal Cancer Screening Programme, etc. He believed that DH would proactively fill the vacancies and recruit talents through various channels.

8. Mr POON Siu-ping said that the growth in civil service workforce had responded to the demands of serving civil servants who were facing mounting work pressure. Noting the general trend of expanding B/Ds, he sought the reasons for the reduction of 18 and 14 civil service posts in the Labour Department and the Security Bureau respectively. SCS explained that there were in fact an increase in new posts in the Labour Department, including 35 posts for strengthening the rehabilitation support and protection for employees injured at work and occupational disease sufferers, as well as stepping up publicity and law enforcement for the Employees' Compensation Ordinance (Cap. 282), some 20 posts for tackling trafficking-in-persons and enhancing protection of foreign domestic helpers, and over 10 posts for enhancing the protection of employment rights of

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imported workers and handling the application of imported care workers. Upon the deletion of some time-limited posts after the transfer of Individual-based Work Incentive Transport Subsidy Scheme to the Working Family and Student Financial Assistance Agency, there was a net reduction of 18 posts in the Labour Department. As for the Security Bureau, SCS advised that similarly, with the creation of some posts mainly relating to the review of strategy of handling non-refoulement claims and the deletion of some time-limited posts, there was a net reduction of 14 civil service posts.

9. In response to Mr POON Siu-ping's enquiry, SCS said that the ten posts to be created in the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service in 2019-2020 for conducting a grade structure review for the disciplined services were time-limited posts.

10. Pointing out that the problems of unauthorized building works and illegal occupation of government land were getting more serious in Hong Kong, Mr LAM Cheuk-ting asked whether the newly created posts in the Buildings Department and the Lands Department would enhance the Administration's follow-up actions in this respect. SCS advised that the additional posts in the Buildings Department were mainly related to the supply of housing and land, implementation of the Electronic Submission Hub, improving building safety and enhancing law enforcement which should also be targeting the unauthorized building works. As for the Lands Department, the new posts would be assigned to help take forward the New Development Areas projects and railway development projects.

11. Considering the Lands Department's law enforcement actions against illegal squatters on government land in the rural areas of the New Territories ineffective, Mr LAM Cheuk-ting requested the Administration to review the underlying reasons so that appropriate improvement measures could be taken. At the request of Mr LAM and the Chairman, SCS undertook to provide a breakdown in the number of civil service posts to be created for the Buildings Department and the Lands Department in 2019-2020 by their main areas of responsibilities.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)807/18-19(01) on 26 April 2019.)

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Recruitment of civil servants

12. Given that the civil service establishment as at 31 March 2019 was expected to be around 188 000 but the actual number of civil servants at end 2018 was just around 170 000, Mr HO Kai-ming sought the reasons for the gap of some 10 000 posts between these two figures. He also relayed the complaints of some Leisure and Cultural Services Department ("LCSD") frontline staff that the high vacancy rates of certain positions, in particular Workman I and Workman II, had adversely affected their welfare, such as the implementation of five-day week. SCS responded that since the average time for completing recruitment exercises was about six months, there would be unavoidably a gap between the establishment and strength of the civil service. Citing the grade structure review completed earlier for the Marine Officer and Surveyor of Ships grades of the Marine Department, and the ongoing ones for the Veterinary Laboratory Technician and Medical Laboratory Technician grades as examples, he explained that CSB would consider conducting grade structure reviews for those grades with proven and persistent recruitment or retention difficulties. As for the case of LCSD, SCS said that the Administration could look into the case of individual grades, but he did not see a direct relation between recruitment difficulty and the implementation of five-day week.

13. In view of the long lead time in recruitment, Mr Tony TSE opined that the Administration should plan for recruitment well in advance, especially for professional grades and disciplined services grades posts. In this connection, he asked whether there were recruitment difficulties for these grades. SCS advised that for disciplined services grades, while the number of applicants was usually greater than the number of posts to be filled, there were retention difficulties for individual grades. A grade structure review was being conducted for the disciplined services with a view to addressing any recruitment and retention difficulties faced by those grades.

Contract renewal of contract teachers in government schools

14. Mr LAM Cheuk-ting relayed the complaints of some contract teachers currently serving in government schools that they had worked on contract terms for many years, and that their schools did not discuss with them on contract renewal until the last minute. Mr LAM opined that the delay in contract renewal was unfair to contract teachers and would adversely affect the teaching performance of contract teachers in view of the uncertainty in their future. SCS responded that CSB had all along encouraged B/Ds to create civil service posts to replace NCSC positions

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should there be long-term manpower needs. In fact, the number of NCSC staff had been on a decreasing trend from the peak of around 18 000 in 2006 to some 9 000 as at June 2018. At the request of Mr LAM, SCS undertook to ask the Education Bureau to provide the number of contract teachers currently serving in government schools and guidelines on contract renewal for government schools' contract teachers.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)807/18-19(01) on 26 April 2019.)

Training and development programmes for civil servants

15. Referring to the increase in training expenses for enhancing training for civil servants in areas such as innovation, use of new technology, big data analytics and smart city development, as well as providing more national studies programmes and exchanges with civil servants from the Mainland and other places, Mr POON Siu-ping sought information on the scope of the training. SCS replied that there were three areas of focus for the training, namely, leadership development programmes and milestone programmes; training on leading innovation and use of technology, big data analytics, artificial intelligence, and smart cities; and national studies programmes relating to the latest national policies, such as "the Belt and Road Initiative" and the development of the Guangdong-Hong Kong-Macao Greater Bay Area, as well as training on the Basic Law and the relationship between the Constitution of the People's Republic of China and the Basic Law.

16. In respect of innovation and technology training for civil servants, Mr Martin LIAO sought details of the related courses, targeted participants, assessment of effectiveness and application of the knowledge in the staff's daily work. Considering that the relevant training was essential for civil servants to keep up with the times, Mr HO Kai-ming and Dr Elizabeth QUAT enquired about the quota of the courses and whether the Administration planned to make innovation and technology a compulsory training subject for all civil servants, in particular senior staff.

17. SCS responded that civil servants at different levels were provided with a wide spectrum of relevant training courses. These included courses on innovation and technology, leadership development programmes and thematic talks on different topics for directorate staff and senior officers, big data analytics workshop and visits and exchanges with practitioners for junior to middle level staff, and induction training for new recruits with enhanced elements of innovation and technology. In the past three

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financial years, about 113 000 civil servants had attended courses on innovation and application of technology. SCS further advised that training courses on innovation and technology were provided by the Civil Service Training and Development Institute ("CSTDI") and in collaboration with other related professional organizations and universities. CSB systematically collected the participants' feedback on individual training through post-course questionnaire surveys. While he did not have information on the feedback of specific innovation and technology courses at hand, he advised that civil servants' feedback on the training courses organized by CSTDI was generally positive. The Administration would keep in view of the participants' application of learning at work.

Government's liability on pension payments

18. Pointing out that the present value of the Government's pension liabilities as at end-March 2018 was \$964.6 billion, Mr Martin LIAO said that the figure had increased by nearly \$90 billion when compared with that of two years ago and was at a record high in recent 10 years. He therefore sought the reasons for the significant increase and whether the Administration had assessed the trend of its future pension liabilities and its impact on the Government's fiscal position.

19. SCS advised that the retirement wave in the Government in recent years brought about a significant increase in the number of eligible retirees in these few years, which in turn led to rising pension liabilities. He further explained that the Government's liability on pension payments was estimated based on a number of factors and assumptions, such as the number, age and life expectancy of the eligible retired civil servants who joined the Government before 1 June 2000. As the number of eligible retired public officers had been capped, the Government's liability on pension payments would eventually decrease in the long term. In this respect, there was no reason to doubt the Government's ability to meet its annual pension expenditure.

20. In reply to Dr CHIANG Lai-wan's enquiry, SCS advised that the Administration did not have to set aside provision for its pension liabilities of \$964.6 billion as this was only an estimation of the Administration's total liability. While the Administration would expend money from its General Revenue Account to meet the annual pension expenditures, a Civil Service Pension Reserve Fund which could cover one year's pension expenses was set up for exclusive use of pension payments in the unlikely event that the Government could not meet its liabilities for pension payment from the General Revenue Account in a given year. At the request of Dr CHIANG,

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SCS undertook to provide a written response on the anticipated time when the Government's liability on pension payments to eligible retired civil servants was expected to reach the peak and the total amount of pensions involved by that time, as well as the age of the oldest retired civil servant who was receiving pension from the Government.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)807/18-19(01) on 26 April 2019.)

Chinese medicine services for civil service eligible persons

21. As regards the provision of \$2,111.1 million for providing medical and dental services for civil service eligible persons, Mr POON Siu-ping asked whether the provision covered any expenditure related to the inclusion of Chinese medicine services as part of the civil service medical benefits. SCS replied that while the Administration would deploy internal resources to explore an appropriate arrangement for providing civil service eligible persons with defined Chinese medicine services as part of the civil service medical benefits, a few new posts would be created in CSB for examining issues related to the eligibility of service users.

Enactment of legislation to prohibit acts of insulting public officers

22. In response to Dr Elizabeth QUAT's enquiry on the progress of enactment of legislation to prohibit acts of insulting public officers, SCS advised that the Security Bureau was studying the issue, including carrying out research on the laws and practices in overseas jurisdictions. The Administration would consider the way forward after taking into account the result of the study. He stressed that the Administration attached great importance to the personal safety of public officers, and had all along through various channels helped them cope with stress at work. In this regard, CSB issued a set of guidelines to B/Ds in March 2018 on helping frontline civil servants understand and respond to verbal violence at work and B/Ds could also devise their own guidelines based on their specific operational needs.

IV. Update on extension of the service of civil servants

(LC Paper No. CB(4)521/18-19(05) -- Administration's paper on the update on extension of the service of civil servants

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LC Paper No. CB(4)521/18-19(06) -- Paper on the update on extension of the service of civil servants prepared by the Legislative Council Secretariat (updated background brief))

23. At the invitation of the Chairman, SCS briefed members on the progress on the implementation of various measures for extending the service of civil servants, as set out in the Administration's paper (LC Paper No. CB(4)521/18-19(05)).

The option to retire at the age of 65 for civilian grades or 60 for disciplined services grades

24. Regarding the initiative of the Administration that serving civil servants who joined the Government between 1 June 2000 and 31 May 2015 ("Eligible Civil Servants") were allowed to choose to retire at the age of 65 (for civilian grades) or 60 (for disciplined services grades) ("the Option"), Mr POON Siu-ping sought information on a breakdown of those who had opted for the Option. SCS advised that as at 16 February 2019, out of some 56 000 Eligible Civil Servants, around 16 000 staff, comprising about 11 400 civilian staff (33% of eligible civilian staff) and 4 500 disciplined services staff (21% of eligible disciplined services staff), had taken the Option.

25. Referring to the cases of disciplined services staff who had chosen to take the Option, Dr Elizabeth QUAT asked how many of them were accepted by the Administration. SCS advised that all of them should be accepted unless there were exceptional circumstances for individual case where allowing the staff to take the Option would prejudice the interest of the public service. The number of such cases would only be known after the end of the Option period, which would fall on 16 September 2020, and after the completion of the relevant assessment.

Retirement age of serving civil servants who joined the Government before 1 June 2000

26. Pointing out that the Government was implementing various measures to encourage longer working years for the general working population, Dr Elizabeth QUAT queried why the Administration did not allow civil servants who joined the Government before 1 June 2000, including disciplined services staff, to opt to retire later. She considered it

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unfair to only give the Option to Eligible Civil Servants. A few disciplined services staff unions/associations had relayed to her that the new initiative was divisive and had adversely affected their morale. She opined that many disciplined services staff at the age of 55 were experienced and still physically fit for duty. In this connection, she strongly urged the Administration to consider granting serving civil servants who joined the Government before 1 June 2000, especially the disciplined services staff, the Option, i.e. to extend their service for five years.

27. Mr POON Siu-ping concurred with Dr Elizabeth QUAT's views and said that many civil servants who joined the Government before 1 June 2000 relayed to him their wish to extend their service beyond retirement age. He called on the Administration to review the new initiative with a view to aligning the retirement age of civil servants with the Government's general policy to raise the retirement age of the general public, and also to respond to the aspirations of serving civil servants.

28. In response to Dr Elizabeth QUAT's request for an update on the labour force forecast, SCS advised that the new initiative was put forward based on the Hong Kong labour force projections, which indicated that the total labour force would reach a peak at 3.68 million in 2021, and then decrease to 3.51 million in 2031. It would then hover around the low level of about 3.50 million until 2038 before decreasing further. According to the projections, the labour force was expected to become critical starting from 2030. Since the majority of the Eligible Civil Servants would reach their current retirement age starting around 2030, the new initiative tied in well with the Administration's goal of expanding the labour force.

29. As to the civil servants appointed before 1 June 2000, SCS advised that the Administration considered it not fully justifiable from the population policy angle to allow them to choose to extend their retirement age. Apart from manpower mismatch, extending their retirement age would also give rise to other management issues such as promotion blockage and lack of healthy turnover. Unlike Eligible Civil Servants who would only reach their existing retirement age some 15 to 25 years later which would allow time for B/Ds to make succession planning in a systematic manner, B/Ds would not have sufficient time to do the same and address the promotion blockage issue if civil servants appointed before 1 June 2000 were allowed to extend their service by five years. As an illustration, SCS said that around 12 000 new recruits were appointed to the civil service in 2017-2018, while around 6 000 to 7 000 serving civil servants retired in the same year. If all retirees were allowed to extend their service for five years, the number of new recruits joining the

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Government would be reduced by as much as about 60%. As such, it would not be conducive to a healthy turnover for the civil service.

30. Notwithstanding the above, SCS said that B/Ds would, having regard to their operational needs, continue to make use of the flexible measures for extending the service of serving civil servants to meet their manpower requirement. Such measures included the Post-retirement Service Contract ("PRSC") Scheme, final extension of service and the adjusted further employment ("FE") mechanism.

31. Dr Elizabeth QUAT disagreed with SCS's view. She believed that with immense experience and expertise, the civil servants appointed before 1 June 2000, either in civilian grades or disciplined services grades, were precious assets to their B/Ds. Their leaving the service at the prevailing retirement age would be a serious talent loss to the Government. She opined that the B/Ds could put in place other administrative arrangements to address the concern on promotion blockage.

Other measures for extending the service of civil servants

32. In response to Dr Elizabeth QUAT's question on the existing mechanism in considering the applications for extending the service of serving civil servants beyond retirement age, SCS advised that individual B/Ds had the flexibility to adopt the three flexible measures as stated in paragraph 30 above having regard to their respective operational and succession planning needs. As for the adjusted FE mechanism, the approving authority had to seek the comments of CSB and the advice of the Public Service Commission (for ranks under its purview) before approving FE. SCS further advised that a total of some 9 900 applications under these flexible measures were approved in the past few years.

33. Noting that only about 2 000 full-time staff were employed by B/Ds under the PRSC Scheme as at June 2018, Dr Elizabeth QUAT asked how this figure compared to the Administration's target number. SCS responded that the Administration did not have any target number as such for staff to be employed under the PRSC Scheme. As long as there were operational needs, individual B/Ds could engage retired/retiring civil servants on contract terms to undertake ad hoc, time-limited, seasonal or part-time tasks that required specific civil service expertise/experience. In reply to Dr QUAT's further question, SCS advised that there was no retirement age set for NCSC staff but B/Ds were given the discretion to decide whether to renew the contract of NCSC staff having regard to the requirements of the positions concerned, such as physical fitness, operational need, etc.

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34. Noting that around 25% of the applications for the final extension of service of serving civil servants beyond retirement age were not approved by the B/Ds concerned as at February 2019, Mr POON Siu-ping sought reasons for the rejections. SCS advised that the applications were rejected mainly due to the relevant B/Ds' operational needs, possible promotion blockage, and performance of individual staff, etc. At the request of Mr POON, SCS undertook to provide a breakdown of the number of applications not approved by individual B/Ds under the final extension of service scheme, with details of the ranks of the staff involved and the reasons for rejections.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)760/18-19(01) on 15 April 2019.)

V. Any other business

35. There being no other business, the meeting ended at 12:20 pm.

Council Business Division 4
Legislative Council Secretariat
29 May 2019