

立法會
Legislative Council

LC Paper No. CB(1)2380/01-02
(These minutes have been seen
by the Administration)

Ref : CB1/BC/12/01

**Bills Committee on
Public Officers Pay Adjustment Bill**

**Minutes of first meeting held on
Wednesday, 12 June 2002 at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon Mrs Selina CHOW LIANG Shuk-ye, JP (Chairman)
Hon James TIEN Pei-chun, GBS, JP
Dr Hon David CHU Yu-lin, JP
Hon Cyd HO Sau-lan
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, JP
Dr Hon LUI Ming-wah, JP
Hon NG Leung-sing, JP
Hon Margaret NG
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching, JP
Hon CHAN Kwok-keung
Hon Bernard CHAN
Hon CHAN Kam-lam
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon Andrew WONG Wang-fat, JP
Dr Hon Philip WONG Yu-hong
Hon Jasper TSANG Yok-sing, JP
Hon Howard YOUNG, JP
Hon YEUNG Yiu-chung, BBS
Hon LAU Chin-shek, JP
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, JP
Hon Michael MAK Kwok-fung
Dr Hon LO Wing-lok

Hon IP Kwok-him, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon MA Fung-kwok

Members attending : Hon CHAN Yuen-han, JP
Hon LAU Ping-cheung

Members absent : Hon LEE Cheuk-yan
Hon Eric LI Ka-cheung, JP
Hon CHOY So-yuk

Public officers attending : Mrs Jessie TING
Deputy Secretary for the Civil Service (2)

Mr Ian WINGFIELD
Law Officer (Civil Law)
Department of Justice

Mr David MORRIS
Deputy Law Draftsman
Department of Justice

Ms Angelina FUNG
Principal Assistant Secretary for the Civil Service (2)

Ms Monica LAW
Senior Assistant Law Draftsman
Department of Justice

Ms Gloria LO
Assistant Secretary for the Civil Service (2)

Clerk in attendance : Miss Salumi CHAN
Chief Assistant Secretary (1)5

Staff in attendance : Mr Jimmy MA
Legal Adviser

Ms Kitty CHENG
Assistant Legal Adviser 5

Ms Rosalind MA
Senior Assistant Secretary (1)9

I. Election of Chairman

Mrs Selina CHOW was elected Chairman of the Bills Committee.

2. The Chairman drew members' attention to Miss CHAN Yuen-han's late application for membership to the Bills Committee. As House Rule 23(b) provided that the Bills Committee should accept such an application only when sufficient grounds had been provided, members considered that Miss CHAN's application should not be accepted. However, Miss CHAN was welcomed to attend Bills Committee meetings and participate in the discussions.

II. Meeting with the Administration

- (LC Paper No. CB(3)673/01-02 — The Bill
Ref: CSBCR/PG/4-085-001/30-3 Pt 4 — The Legislative Council Brief on "2002 Civil Service Pay Adjustment" issued by the Civil Service Bureau
Ref: CSBCR/PG/4-085-001/30-3 Pt 7 — The Legislative Council Brief on "2002 Civil Service Pay Adjustment and Public Officers Pay Adjustment Bill" issued by the Civil Service Bureau
LC Paper No. CB(1)1964/01-02(01) — The speech delivered by the Secretary for the Civil Service in moving the Second Reading of the Bill at the Council meeting on 5 June 2002
LC Paper No. LS 109/01-02 — The Legal Service Division Report
LC Paper No. CB(1)1964/01-02(02) — The Administration's reply dated 10 June 2002 to the Assistant Legal Adviser
LC Paper No. CB(1)1964/01-02(03) — Background brief prepared by the Legislative Council Secretariat
LC Paper No. CB(1)1445/01-02 — An extract from the minutes of the Public Service Panel meeting on 18 March 2002

- LC Paper No. CB(1)1473/01-02 — The Administration's written response to members' concern raised at the Public Service Panel meeting on 18 March 2002
- LC Paper No. CB(1)1823/01-02(03) — "Fact sheet — Information on the Hong Kong Government Service (Levy on Salaries) Ordinances, 1936 and 1937" prepared by the Research and Library Services Division of the LegCo Secretariat
- LC Paper No. CB(1)1883/01-02(01) — Information paper on "Committee of Inquiry under the 1968 Agreement" provided by the Administration to the Public Service Panel)

3. The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

Follow-up actions to be taken by the Administration

4. At the request of members, the Administration undertook to provide the Bills Committee with the following information:

- (a) Precedent(s) in which the Administration's decision had been implemented by one-off legislation and information on the relevant legislation;
- (b) Precedent(s) in which legislation had deprived the employees or other groups in the community of their existing rights and information on the relevant legislation; and
- (c) According to the Administration, in reducing subventions as a result of a civil service pay reduction, the Administration would not require the subvented sector to make similar adjustments to the pay of their staff, and the question of pay for subvented staff was generally a matter between the subvented organizations and their employees. However, in line with the general subvention principle, subvented organizations would have to review whether the remuneration packages for subvented staff remained no better than those for comparable civil service grades after an adjustment of civil service pay. In this connection, the Administration was requested to explain in detail the implications of the Public Officers Pay Adjustment Bill on the subvented sector, in particular in the following aspects:
 - (i) how the subvented organizations could adhere to the subvention

principle mentioned above if they failed to obtain the consent of their staff for pay reduction; and

- (ii) if the subvented staff disagreed with the proposed pay reduction and resorted to termination of contract, how the subvented organizations could meet their claims for compensation or other relief.

(Post-meeting note: The Administration's reply dated 12 June 2002 in relation to paragraph 4(a) and (b) above was circulated to members vide LC Paper No. CB(1)2004/01-02(05) on 14 June 2002. The Administration's response to paragraph 4(c) above was tabled for members' information at the Bills Committee meeting held on 17 June 2002 and then circulated to members vide LC Paper No. CB(1)2004/01-02(04) on 19 June 2002.)

Way forward

5. Members noted that the Administration aimed to resume the Second Reading debate on the Bill on 10 July 2002. The Chairman pointed out that if the debate was to be resumed on that date, the legislative timetable would be as follows:

24 June 2002 (Monday)	Deadline for giving 12 clear days' notice of resumption of Second Reading debate
26 June 2002 (Wednesday)	Issue of the report of the Bills Committee to the House Committee
28 June 2002 (Friday)	House Committee meeting (Presentation of the report of the Bills Committee)
29 June 2002 (Saturday)	Deadline for giving 7 clear days' notice of Committee Stage Amendments
10 July 2002 (Wednesday) (Last Council meeting)	Resumption of Second Reading debate and Third Reading of the Bill

6. In view of the implications of the Bill on the civil service and subvented sector, members welcomed any civil service unions and subvented organizations to attend Bills Committee meetings and to provide the Bills Committee with submissions. They also agreed that the Hong Kong Bar Association and the Law Society of Hong Kong be invited to give views on the Bill.

Meeting schedule

7. In view of the tight legislative timetable mentioned in paragraph 5 above, members agreed to the following meeting schedule:

13 June 2002 (Thursday)	4:30 pm
17 June 2002 (Monday)	4:30 pm
18 June 2002 (Tuesday)	4:30 pm
22 June 2002 (Saturday)	9:00 am to 1:00 pm

(Post-meeting note: As directed by the Chairman, the meeting scheduled for 22 June 2002 was shortened to a two-hour meeting from 11:00 am to 1:00 pm and two more meetings were scheduled for 21 June 2002 (Friday) at about 5:30 pm (immediately following the House Committee meeting) and 25 June 2002 (Tuesday) at 4:30 pm.)

III. Any other business

8. There being no other business, the meeting ended at 1:10 pm.

Legislative Council Secretariat
31 July 2002

**Proceedings of the first meeting of the
Bills Committee on Public Officers Pay Adjustment Bill
on Wednesday, 12 June 2002 at 10:45 am
in Conference Room A of the Legislative Council Building**

Time	Speaker	Subject(s)	Action required
<i>Agenda Item I — Election of Chairman</i>			
000000 - 000247	Mr James TIEN	Election of Chairman	
000247 - 000306	Miss CHAN Yuen-han	Late application for membership to the Bills Committee	
000306 - 000447	Chairman	Welcoming and introductory remarks	
<i>Agenda Item II — Meeting with the Administration</i>			
000447 - 001037	Administration	Briefing by the Administration	
001037 - 001206	Mr James TIEN	Proposal to introduce a general enabling legislation on civil service pay adjustment mechanism to provide the legal framework for implementing upward and downward pay adjustments	
001206 - 001409	Administration	-ditto-	
001409 - 001505	Mr James TIEN	-ditto-	
001505 - 001553	Administration	- ditto -	
001553 - 001743	Mr Albert HO	Justifications for the Bill and precedent(s) in which the Administration's decision had been implemented by one-off legislation	Admin
001743 - 002036	Administration	- ditto -	
002036 - 002140	Mr Albert HO	Objective of the Bill	
002140 - 002200	Chairman	-ditto-	
002200 - 002402	Administration	-ditto-	
002402 - 002558	Miss Margaret NG	Justifications for implementing pay reduction through legislation	
002558 - 002845	Administration	-ditto-	
002845 - 003023	Miss Margaret NG	-ditto-	

Time	Speaker	Subject(s)	Action required
003023 - 003320	Administration	Justifications for implementing pay reduction through legislation	
003320 - 003420	Mr LEUNG Yiu-chung	Impact of pay reduction on staff morale	
003420 - 003523	Administration	- ditto -	
003523 - 003647	Mr LEUNG Yiu-chung	Implementation of pay reduction through legislation would deprive civil servants of their rights under employment contract	
003647 - 004010	Administration	-ditto-	
004010 - 004142	Mr CHEUNG Man-kwong	Proposal to introduce a general enabling legislation on civil service pay adjustment mechanism to provideng the legal framework for implementing upward and downward pay adjustments	
004142 - 004444	Administration	-ditto-	
004444 - 004546	Mr CHEUNG Man-kwong	-ditto-	
004546 - 004706	Administration	-ditto-	
004706 - 004711	Mr CHEUNG Man-kwong	-ditto-	
004711 - 004740	Administration	- ditto -	
004740 - 005017	Mr Howard YOUNG	-ditto-	
005017 - 005150	Administration	- ditto -	
005150 - 005220	Mr Howard YOUNG	Operation of the existing civil service pay adjustment mechanism	
005220 - 005248	Administration	- ditto -	
005248 - 005320	Chairman	-ditto-	
005320 - 005428	Mr LAU Chin-shek	Legal basis for the Administration to implement pay reduction unilaterally and whether pay reduction through legislation would contravene Article 8 of C151 Labour Relations (Public Service) Convention, 1978 and Article 39 of the Basic Law	
005428 - 005828	Administration	- ditto -	

Time	Speaker	Subject(s)	Action required
005828 - 005951	Mr LAU Chin-shek	The Chief Executive's decision relating to the appointment of a Committee of Inquiry	
005951 - 010215	Administration	- ditto -	
010215 - 010231	Mr LAU Chin-shek	- ditto -	
010231 - 010255	Chairman	- ditto -	
010255 - 010410	Administration	- ditto -	
010410 - 010519	Mr CHAN Kwok-keung	Justifications for implementing pay reduction through legislation	
010546 - 010828	Administration	-ditto-	
010828 - 011029	Miss CHAN Yuen-han	Negotiation with staff on pay adjustment and appointment of an independent Committee of Inquiry for settlement of disputes in pay adjustment	
011029 - 011143	Administration	-ditto-	
011143 - 011251	Miss CHAN Yuen-han	-ditto-	
011251 - 011316	Administration	-ditto-	
011316 - 011411	Miss CHAN Yuen-han	-ditto-	
011411 - 011527	Administration	- ditto -	
011527 - 011637	Miss CHAN Yuen-han	- ditto -	
011637 - 011813	Administration	- ditto -	
011813 - 011917	Ms LI Fung-ying	Justifications for implementing pay reduction through legislation	
011917 - 012043	Administration	- ditto -	
012043 - 012131	Ms LI Fung-ying	-ditto-	
012131 - 012150	Chairman	- ditto -	
012150 - 012241	Administration	- ditto -	
012241 - 012350	Dr LUI Ming-wah	Reasons for not setting a retrospective effective date for the implementation of pay reduction as in the case of pay increase in the past	
012350 - 012444	Administration	- ditto -	
012444 - 012456	Dr LUI Ming-wah	- ditto -	
012456 - 012604	Administration	- ditto -	
012604 - 012853	Mr NG Leung-sing	Review and modification of the existing pay adjustment	

Time	Speaker	Subject(s)	Action required
		mechanism to make it more responsive to changes in the economic climate	
012853 - 012909	Chairman	Review and modification of the existing pay adjustment mechanism to make it more responsive to changes in the economic climate	
012909 - 012944	Mr NG Leung-sing	-ditto-	
012944 - 013003	Administration	Review of civil service pay policy and system	
013003 - 013028	Mr NG Leung-sing	- ditto -	
013028 - 013118	Administration	- ditto -	
013118 - 013133	Chairman	-ditto-	
013133 - 013200	Administration	-ditto-	
013200 - 013521	Mr Michael MAK	Justifications for implementing pay reduction through legislation	
013521 - 013655	Administration	- ditto -	
013655 - 013744	Mr Michael MAK	- ditto -	
013744 - 013755	Chairman	-ditto-	
013755 - 013826	Mr Michael MAK	-ditto-	
013826 - 013837	Administration	- ditto -	
013837 - 013918	Mr YEUNG Yiu-chung	Measures to tackle possible disagreements on pay reduction between employers and employees of the subvented organizations	
013918 - 014041	Administration	- ditto -	
014041 - 014058	Mr YEUNG Yiu-chung	-ditto-	
014058 - 014201	Administration	-ditto-	
014201 - 014555	Ms Emily LAU	Whether the implementation of civil service pay reduction by legislation would deprive civil servants of the right to claim for compensation, damages or other relief	
014555 - 014606	Administration	-ditto-	
014606 - 014623	Chairman	-ditto-	
014623 - 014717	Clerk	-ditto-	
014717 - 014737	Chairman	-ditto-	

Time	Speaker	Subject(s)	Action required
014737 - 014854	Ms Emily LAU	-ditto-	
014854 - 015107	LA	Whether the implementation of civil service pay reduction by legislation would deprive civil servants of the right to claim for compensation, damages or other relief	
015107 - 015122	Ms Emily LAU	-ditto-	
015122 - 015143	LA	-ditto-	
015143 - 015212	Ms Emily LAU	-ditto-	
015212 - 015400	Administration	Precedent(s) of legislation which deprived groups of the community of their existing rights	
015400 - 015417	Ms Emily LAU	Request for information on precedent(s)	
015417 - 015424	Chairman	-ditto-	
015424 - 015503	Administration	- ditto -	
015503 - 015513	Ms Emily LAU	-ditto-	
015513 - 015545	Chairman	- ditto -	Admin
015545 - 015607	Ms Emily LAU	Consider pay freeze instead of pay reduction	
015607 - 015705	Administration	- ditto -	
015705 - 020018	Mr Andrew WONG	Impact of the civil service pay reduction on the remuneration packages for subvented staff	
020018 - 020234	Administration	- ditto -	
020234 - 020327	Mr Andrew WONG	-ditto-	
020327 - 020405	Administration	- ditto -	
020405 - 020439	Chairman	- ditto -	
020439 - 020521	Administration	-ditto-	Admin
020521 - 020555	Chairman	-ditto-	
020555 - 020628	Miss Margaret NG	-ditto-	
020628 - 020755	Administration	- ditto -	
020755 - 020947	Mr Bernard CHAN	The Administration's plan in case of failure in enactment of the Bill	
020947 - 021006	Administration	- ditto -	
021006 - 021229	Chairman	Legislative timetable	
021229 - 021239	Miss Margaret NG	Invitation of views on the Bill	

Time	Speaker	Subject(s)	Action required
021239 - 021301	Chairman	-ditto-	
021301 - 021318	Administration	- ditto -	
021318 - 021406	Chairman	Invitation of views on the Bill	
021406 - 021432	Administration	- ditto -	
021432 - 021440	Chairman	- ditto -	
021440 - 021455	Mr Andrew WONG	- ditto -	
021455 - 021504	Chairman	Meeting schedule	
021504 - 021512	Mr LAU Chin-shek	- ditto -	
021512 - 022149	Chairman	- ditto -	

Note: The audio records of the above proceedings are kept at the Legislative Council Library

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31 July 2002