

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2399/01-02  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/12/01

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

**Minutes of third meeting held on  
Monday, 17 June 2002 at 4:30 pm  
in the Chamber 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 Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon Eric LI Ka-cheung, 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 Jasper TSANG Yok-sing, JP  
Hon Howard YOUNG, JP  
Hon LAU Chin-shek, JP  
Hon Emily LAU Wai-hing, JP  
Hon LI Fung-ying, JP  
Hon Michael MAK Kwok-fung  
Hon IP Kwok-him, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon MA Fung-kwok

**Members absent** : Hon Cyd HO Sau-lan  
Hon LEE Cheuk-yan  
Hon Andrew WONG Wang-fat, JP  
Dr Hon Philip WONG Yu-hong  
Hon YEUNG Yiu-chung, BBS  
Hon CHOY So-yuk  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, JP  
Dr Hon LO Wing-lok

**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

Mr Stanley YING  
Deputy Secretary for the Treasury (1)

Ms Bernadette LINN  
Principal Assistant Secretary for the Treasury (B)

Mrs Cherry TSE  
Deputy Secretary for Education and Manpower (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

Miss Kitty CHENG  
Assistant Legal Adviser 5

Ms Rosalind MA  
Senior Assistant Secretary (1)9

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Action

**I. Meeting with the Administration**

- (LC Paper No. CB(1)2004/01-02(01) — “Follow-up to the first meeting on 12 June 2002” prepared by the Legislative Council Secretariat
- LC Paper No. CB(1)2004/01-02(02) — “Follow-up to the second meeting on 13 June 2002” prepared by the Legislative Council Secretariat
- LC Paper No. CB(1)2004/01-02(03) — Submission dated 13 June 2002 from the Convenor of the Heads of Universities Committee
- LC Paper No. CB(1)2004/01-02(04) — Paper provided by the Administration on “2002 Civil Service Pay Adjustment: Impact on subvented sector”
- LC Paper No. CB(1)2004/01-02(05) — Paper provided by the Administration)

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

Follow-up action to be taken by the Administration

2. Members noted the booklet entitled “Guidelines on what to do if wage reduction and retrenchments are unavoidable” tabled at the meeting by the Administration. Members sought clarification from the Administration on sections 2.3 and 2.6 of the Guidelines, which provided that it was an offence for employers to unilaterally introduce wage reductions without securing their employees’ agreement. The Law Officer (Civil Law) of the Department of Justice advised that under the Employment Ordinance (Cap. 57), any variation of the contract of employment would be an offence if such variation was not made in accordance with the provisions of the Ordinance. Variation of contract was allowed under the Employment Ordinance if this was made for valid reasons set out in section 32K of the

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Ordinance. In view of the Administration's advice, members saw the need to review sections 2.3 and 2.6 of the Guidelines to reflect the provisions of the Ordinance more accurately. The Deputy Secretary for the Treasury (1) undertook to reflect members' views to the Labour Department.

Date of next meeting

3. Members noted that the fourth meeting of the Bills Committee would be held on Tuesday, 18 June 2002 at 4:30 pm and that representatives of the four central consultative councils, major civil service unions and Law Society of Hong Kong would attend the meeting.

**II. Any other business**

4. There being no other business, the meeting ended at 7:10 pm.

Legislative Council Secretariat

2 August 2002

**Proceedings of the third meeting of the  
Bills Committee on Public Officers Pay Adjustment Bill  
on Monday, 17 June 2002 at 4:30 pm  
in the Chamber of the Legislative Council Building**

Time	Speaker	Subject(s)	Action required
<i>Agenda Item I — Meeting with the Administration</i>			
000000 - 000412	Chairman	Welcoming and introductory remarks	
000412 - 001216	Administration	Briefing on the precedents where  (a) the Administration's decision was implemented by one-off legislation ; and  (b) the legislation enacted had deprived the employees or other groups in the community of their existing rights	
001216 - 001239	Mr LAU Chin-shek	Impact of civil service pay reduction on the subvented sector	
001239 - 001300	Chairman	-ditto-	
001300 - 001452	Ms Audrey EU	Precedents where  (a) the Administration's decision was implemented by one-off legislation ; and  (b) the legislation enacted had deprived the employees or other groups in the community of their existing rights	
001452 - 001659	Administration	-ditto-	
001659 - 001813	Ms Audrey EU	-ditto-	

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
001813 - 001942	Administration	-ditto-	
001942 - 002245	Miss Margaret NG	Whether legislation was the only means of implementing civil service pay reduction	
002245 - 002341	Administration	-ditto-	
002341 - 002357	Miss Margaret NG	-ditto-	
002357 - 002406	Administration	-ditto-	
002406 - 002524	Miss Margaret NG	Reasons why the variation clause in the Memorandum on Conditions of Service (MOCS) applicable to civil servants was not sufficient for enabling the Government to implement civil service pay reduction unilaterally	
002524 - 002547	Administration	-ditto-	
002547 - 002556	Miss Margaret NG	-ditto-	
002556 - 002602	Administration	-ditto-	
002602 - 002648	Miss Margaret NG	-ditto-	
002648 - 002712	Administration	-ditto-	
002712 - 002722	Miss Margaret NG	-ditto-	
002722 - 002925	Administration	-ditto-	
002925 - 003002	Chairman	Whether legislation was the only means of implementing civil service pay reduction	
003002 - 003013	Administration	-ditto-	
003013 - 003142	Ms Emily LAU	Precedents where the legislation enacted had deprived the employees or other groups in the community of their existing rights	
003142 - 003339	Administration	-ditto-	
003339 - 003517	Ms Emily LAU	Implementation of pay reduction through legislation would deprive civil servants of their rights under employment contract	
003517 - 003615	Administration	Decision of pay reduction was made in accordance with the existing pay adjustment	

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		mechanism	
003615 - 003624	Ms Emily LAU	Appointment of a Committee of Inquiry to handle the pay adjustment disputes	
003624 - 003824	Mr Albert HO	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	
003824 - 003920	Administration	-ditto-	
003920 - 003941	Mr Albert HO	-ditto-	
003941 - 004050	Mr LAU Chin-shek	Justifications for implementing pay reduction through legislation	
004050 - 004155	Administration	-ditto-	
004155 - 004231	Mr LAU Chin-shek	-ditto-	
004231 - 004400	Administration	-ditto-	
004400 - 004630	Miss Margaret NG	Whether pay reduction implemented through legislation would contravene Articles 6, 100 and 105 of the Basic Law	
004630 - 004707	Administration	-ditto-	
004707 - 004738	Chairman	-ditto-	
004738 - 004930	Administration	-ditto-	
004930 - 005121	Miss Margaret NG	-ditto-	
005121 - 005237	Administration	-ditto-	
005237 - 005258	Miss Margaret NG	-ditto-	
005258 - 005350	Administration	-ditto-	
005350 - 005530	Mr James TIEN	Effectiveness of the existing civil service pay adjustment mechanism	
005530 - 005630	Administration	-ditto-	
005630 - 005735	Mr HUI Cheung-ching	Justifications for implementing pay reduction through legislation	
005735 - 005806	Administration	-ditto-	
005806 - 005858	Mr IP Kwok-him	Whether pay reduction	

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		implemented through legislation would contravene Article 100 of the Basic Law	
005858 - 005958	Administration	Whether pay reduction implemented through legislation would contravene Article 100 of the Basic Law	
005958 - 010016	Mr IP Kwok-him	-ditto-	
010016 - 010152	Administration	-ditto-	
010152 - 010256	Ms Audrey EU	Whether the decision of pay reduction was made in accordance with the existing pay adjustment mechanism	
010256 - 010318	Chairman	-ditto-	
010318 - 010323	Ms Audrey EU	-ditto-	
010323 - 010417	Chairman	-ditto-	
010417 - 010929	Administration	Impact of civil service pay reduction on the subvented sector	
010929 - 011135	Mr LAU Chin-shek	Difficulties encountered by subvented organizations in implementing pay reduction	
011135 - 011314	Administration	-ditto-	
011314 - 011329	Mr LAU Chin-shek	-ditto-	
011329 - 011420	Administration	-ditto-	
011420 - 011430	Mr LAU Chin-shek	-ditto-	
011430 - 011455	Administration	-ditto-	
011455 - 011656	Ms Emily LAU	-ditto-	
011656 - 012029	Administration	-ditto-	
012029 - 012137	Ms Emily LAU	-ditto-	
012137 - 012336	Administration	-ditto-	
012336 - 012347	Ms Emily LAU	-ditto-	
012347 - 012630	Administration	-ditto-	
012630 - 012832	Mr CHEUNG Man-kwong	-ditto-	
012832 - 013218	Administration	-ditto-	
013218 - 013335	Mr CHEUNG Man-kwong	-ditto-	
013335 - 013422	Administration	-ditto-	
013422 - 013526	Mr CHEUNG Man-kwong	-ditto-	
013526 - 013745	Administration	-ditto-	
013745 - 013947	Mr Michael MAK	Impact of civil service pay	



Time	Speaker	Subject(s)	Action required
		reduction on the provision of services by the subvented organizations	
013947 - 014242	Administration	Impact of civil service pay reduction on the provision of services by the subvented organizations	
014242 - 014500	Mr Michael MAK	-ditto-	
014500 - 014835	Administration	-ditto-	
014835 - 015004	Mr LEUNG Yiu-chung	Whether employers in the subvented sector would be forced to act against the law by altering the terms of employment contracts unilaterally	
015004 - 015210	Administration	-ditto-	
015210 - 015230	Chairman	-ditto-	
015230 - 015300	Administration	-ditto-	
015300 - 015552	Mr LEUNG Yiu-chung	-ditto-	
015552 - 015621	Administration	-ditto-	
015621 - 015700	Mr LEUNG Yiu-chung	-ditto-	
015700 - 015752	Administration	-ditto-	
015752 - 015838	Mr LEUNG Yiu-chung	-ditto-	
015838 - 015955	Administration	-ditto-	
015955 - 020427	Mr Eric LI	Difficulties encountered by subvented organizations in implementing pay reduction	
020427 - 020815	Administration	-ditto-	
020815 - 020844	Mr Eric LI	-ditto-	
020844 - 021008	Administration	-ditto-	
021008 - 021308	Mr James TIEN	Possibility for the Administration to offer tide over financial assistance to subvented organizations to meet their need for termination compensation to staff who refused to give consent to pay reduction	
021308 - 021529	Administration	-ditto-	

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
021529 - 021615	Chairman	-ditto-	
021615 - 021710	Mr James TIEN	-ditto-	
021710 - 021805	Mr Howard YOUNG	Difficulties encountered by subvented organizations in implementing pay reduction	
021805 - 021842	Chairman	-ditto-	
021842 - 021948	Administration	Difficulties encountered by subvented organizations in implementing pay reduction	
021948 - 022038	Mr Howard YOUNG	-ditto-	
022038 - 022105	Chairman	-ditto-	
022105 - 022152	Administration	-ditto-	
022152 - 022204	Mr Howard YOUNG	-ditto-	
022204 - 022252	Administration	-ditto-	
022252 - 022416	Ms Audrey EU	Impact of civil service pay reduction on the remuneration packages of subvented staff	
022416 - 022428	Chairman	-ditto-	
022428 - 022512	Administration	-ditto-	
022512 - 022534	Ms Audrey EU	-ditto-	
022534 - 022601	Administration	-ditto-	
022601 - 022838	Mr IP Kwok-him	Proposed improvements in the write-up of Section 2.3 and 2.6 of the "Guidelines on what to do if wage reductions and retrenchments are unavoidable" published by the Labour Department	
022838 - 022944	Chairman	-ditto-	
022944 - 023108	Administration	-ditto-	Admin
023108 - 023140	Mr IP Kwok-him	-ditto-	
023140 - 023218	Chairman	Date of next meeting	

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

Legislative Council Secretariat

2 August 2002