

**Response and Summary of Follow-up Actions Taken in respect of
the Motions Passed at the Finance Committee Meeting on 6 July 2007**

<u>Paper</u>	<u>Motion Passed</u>
EC(2007-08)7	<i>"That this Committee urges that the Government should provide subvented organizations with sufficient funding for raising the entry pay points of their staff to uphold the principle of "equal pay for equal work" and to avoid widening the salary gap between civil servants and staff members of subvented organizations, and monitor such organizations so that they should use the funding entirely for raising the entry pay points of their staff; and forwards the detailed minutes of today's meeting of this Committee to the Chief Executive and all members of the Standing Commission on Civil Service Salaries and Conditions of Service for their consideration."</i>

Response and Summary of Follow-up Actions Taken

As explained at the Finance Committee meeting on 6 July 2007, relevant policy bureaux are discussing with the subvented organisations under their purview on the additional funding to be provided, having regard to the terms of the relevant subvention agreement and the amount of subvention reduction made in connection with the downward revision of starting salaries for the civil service in April 2000. Since the salary structures of staff in most of the subvented organisations other than those in the aided school sector have been delinked from the pay scales of the civil service, most of the subvented organisations concerned have the discretion to decide on its own the remuneration packages for their staff having regard to their own circumstances.

In the light of Members' concerns, we have advised all permanent secretaries and heads of departments that, in making available additional allocation to subvented organisations under their purview, they should remind the organisation concerned that such allocation is meant for salary adjustment for their staff only.

<u>Paper</u>	<u>Motion Passed</u>
EC(2007-08)27	<i>"That this Committee urges that the Government should monitor subvented organizations to ensure that the organizations concerned will use the funding for pay adjustments entirely on the pay of their employees, which should be implemented in accordance with the principle of "equal pay for equal work"."</i>

Response and Summary of Follow-up Actions Taken

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<u>Paper</u>	<u>Motion Passed</u>
EC(2007-08)27	<i>"That this Committee requests that the Government, when adjusting civil service pay, should require all government departments to make the same adjustments to the pay of the 16 000 non-civil service contract staff so as to materialize the principle of "equal pay for equal work"."</i>

Response and Summary of Follow-up Actions Taken

Civil service and non-civil service contract (NCSC) appointments are two distinct types of employment, and the purposes and circumstances of employment are entirely different. As such, it would not be appropriate to compare their terms and conditions of employment. Therefore, the recent civil service pay adjustments, as with the previous adjustments, should not

automatically lead to a corresponding adjustment to the pay for NCSC staff.

Heads of Departments are given the authority to engage NCSC staff having regard to their operational needs and the ambit of the NCSC Staff Scheme. They are also vested with the authority to review and determine remuneration of their NCSC staff as they consider appropriate taking into account the employment market, recruitment situation and staff retention needs, cost of living as well as other relevant factors, and subject to the pay offered not exceeding the mid-point salaries of comparable civil service ranks or ranks of comparable level of responsibilities. In view of the recent civil service pay adjustments, we have issued detailed guidelines to HoDs and reiterated the aforesaid principles in determining the pay for NCSC staff.