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Finance Committee of the Legislative Council

**Minutes of the 24th meeting
held at the Legislative Council Chamber
on Monday, 14 July 2008, at 2:30 pm**

Members present:

Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHAN Yuen-han, SBS, JP
Hon Bernard CHAN, GBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum, JP
Hon LAU Chin-shek, JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon CHOY So-yuk, JP

Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Kwok-hing, MH
Dr Hon Joseph LEE Kok-long, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon Fernando CHEUNG Chiu-hung
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KWONG Chi-kin
Hon TAM Heung-man
Hon Mrs Anson CHAN, GBM, JP

Members absent:

Hon Albert HO Chun-yan
Hon CHEUNG Man-kwong
Hon SIN Chung-kai, SBS, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon LEE Wing-tat
Hon LI Kwok-ying, MH, JP
Hon Daniel LAM Wai-keung, SBS, JP
Dr Hon KWOK Ka-ki
Hon CHEUNG Hok-ming, SBS, JP
Hon CHIM Pui-chung
Hon Albert Jinghan CHENG, JP

Public officers attending:

Professor K C CHAN, SBS, JP

Secretary for Financial Services and the
Treasury

Mr Stanley YING, JP

Permanent Secretary for Financial Services
and the Treasury (Treasury)

Miss Amy TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr YUE Chi-hang, JP	Director of Architectural Services
Mrs Ingrid YEUNG	Deputy Secretary for Food and Health (Health) 2
Mr Bruno LUK Kar-kin	Principal Assistant Secretary for Food and Health (Health) 3
Mr Stephen SUI	Commissioner for Rehabilitation Labour and Welfare Bureau
Mrs Cecilia YUEN	Assistant Director of Social Welfare (Rehabilitation and Medical Social Services)
Dr AU Si-yan	Service Director (Community Care) Hospital Authority
Dr Raymond CHEN	Chief Manager (Strategy and Service Planning) Hospital Authority
Miss Denise YUE, GBS, JP	Secretary for the Civil Service
Mr Andrew WONG, JP	Permanent Secretary for the Civil Service
Mr Chris SUN	Acting Deputy Secretary for the Civil Service 2

Clerk in attendance:

Mrs Constance LI	Assistant Secretary General 1
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Staff in attendance:

Miss Becky YU	Chief Council Secretary (1)1
Mrs Mary TANG	Senior Council Secretary (1)2
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

The Chairman said that the current meeting was held to deal with the agenda items carried over from the last meeting on 8 July 2008, and that any items not dealt with at this meeting would be carried over to the next meeting to be held immediately after the current meeting at 4:35 pm.

Item No. 2 - FCR(2008-09)35

RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 4, 13, 18 and 20 JUNE 2008

PWSC(2008-09)18 299EP A 24-classroom primary school in Area 55, Tuen Mun

300EP A 30-classroom primary school in Area 55, Tuen Mun

PWSC(2008-09)35 267ES Conversion of a primary school premises in Area 104, Tin Shui Wai to support reprovisioning of a secondary school

2. The Chairman advised that Miss CHAN Yuen-han and Ms Emily LAU had withdrawn their requests for the attendance of relevant public officers to answer questions on PWSC(2007-08)18 and 35 respectively. The Chairman then put PWSC(2007-08)18 and 35 to the vote. The Committee approved the proposals.

PWSC(2008-09)24 66MM Provision of a general out-patient clinic, an integrated community mental health support services centre and a long stay care home in Tin Shui Wai Area 109

Item No. 3 - FCR(2008-09)36

LOTTERIES FUND

HEAD 341 – NON-RECURRENT GRANTS

♦ Subhead 035 Architectural Services Department

3. As PWSC(2008-09)24 and FCR(2008-09)36 were inter-related, the Chairman proposed and members agreed to discuss these proposals together.

4. The Chairman informed members that the Panel on Welfare Services was consulted on FCR(2008-09)36 regarding the proposed provision of a general out-patient clinic (GOPC), an integrated community mental health support services centre (ICMHSSC) and a long stay care home (LCSH) in Tin Shui Wai (TSW) Area 109, at the Panel's meeting on 14 April 2008.

5. Dr Fernando CHEUNG, Chairman of the Welfare Services Panel, said that the Panel would support the proposal although it had only been able to have a brief discussion of the proposal.

Location of the joint-user complex

6. Mr WONG Kwok-hing noted that there was concern about the close proximity of the proposed ICMHSSC and LCSH to residential developments. He asked if consideration could be given to swapping the project site with the adjacent one reserved for Government/Institutions/Community (GIC) uses. The Deputy Secretary for Food and Health (Health) 2 (DSFH(H)2) advised that the proposed construction of a joint-user complex for the provision of primary health care and welfare services aimed at optimizing the land use of the site. Any changes to the plan at this stage, for example, swapping the project site with the adjacent GIC site which would require rezoning of land uses, might affect the timely delivery of these services. Besides, the adjacent site might have been earmarked for other purposes. The Assistant Director of Social Welfare (Rehabilitation and Medical Social Services) (AD(R&MSS)) added that with the housing of relevant community mental health support services under one roof, and delivery of such services by a single service operator, the proposed ICMHSSC aimed at providing one-stop integrated community mental health care services to the needy. Meanwhile, the additional places to be provided by LSCH for discharged chronic mental patients in the territory would reduce the waiting time.

7. Ms Emily LAU and Mr Albert CHAN enquired about the steps taken by the Administration to resolve local objection against the provision of ICMHSSC and LSCH. AD(R&MSS) said that the Social Welfare Department had maintained dialogue with the concerned parties, including the relevant district council, to address their concerns. The assessment on the implications for students attending schools in the vicinity associated with the provision of ICMHSSC and LSCH was also found to be acceptable.

8. Mr WONG Kwok-hing opined that the proposed provision of a GOPC, an ICMHSSC and a LCSH in TSW Area 109 could not meet the demand of residents, and that there was a pressing need for a general hospital in TSW. DSFH(H)2 reiterated the Government's pledge for providing a general hospital in TSW. The planning for the hospital was already in progress, and funding approval from the Finance Committee (FC) would be sought in due course. Mr LEUNG Yiu-chung enquired about the choice of site for the general hospital in TSW. DSFH(H)2 said that efforts were being made to identify a suitable location within TSW for the hospital. Mr WONG enquired whether the GIC site adjacent to the joint-user complex could be earmarked for the general hospital. DSFH(H)2 said that she would need to find out from the Planning Department whether there were any planned uses for the adjacent GIC site. A written reply would be provided for members' reference after the meeting.

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Services provided at the joint-user complex

9. Mr Albert CHAN noted that the long-awaited joint-user complex would provide one-stop medical/social/community services to residents in TSW North so that they needed not commute to Tuen Mun or Yuen Long for such services. Apart

from mental health support services, he asked whether support services for the elderly as well as other social welfare services could also be included in the complex. DSFH(H)2 said that to cater for the needs of residents in the district for specialist and allied health professional services, the Administration planned to provide an integrated clinic and a community multi-specialty clinic together with the proposed GOPC. The former would provide family medicine, gynecologist, paediatric and community health services, as well as psychiatric treatment, while the latter would provide physiotherapist, occupational therapist, prosthetic, dietetic services, etc. AD(R&MSS) said that the provision of ICMHSSC and LSCH was meant to provide one-stop integrated community mental health support services so that users could acquire such services at a single centre. The proposed LSCH alone would take up two floors of the complex. Given the many social problems in TSW, Mr CHAN was disappointed that the joint-user complex, which had been planned and discussed for so many years, had failed to provide the much needed social welfare services to address the special needs of TSW residents, particularly the elderly. Consideration should be given to constructing additional floors in the complex to serve such purposes.

10. Noting there were about 550 persons on the waiting list for LSCH places and the average waiting time was 35 months, Ms Emily LAU asked how the additional 75 LSCH places to be provided under the project could help alleviate the situation. AD(R&MSS) said that apart from the 75 LSCH places in TSW 109, funding approval would be sought for the provision of another 100 LSCH places in 2008-2009. With the proposed additional LSCH places, it was expected that the waiting time would be further reduced. Meanwhile, other community support services would be provided to these persons awaiting LSCH places during the interim.

Funding allocation

11. While agreeing that the proposed project would provide the much needed general outpatient (GOP) and mental support services in the TSW area, Dr Fernando CHEUNG questioned the rationale for using the Lotteries Fund (LF) rather than the Capital Works Reserve Fund (CWRP) for meeting the expenses on the design and construction of ICMHSSC and LSCH. As the proposed allocation of \$156.8 million from LF would be equivalent to about one half of the total allocation from the Fund in 2007-2008, he was concerned that this would deplete the Fund resulting in less resources for allocation to other LF applications. Mr LEUNG Yiu-chung shared similar concern.

12. In response, the Commissioner for Rehabilitation explained that LF was set up in 1965 for the purpose of providing funding for development of social welfare services and projects. The main source of funding was from Mark Six lotteries. The costs for design and construction of ICMHSSC and LSCH were within the ambit of LF. The Permanent Secretary for Financial Services and the Treasury (Treasury) (PS(Tsy)) said that both LF and CWRP could provide public funds for the financing of welfare services and projects. AD(R&MSS) added that LF was one of the established sources of funding for capital projects. The Lotteries Fund Advisory Committee endorsed at its meeting on 15 May 2008 the allocation of \$156.8 million

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to meet the capital costs for designing ICMHSSC and LSCH. She said that while the Financial Secretary had the authority to approve payments from LF to finance the development of social welfare services, FC approval was required for any proposal that had recurrent financial implications exceeding \$10 million. At members' request, the Administration agreed to provide a paper explaining the rationale for using LF rather than CWRP to meet the costs for design and construction of ICMHSSC and LSCH.

13. Mrs Anson CHAN said she was not convinced that the project should be funded by LF and not by the Government. She commented that LF was established mainly to support pilot projects and projects undertaken by non-governmental organizations. LF could also finance those projects for which funding was not readily available from the Government. However, since the proposed funding of \$156.8 million to meet part of the costs of the project already represented a sizeable portion of funds under LF, she considered that the project should be wholly funded by the Government in view of the fiscal surplus. Expressing similar concern, Dr Fernando CHEUNG noticed that there was an increasing trend of resorting to LF to finance public projects. Given the sound fiscal condition of the Government, he did not see the need to use funds under LF for financing Government projects. PS(Tsy) reiterated that LF had been used to fund many welfare projects in the past. The amount of allocations from LF to meet these projects varied from year to year, and its annual income amounted to about \$1.7 billion a year.

Delivery of project

14. Dr Fernando CHEUNG said that the users were often not consulted on the design of health support service centres and care homes. When Social Welfare Department took over the facilities on completion, the service providers concerned would often have to make changes to the activities to cater for their individual needs, resulting in much delay in the provision of services. In order to expedite the entire process, he considered it necessary for the service provider to be consulted on the design of the project at the early planning stage. He also enquired about the time frame for delivery of the project, and when services could be made available. AD(R&MSS) said that the joint-user complex was expected to be completed by 2012-2013. A lead time of about one year would be required for allocating the project to a non-governmental organization taker. Nevertheless, efforts would be made to streamline the preparatory arrangements e.g. drawing up service specification and procedures with a view to reducing the lead time. Separate funding for furniture and equipment would be sought from LF.

Retention of GOPC in Tin Wah Estate

15. Noting that a review of the need to retain GOPC in Tin Wah Estate would be conducted after the opening of the proposed GOPC at TSW, Ms Emily LAU enquired what considerations would be taken into account for the retention. In this connection, the Chairman also drew members' attention to a submission from Mr CHEUNG Hok-ming regarding residents' request for retention of GOPC in Tin

Wah Estate to meet the high demand for GOP services in the district. DSFH(H)2 said that the services to be provided by the proposed GOPC should be able to meet the anticipated demand for GOP services in TSW, despite the growth in its population. Nevertheless, the actual demand would be further assessed in late 2012 upon completion of the project, to ascertain whether the demand for GOP services in the TSW area could be met entirely.

16. The Chairman put PWSC(2007-08)18 and FCR(2008-09)37 to the vote. The Committee approved the proposal.

Item No. 4 - FCR(2008-09)37

2008-09 CIVIL SERVICE PAY ADJUSTMENT

17. The Chairman informed members that the Panel on Public Services (PS Panel) was consulted on the proposal at its meeting on 16 June 2008.

18. Mr Howard YOUNG, Chairman of the PS Panel, said that the following concerns were raised when the proposed civil service pay adjustment was discussed by the Panel at its meeting on 16 June 2008 -

- (a) the alignment of the pay adjustment for the lower salary band civil servants to the net pay trend indicators of the middle salary band civil servants in the past two years might lead to a pay cut for junior civil servants, if the next Pay Level Survey to be conducted in 2012 revealed a differential between these civil servants and their counterparts in the private sector. The stability of the civil service should be taken into account in determining the pay adjustment level for civil servants, and efforts should be made to avoid a higher pay adjustment for senior officers than that for junior officers;
- (b) non-civil service contract (NCSC) staff should receive an upward pay adjustment in line with their counterparts in the civil service, which should take effect on 1 April 2008;
- (c) funds allocated to subvented organizations for making staff pay adjustments should be used for the designated purposes only and not any other purposes; and
- (d) there was a need to develop an institutional framework and a mechanism for the determination of judicial remuneration.

Civil service pay adjustment

19. Dr Fernando CHEUNG held the view that civil servants on the directorate pay scales and in the upper salary band should receive a lower pay increase than those in

the middle and lower salary bands, in order to narrow the gap between upper and lower salary bands. He did not consider it necessary for the pay scales of the civil service to conform to pay trends in the private sector. In response, the Secretary for the Civil Service (SCS) explained that the Government's policy was to offer remuneration sufficient to attract, retain and motivate staff of a suitable calibre to provide the public with an effective and efficient service. Such remuneration should be regarded as fair by both civil servants and the public they served. Although the salary structure of the civil service was not the same as that practiced in the private sector, the Government considered that broad comparability with the private sector should be an important factor in setting civil service pay.

20. Mr WONG Kwok-hing enquired about the feasibility of applying a pay increase of 6.30% across the board to all civil servants irrespective of their grades, in order to boost the morale of the entire civil service. Miss CHAN Yuen-han echoed that civil servants in the middle and lower salary bands should receive the same pay adjustment as that for the upper salary bands. She considered that with rising living costs, civil servants in the middle and lower salary bands were striving hard to make their ends meet, and they should therefore be given a higher pay adjustment. SCS explained that in deciding on the pay offers to be made to the staff sides, the Chief Executive-in-Council (CE-in-Council) would have regard to six factors, one of which would be the state of the civil service morale. Under the improved civil pay adjustment mechanism, a pay level survey would be conducted every six years to ascertain whether civil service pay was broadly comparable with private sector pay. In the light of the outcome of the 2008 Pay Trend Survey and having regard to all relevant considerations, CE-in-Council had decided to increase the pay for civil servants in the middle and lower salary bands by 5.29%, and that for civil servants on the directorate pay scales and in the upper salary bands by 6.30%. The staff sides of the four central consultative councils had been consulted on the proposed pay adjustments.

21. Ms Emily LAU enquired about the number of directorate officers whose ranks were pitched at D9 and D10 of the directorate pay scale. SCS said that while the directorate pay scale had provided for the two ranks of D9 and D10, this was only academic as there was currently no directorate post pitched at the D9 or D10 rank. At present, the most senior civil servant posts, namely those occupied by Permanent Secretaries of Bureau, were pitched at the D8 rank. Ms LAU held the view that if there was no directorate officer whose rank was pitched at D9 or D10, these salary points should be removed from the directorate pay scale. SCS said that, as she had earlier explained to the PS Panel, the Standing Committee on Directorate Salaries and Conditions of Service had been invited to conduct a grade structure review for the directorate grades. The need or otherwise to retain the D9 and D10 ranks for the directorate grades would be assessed in the context of that review.

Non-civil service contract staff

22. Dr Fernando CHEUNG supported that NCSC staff should receive an upward pay adjustment as their counterparts in the civil service. SCS advised that the

employment packages and pay adjustment mechanism of NCSC staff were quite different from those for the civil service. The recruiting bureaux and departments were authorized to determine, and adjust as necessary, the pay of their NCSC staff, having regard to a host of factors, including conditions of the employment market, recruitment results, staff retention needs, cost of living, and civil service pay adjustments, etc. A survey conducted last year indicated that about 90% of NCSC staff had had their pay adjusted upwards in 2007. Of these, some 76% received pay adjustments at rates comparable to or higher than those received by their counterparts in the civil service, while another some 13% received pay adjustments at rates lower than those for the civil service as their salaries would have been higher than the market rates if they were to receive the same pay adjustment rates as the civil service. The remaining some 10% of NCSC staff received no pay adjustment because their salaries were comparable with or already higher than those for similar jobs in the private sector. Upon approval of the proposed civil service pay adjustment, bureaux and departments would be reminded of the criteria to adopt in reviewing the pay levels of their NCSC staff.

23. While supporting the proposed civil service pay adjustment, Ms LI Fung-ying enquired if the pay adjustment for NCSC staff this year would be comparable to that of the civil service, given the rising living costs and higher inflation. SCS said that it would be for the heads of bureaux and departments to decide on the pay adjustment for NCSC staff taking into account the aforementioned factors, and she could not give any undertaking in this respect.

24. Mr WONG Kwok-hing said that NCSC staff were concerned about their career prospects as many were employed on one-year contracts. SCS said that these were usually time-limited positions and NCSC staff were employed under contracts which might be renewed where there was a functional need. Their employment contracts would seldom be terminated before the end of the contract.

25. Mr LEE Cheuk-yan said that Members belonging to the Hong Kong Confederation of Trade Unions were concerned that it was unfair to NCSC staff as they might not be able to enjoy the same pay adjustments as their counterparts in the civil service. The same also applied to staff in subvented organizations as they might not receive any pay adjustment. He urged the Administration to adhere to the equal pay for equal work principle and apply the same civil service pay adjustments to NCSC staff and staff of subvented organizations alike. SCS said that NCSC staff, when accepting employment, were aware that their salary levels and conditions of employment were different from those of civil servants. The same also applied to staff of subvented organizations.

26. While acknowledging that there were different remuneration packages for civil servants and NCSC staff, Ms Audrey EU shared the concern that personnel engaged on the same job should receive equal pay. Miss CHAN Yuen-han also expressed similar concern. She held the view that it would be administratively simpler to apply the same package to both NCSC staff and civil servants. SCS explained that the nature of work of NCSC staff was not entirely the same as that

of civil servants. NCSC staff were recruited by individual bureaux and departments for work that was seasonal or time-limited or part-time in nature, or work where the mode of delivery was under review or likely to be changed (for example, through outsourcing). In recruiting NCSC staff, the requirements might not be as stringent as those for recruitment of civil servants. Besides, the employment package of NCSC staff was different from that of civil servants. Differences in employment packages should not be considered as unfair. Indeed, the employment terms for civil servants had also undergone changes from time to time. For example, pension and overseas education benefits were only applicable to those who joined the civil service before 2000 and 1996 respectively. Continuing, she said that about 4 000 of the 16 000 odd NCSC positions captured in the special review in 2006 would gradually be phased out and replaced by civil service posts. NCSC staff were encouraged to apply for civil service posts through open recruitment exercises.

27. Ir Dr Raymond HO expressed concern that NCSC engineers were underpaid for their work. These engineers had suffered a drastic pay cut a few years ago and the latest pay adjustments were not able to bring their salary to levels comparable to their counterparts in the private sector. This had adversely affected their morale. With the sound fiscal condition of the Government, there was a need to increase the pay levels of NCSC engineers, at least to the level before the pay cuts. SCS said that the graduate engineers referred to by Ir Dr HO were not civil servants. They were recruited as trainees and would undergo training within the Government. The training honoraria and employment conditions of the graduate trainees had no relation with that of the civil service. They were worked out by the Development Bureau based on market conditions and by making reference to surveys conducted by the Vocational Training Council or similar surveys. The honoraria of the graduate trainees were subject to review on a regular basis and a review was being conducted. SCS said that the Development Bureau would be pleased to brief the Panel on Development on the outcome of the review, if necessary.

Subvented sector

28. Dr Fernando CHEUNG was concerned that funds allocated to subvented organizations for pay adjustments would be used for purposes other than pay adjustments and/or being kept as a reserve for future use. Ms LI Fung-ying echoed that the Government should have a monitoring role to ensure that staff of subvented organizations would receive pay adjustments comparable to that of the civil service. Mr LEE Cheuk-yan pointed out that recent surveys revealed that a number of subvented organizations had used funds allocated for pay adjustments for other purposes. SCS explained that the Government was generally not involved in the determination of the pay or pay adjustment of staff working in subvented organizations. The pay and pay adjustment for these staff were a matter between the employees and employers. It had been the established practice that following a civil service pay adjustment, the Government would make corresponding variations to the annual subventions for subvented organizations with funding adjusted on the basis of formulae which included a factor on civil service pay adjustment. Following approval of the proposed pay adjustment for 2008-09 by the Finance Committee, these

organizations would be advised that the additional subventions were intended for salary increase of their staff, and they would be encouraged to use the additional funding accordingly. She recalled that the Panel on Welfare Services had asked for information regarding the use of additional funds allocated to subvented organizations last year for making staff pay adjustments .

29. In response to the concerns raised by Dr Fernando CHEUNG and Mr LEE Cheuk-yan about the entitlement of pay adjustments of employees engaged in outsourced projects through public tender, SCS said that outsourced work was governed by contracts, and the terms of staff employment were prescribed in individual employment contracts. As an illustration, she noted that these employees were not affected by the pay cuts applied to the civil service in 2002, 2004 and 2005 as their salaries were governed by the terms of their employment contracts.

Judges and judicial officers

30. Ms Emily LAU noted that the salary scales of judges and judicial officers (JJOs) were far lower than that of politically appointed officers. For example, the highest salary scale for JJOs was point 19 (\$241,750) which was much lower than the salary of a Principal Official which was close to \$300,000 per month. As the Chief Justice was of a very high rank within the Administration's hierarchy, she could not understand why the salary scales for JJOs should be lower than that of politically appointed officers. SCS explained that the remuneration package of politically appointed officers included all fringe benefits. Thus, except for free medical and dental benefits provided in kind by the Hospital Authority and Department of Health, they were not entitled to benefits such as housing, education and leave passage allowances. They were also not provided with any end-of-contract gratuity. Politically appointed officers, other than the Chief Secretary for the Administration, the Financial Secretary and the Secretary for Justice, were not provided with official residences. Meanwhile, JJOs were provided with housing benefits as well as education benefits for their children, in addition to other benefits as those for civil servants of equivalent ranks. Therefore, it would not be fair to make a direct comparison between the salary scales of JJOs and politically appointed officers. She further noted that the pay adjustments for JJOs were outside the scope of the Civil Service Bureau as JJOs were not part of the civil service.

Politically appointed officers

31. Mrs Anson CHAN enquired about the pay policy and pay adjustment mechanism for politically appointed officers. SCS explained that the proposed civil service pay adjustment was not applicable to politically appointed officers. According to her understanding, a mid-term review of the remuneration package of politically appointed officers would be conducted in December 2009. At the request of Mrs Anson CHAN, SCS agreed to relay to the Secretary for Constitutional and Mainland Affairs members' request for the outcome of the mid-term review to be submitted to the Finance Committee.

32. Owing to time constraint, the Chairman said that agenda items not dealt with at the current meeting would be carried over to the next meeting scheduled for the same day at 4:35 pm
33. The meeting was adjourned at 4:30 pm.

Legislative Council Secretariat
28 October 2008