

立法會
Legislative Council

LC Paper No. CB(1) 1110/09-10
(These minutes have been seen
by the Administration)

Ref : CB1/BC/9/08

Bills Committee on Public Officers Pay Adjustment Bill

**Minutes of fourth meeting held on
Tuesday, 27 October 2009, at 8:30 am
in Conference Room A of the Legislative Council Building**

Members present : Hon IP Kwok-him, GBS, JP (Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Dr Hon Margaret NG
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon LEUNG Kwok-hung
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Mrs Regina IP LAU Suk-yea, GBS, JP
Dr Hon PAN Pey-chyou

Public officers attending : Mr Andrew H Y WONG, JP
Permanent Secretary for the Civil Service

Mr Brian LO
Deputy Secretary for the Civil Service 2

Mr Chris SUN
Principal Assistant Secretary
for the Civil Service (Pay and Leave)

Mr Eamonn MORAN, JP
Law Draftsman
Department of Justice

Ms Frances HUI
Senior Government Counsel
Department of Justice

Clerk in attendance : Ms Joanne MAK
Chief Council Secretary (1)2

Staff in attendance Ms Connie FUNG
Senior Assistant Legal Adviser 1

Ms Sarah YUEN
Senior Council Secretary (1)6

Mr Ken WOO
Council Secretary (1)2

Action

Application for late membership

The Bills Committee accepted the application for late membership from Ir Dr Raymond HO.

I Confirmation of minutes of meeting

(LC Paper No. CB(1)130/09-10 - Minutes of the meeting held on
6 October 2009)

2. The minutes of the meeting held on 6 October 2009 were confirmed.

II Meeting with the Administration

(LC Paper No. CB(3)748/08-09 - The Bill
File Ref: CSB/CR/PG/4-085-001/62 - The Legislative Council Brief
issued by the Civil Service
Bureau
File Ref.: CSBCR/PG/4-085-001/62 - The Legislative Council Brief
issued by the Civil Service
Bureau
LC Paper No. LS 99/08-09 - Legal Service Division Report
on the Bill

LC Paper No. CB(1)2708/08-09(01) - Senior Assistant Legal Adviser's letter dated 15 September 2009 to the Administration and the Administration's reply letter dated 18 September 2009)

3. The Bills Committee deliberated (index of proceedings attached at **Annex**).

The proposed pay cut

4. Some members urged the Administration to impose a pay freeze across the board instead of reducing the pay and amounts of certain allowances payable to public officers with a monthly pay exceeding \$48,400 by 5.38% (the proposed pay cut), on the grounds that -

- (a) Only a small number of the public officers would effectively suffer a pay cut after taking into account the likely pay adjustments applicable to some of them if the recommendations in the 2008 Grade Structure Reviews (GSRs) were implemented;
- (b) The economy had shown signs of improvements and perhaps months later a pay increase might be introduced;
- (c) The proposed pay cut had wide implications;
- (d) The rate of the proposed pay cut, at 5.38%, was excessive; and
- (e) The rate had been worked out on the basis of the controversial results of the 2009 Pay Trend Survey (PTS).

5. Some members also suggested that the rate of pay cut be reduced as proposed by certain deputations earlier. At Dr Margaret NG's request for legal advice on the feasibility of introducing Committee Stage amendments (CSAs) for the purpose, the Senior Assistant Legal Adviser 1 (SALA1) advised that CSAs proposed by Bills Committees and individual members were subject to the ruling of the President on whether they might be moved under the Rules of Procedure, in particular Rule 57(4), which provided that an amendment had to be relevant to the subject matter of the bill and to the subject matter of the clause to which it related, and Rule 57(6), which provided that a Member could not propose an amendment, the object or effect of which might, in the opinion of the President, dispose of or charge any part of the revenue or other public moneys of Hong Kong, except where the Chief Executive (CE) consented in writing to the proposal. SALA1 said that since the purpose of the Bill was to adjust the pay and certain allowances

SALA1

payable to certain public officers, CSAs which were proposed to adjust the said pay and allowances by a percentage different from that proposed in the Bill should be relevant to the subject matter of the Bill. Further, as the financial provision for the general expenses of the civil service at the present level (i.e., the level before the Bill was enacted to effect the proposed pay cut) had already been set aside in the context of the 2009-2010 budget through passage of the Appropriation Bill 2009, a proposed amendment to lower the percentage of reduction as proposed in the bill should not have a charging effect since no additional Government expenditure would be involved. She agreed to provide the above advice in writing.

Follow-up actions

Admin

6. To facilitate deliberation on the Bill, the Administration was requested to -

- (a) Provide the estimated number of civil servants who would effectively suffer a pay cut after taking into account the likely pay adjustments applicable to some of them in due course if the recommendations in the GSR reports on the directorate, the disciplined services and specific civilian grades were implemented; and
- (b) Provide details on the five job levels adopted under the Pay Level Survey (PLS) as against the three salary bands adopted under PTS.

7. Addressing Mr LEE Cheuk-yan's concern about the impact of the proposed pay cut on the subvented sector, members agreed to invite representatives from the Hospital Authority (HA) and the Hong Kong Council of Social Service to attend the next meeting of the Bills Committee scheduled for Friday, 6 November 2009, at 8:30 am to explain whether HA and the subvented bodies in the social welfare sector would adjust the salaries of their employees if their subventions were reduced following the passage of the Bill and, if so, the relevant arrangements. Members also agreed that letters should be sent to the eight institutions funded by the University Grants Committee (UGC) to enquire about their plans in this regard. Members further agreed that the Administration should also co-ordinate the attendance of the Director of Social Welfare at the next meeting to explain the guidelines to be issued by the Social Welfare Department to the subvented bodies in the social welfare sector on the above arrangements.

(Post-meeting note: The Bills Committee meeting originally scheduled for 6 November 2009 was subsequently rescheduled to 10 November 2009.)

III Any other business

8. There being no other business, the meeting ended at 10:20 am.

Council Business Division 1
Legislative Council Secretariat
17 March 2010

**Proceedings of the fourth meeting of
the Bills Committee on Public Officers Pay Adjustment Bill
on Tuesday, 27 October 2009, at 8:30 am
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000001 – 000355	Chairman Mr CHEUNG Man-kwong Ir Dr Raymond HO	- The Bills Committee accepted Ir Dr Raymond HO's late application for membership	
Agenda Item I –Confirmation of minutes of meeting			
000355 – 000640	Chairman	- Confirmation of minutes of meeting - Reference to the submissions respectively from the Hong Kong Institute of Environmental Protection Officers and the Police Force Council Staff Side, which attended the meeting on 17 October 2009	
Agenda Item II –Meeting with the Administration			
000641 – 001748	Chairman Mr LEE Cheuk-yan Administration	- Discussion on the estimated number of civil servants who would effectively suffer a pay cut after taking into account the likely pay adjustments applicable to some of them in due course if the recommendations in the GSR reports on the directorate, the disciplined services and specific civilian grades were implemented and, given the small number of civil servants who would effectively suffer a pay cut, the desirability of imposing a pay freeze across the board instead of implementing the proposed pay cut	Administration to provide information (paragraph 6 of minutes)
001749 – 003553	Ms LI Fung-ying Administration Dr PAN Pey-chyou	- Discussion on whether the Government was quick in reducing pay but slow in implementing GSR recommendations	

Time marker	Speaker	Subject(s)	Action required
		<ul style="list-style-type: none"> - Discussion on the need to implement the proposed pay cut when the economy was already recovering - Discussion on whether HA could impose the proposed pay cut on its staff, and if so the implications on HA staff, in particular those who were ex-civil servants and had opted to have their pension benefits determined with reference to their salary on the last day of service, which was different from the “highest pensionable emolument” formulation applicable to pensionable civil servants in general 	
003554 – 004419	Chairman Dr Margaret NG Administration SALA1	<ul style="list-style-type: none"> - Discussion on the need to implement the proposed pay cut when the civil service pay might be increased very shortly as a result of the 2010 PTS - Discussion on the feasibility of and procedures to follow for introducing CSAs to the Bill to reduce the rate of the proposed pay cut 	SALA1 to provide information (paragraph 5 of minutes)
004420 – 005106	Mr CHEUNG man-kwong Administration	<ul style="list-style-type: none"> - Mr CHEUNG's statement of the considerations to which the Democratic Party would give regard when formulating its stance - Discussion on why CE-in-Council, having regard to the same relevant factors, decided to offer a pay freeze to civil servants in the lower and middle salary bands but a pay cut to civil servants in the upper salary band - Discussion on the undesirability of proposing civil service pay adjustments according to the current demarcation of the three salary bands for the conduct of annual PTSs 	

Time marker	Speaker	Subject(s)	Action required
005107 – 005737	Ir Dr Raymond HO Administration	<ul style="list-style-type: none"> - Ir Dr HO's emphasis on the need to treat civil servants in the directorate ranks and those remunerated on MPS 34 to 44 differently, having regard to their differed capabilities to cope with pay cuts. The Administration's explanation that the pay of those remunerated on MPS 34 would be reduced by some \$1,775 per month after the pay cut, and many of them were receiving monthly non-accountable cash allowance at an average value of \$15,000 - Ir Dr HO's expression of reservation about the implementation of civil service pay reduction by legislation on the grounds that the move was against the spirit of contract 	
005738 – 010336	Mr LEUNG Kwok-hung Administration	<ul style="list-style-type: none"> - Mr LEUNG's comment that the proposed pay cut was a political decision, and had been introduced to pave way for pay cuts in the private sector - The Administration's emphasis on the need to decide on civil service pay adjustments according to the established civil service pay adjustment mechanism, so as to ensure credibility and public acceptability 	
010337 – 011516	Chairman Mrs Regina IP Administration Prof Patrick LAU	<ul style="list-style-type: none"> - Discussion on the justifications for and feasibility of lowering the rate of the proposed pay cut - Discussion on how the six relevant factors, in particular the civil service morale, had been considered when CE-in-Council decided on the proposed pay cut 	
011517 – 012356	Mr James TO Administration	<ul style="list-style-type: none"> - Discussion on the need to implement the proposed pay cut when it might be offset by a pay increase only months 	Administration to provide information (paragraph 6 of minutes)

Time marker	Speaker	Subject(s)	Action required
		later, and on the feasibility of introducing the pay cut on a sliding scale according to the five job levels adopted under PLS	
012357 – 013020	Mr TAM Yiu-chung Administration	<ul style="list-style-type: none"> - Mr TAM's statement of the Democratic Alliance for the Betterment and Progress of Hong Kong's stance - Discussion on the lapse of time between the implementation of a pay cut for the civil service, which required the introduction of legislation, and the time of making that decision, and on the difficulties so arising in implementing the pay cut decision 	
013021 – 013748	Chairman Mr LEE Cheuk-yan Administration	<ul style="list-style-type: none"> - Discussion on the implications of the proposed pay cut on the subvented sector, and on the need to invite views from the organizations concerned 	
013749 – 014307	Ir Dr Raymond HO Administration	<ul style="list-style-type: none"> - Discussion on the options for reducing the rate of the proposed pay cut as proposed in the submission (LC Paper No. CB(1)179/09-10 (01)) from the HKSAR Government Civil Engineers Association, so as to mitigate the impact of the pay cut on the morale of those professionals remunerated on MPS 34 to 44, whose workload had already increased significantly with the launch of many infrastructural projects 	
014308 – 015147	Chairman Mr LEE Cheuk-yan Mr TAM Yiu-chung Ir Dr Raymond HO Administration	<ul style="list-style-type: none"> - Discussion on invitation of views from HA, the eight UGC-funded institutions and the Hong Kong Council of Social Service - Date of next meeting 	