

立法會
Legislative Council

Ref : CB2/SS/5/11

LC Paper No. CB(2)2841/11-12
(These minutes have been seen
by the Administration)

**Subcommittee to Study the Proposed Legislative Amendments Relating to
the Re-organisation of the Government Secretariat**

**Minutes of the fourth meeting
held on Wednesday, 30 May 2012, at 8:30 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon Jeffrey LAM Kin-fung, GBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Dr Hon Margaret NG
Hon CHEUNG Man-kwong
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon CHEUNG Hok-ming, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon CHAN Kin-por, JP
Dr Hon Priscilla LEUNG Mei-fun, JP
Hon WONG Kwok-kin, BBS
Hon IP Kwok-him, GBS, JP
Dr Hon PAN Pey-chyou
Hon Paul TSE Wai-chun, JP
Dr Hon Samson TAM Wai-ho, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Tanya CHAN

- Members absent** : Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
- Public Officers attending** : Office of the Chief Executive-elect

Mrs Fanny LAW FAN Chiu-fun
Head of the Chief Executive-elect's Office

Ms Alice LAU Yim
Secretary-General of the Chief Executive-elect's Office

Constitutional and Mainland Affairs Bureau

Mr Raymond TAM Chi-yuen
Secretary for Constitutional and Mainland Affairs

Mr Joshua LAW Chi-kong
Permanent Secretary for Constitutional and Mainland Affairs

Mr Gordon LEUNG Chung-tai
Deputy Secretary for Constitutional and Mainland Affairs

Mr Freely CHENG Kei
Principal Assistant Secretary for Constitutional and Mainland Affairs

Department of Justice

Mr Gilbert MO Sik-keung
Deputy Law Draftsman
(Bilingual Drafting & Administration)
- Clerk in attendance** : Miss Flora TAI
Chief Council Secretary (2)3
- Staff in attendance** : Mr Arthur CHEUNG
Senior Assistant Legal Adviser 2

Mr Kelvin LEE
Assistant Legal Adviser 1

Miss Cindy HO
Senior Council Secretary (2)3

Ms Wendy LO
Council Secretary (2)3

Mrs Fanny TSANG
Legislative Assistant (2)3

Action

I. Meeting with the Administration

[CMAB F19/6/3/2, LC Papers No. CB(3)735/11-12, CB(2)1908/11-12(01), CB(2)2105/11-12(01), CB(2)2106/11-12(01) to (03), CB(2)2158/11-12(01) to (03), CB(2)2164/11-12(01) and CB(2)2193/11-12(01)]

The Subcommittee deliberated (index of proceedings attached at **Annex**).

Follow-up actions required of the Administration

- Admin** 2. The Administration/ the Chief Executive-elect's Office were requested to –
- (a) review and provide feedback on the comparison table on the level of remuneration of the top echelon of the government in overseas countries provided by Hon CHEUNG Man-kwong;
 - (b) clarify whether the provision of official residence to the Chief Secretary for Administration, Financial Secretary and Secretary for Justice with a waiver of rental charge would infringe the double housing benefits rule of the civil service, given that the remuneration package for PAOs already included an element of housing benefit; and
 - (c) provide further information on the communication within the various layers of the administration under PAS, and the communication amongst policy bureaux horizontally.

Action

II. Any other business

Date of next meeting

3. The Chairman reminded members that the Subcommittee would hold its next meeting on 31 May 2012 at 8:30am.
4. There being no other business, the meeting ended at 10:45 am.

Council Business Division 2
Legislative Council Secretariat
24 September 2012

**Proceedings of the fourth meeting of the
Subcommittee to Study the Proposed Legislative Amendments Relating to the
Re-organisation of the Government Secretariat
on Wednesday, 30 May 2012, at 8:30 am
in Conference Room 3 of the Legislative Council Complex**

Time Marker	Speaker(s)	Subject(s)	Action required
000935 - 001124	Chairman	Opening remarks	
001125 - 001416	Administration	<p>Briefing by Administration on its papers on the proposed transfer of statutory functions currently exercisable by the Secretary for Development and the Secretary for Transport and Housing respectively [LC Papers No. CB(2)2158/11-12(02)-(03)].</p> <p>The meeting noted the Administration's paper on "Division of work of the Hong Kong Special Administrative Region Government in taking forward cooperation with the Mainland" tabled [LC Paper No. CB(2)2193/11-12(01)].</p> <p>The meeting also noted the paper issued by the Chief Executive-elect's Office on "Improving the Political Appointment System" ("PAS") [LC Paper No. CB(2)2164/11-12(01)].</p>	
001417 - 002253	Chairman Mr CHEUNG Man-kwong Administration Head of the Chief Executive-elect's Office ("H/CEEO")	<p>Mr CHEUNG Man-kwong's presentation of a comparison table [LC Paper No. CB(2)2262/11-12(01)] showing the level of remuneration of the top echelon such as Prime Ministers, Presidents or cabinet ministers of the government in overseas countries, namely, United Kingdom, United States, Canada, Australia, New Zealand and Singapore, and his observation that the remuneration for the Chief Executive ("CE"), Directors of Bureaux ("DoBs") and Under Secretaries were amongst the highest (except the outlying figure of Singapore). In his view, even a pay freeze would not sufficiently address the concerns of the public on the excessive provision to the politically appointed officials ("PAOs"). His request for the Administration to review the issue before seeking expansion of the government.</p> <p>The Administration's explanation that the remuneration package of PAOs was broadly equivalent to the remuneration of a D8 civil servant with all allowances and end-of-contract gratuity encashed, adding that following a voluntary pay</p>	

Time Marker	Speaker(s)	Subject(s)	Action required
		<p>reduction of 5.38% in 2009, the pay of DoBs was about 3% lower than that of the permanent secretaries. Noting that the information supplied by Mr CHEUNG included only salary provision, the Administration would study the information in details and revert with views.</p> <p>Mr CHEUNG's reiteration of his earlier concerns raised at the meeting of the Panel on Constitutional Affairs ("CA Panel") held on 21 May 2012 relating to the provision of official residence to the Chief Secretary for Administration ("CS"), Financial Secretary ("FS") and Secretary for Justice with a waiver of rental charge, given that the remuneration package for PAOs already included an element of housing benefit and it would infringe the double housing benefits rule of the civil service. His request for a response from the Administration to clarify the matter.</p> <p>H/CEEO's response on –</p> <p>(a) the imminent need to take forward the re-organisation exercise which did not entail any fundamental change to the PAS despite the increase in the number of PAOs, and improvement measures on the system had been proposed by the CE-elect's Office vide LC Paper CB(2)2164/11-12(01); and</p> <p>(b) the relevant consideration to make reference to the civil service pay as some PAOs were recruited from the civil service; and the need to maintain the remuneration at a level reasonably attractive to recruits from the private sector.</p>	<p>Admin (para 2(a) of the minutes)</p> <p>Admin (para 2(b) of the minutes)</p>
002254 - 003039	Chairman Mr WONG Kwok-hing H/CEEO	<p>Mr WONG Kwok-hing's views that the proposal had led to negative public sentiment in view of the extent of the proposed increase. His recommendation for a pay freeze for PAOs and a review be conducted in future to bring in a performance-based element for future pay rise and a reward-and-punishment mechanism into PAS.</p> <p>H/CEEO would relay the concerns to CE-elect.</p>	
003040 - 003832	Chairman Mr LEE Wing-tat Administration	Mr LEE Wing-tat's views that the remuneration level of PAOs was excessive; and it was unreasonable for an Under Secretary in Hong Kong to receive a salary higher than the Prime Minister of	

Time Marker	Speaker(s)	Subject(s)	Action required
		<p>the United Kingdom who administered the whole country. He recommended a pay reduction.</p> <p>The Administration's explanation on the proposed changes to the system of employment of Political Assistants ("PAs") to address public concerns that their duties should commensurate with the salary. The general expectation that PAOs should bring about substantial improvement to important livelihood issues to justify the level of remuneration was noted.</p>	
003833 - 004442	Chairman Dr Priscilla LEUNG	Dr Priscilla LEUNG's views that PAS was originally designed to achieve the objective that the top echelon of the Government needed to encompass talents with experience and knowledge from more diverse backgrounds and their remuneration had made reference to the public sector pay. Considering the possible across-the-board implication on the public sector pay, Dr LEUNG recommended a pay freeze.	
004443 – 004951	Chairman Dr PAN Pey-chyou	<p>Dr PAN Pey-chyou's views that the table of comparison might not give a fair comparison given the different cost of living in different countries. His concern about the pay to PAOs would need to be comparable to private sector earnings; and a pay freeze would be a solution to ease the concerns of the community and a review be conducted in future.</p> <p>Dr PAN's suggestions that various issues, including the following, be reviewed : the pay level for the respective ranks within PAS with reference to private sector earnings of comparable positions; the yardstick to evaluate performance of the new governing team; avoidance of conflict of interest during and after serving as PAOs.</p>	
004952 - 005559	Chairman Mr IP Kwok-him	Mr IP Kwok-him's views on the implication of the remuneration of PAS on public sector pay, noting that the remuneration of PAOs had made reference to the civil service salaries at the time of implementation of PAS in 2002; and the principle of high pay to discourage corruption had been adhered to all along.	
005600 - 010139	Chairman Mr CHAN Kin-por	Mr CHAN Kin-por's emphasis on the need for a reasonable pay to attract talents with the requisite qualifications and experience, and should have regard to private sector earnings.	

Time Marker	Speaker(s)	Subject(s)	Action required
010140 - 010654	Chairman Mr Alan LEONG	Mr Alan LEONG's views that remuneration aside, other factors to attract talents to the government included, job satisfaction and the high esteem of public offices. His remark that the CE-elect should recognise the need to bring about development of a more democratic political system in preparation for universal suffrage in future.	
010655 - 011209	Chairman Mr LEUNG Kwok-hung	Mr LEUNG Kwok-hung's concerns on the need to engage competent persons to the new Administration. His view that implementation of the re-organisation proposal was not that urgent as suggested by the CE-elect.	
011210 - 011727	Chairman Mr WONG Ting-kwong	Mr WONG Ting-kwong's views that the Subcommittee had sidetracked its discussion on the pay issue. His concern was rather on the policies of the next-term government and the reasonableness of the re-distribution of work amongst policy bureaux.	
011728 - 012150	Chairman Ms Miriam LAU	<p>Ms Miriam LAU's views that pay increase should be justified by performance and that PAOs should bear political responsibility. Her concerns that a DoB should not be remunerated at a level lower than his subordinates. Her request that the proposal for pay increase be withheld.</p> <p>Ms LAU's reiteration of her concerns over the capping of the total cash remuneration at \$1.2 million per annum for the employment of PAs, including how to ensure that their duties should commensurate with the salary, how to maintain consistency in the qualifications and appointment criteria, and there should be measures to address differences in pay amongst new recruits.</p>	
012151 - 012735	Chairman Ms Tanya CHAN H/CEEEO	Ms Tanya CHAN's views on the qualifications and criteria for appointment of DoBs, in that they should have expertise or experience in the professions or sectors relevant to their portfolio and should be members of considerable standing in their respective fields, and with proven performance track record etc. Her view on PAs that, in addition to personal qualities, they should also have the requisite experience in the respective fields and the knowledge in their policy portfolio; and the appointment should be value-for-money.	

Time Marker	Speaker(s)	Subject(s)	Action required
		<p>H/CEEO's response that –</p> <p>(a) the CE-elect had made explicit that vision, commitment, ability and political capability as the basic selection criteria. To cast the net wide in enlisting the service of competent people, he had met with a large number of potential candidates for the positions of Secretaries of Departments ("SoDs") and DoBs; and</p> <p>(b) to avoid mismatch, and to ensure members of the political teams of various bureaux sharing a common agenda and complementing one another in terms of background and ability, DoBs would be involved in the selection of their Under Secretaries and PAs, and they had to be answerable for the performance of their team members.</p>	
012736 - 013644	Chairman Ms Audrey EU H/CEEO	<p>Ms Audrey EU's comments that the proposed pay increase was unjustifiable.</p> <p>Her dissatisfaction to the Administration's earlier response that no new functional responsibilities would be undertaken by the Government despite the expansion of its structure by 57 posts (not inclusive of PAs) which was an substantial increase; and her queries as to why the existing government structure would not be able to cater for the need of the new-term government to fulfill the policy objectives and priorities pledged by the CE-elect, and how the efficiency of the Government would be enhanced by the creation of two posts of Deputy Secretaries of Departments ("DSODs") as an additional layer of the administration.</p> <p>H/CEEO's response that there was an ever-increasing workload since the establishment of the Hong Kong Special Administrative Region ("HKSAR") and that senior officials often had to devote much time and effort to handling other issues of priorities, resulting in insufficient time being given to medium and long term planning on structural social and economic policies which were important issues concerning people's livelihood; and there was urgency to deal with those issues accumulated over the years in meeting public aspirations.</p>	

Time Marker	Speaker(s)	Subject(s)	Action required
013645 - 014459	Chairman Ms Emily LAU H/CEEEO Administration	<p>Noting that the CE-elect's Office would have regard to the practice and experience of other countries and regions in its future review on PAS, Ms Emily LAU's view that according to overseas experience, the development of party politics would enable more people to participate in politics.</p> <p>Ms LAU's enquiry on the financial implication of the Administration's proposal in its submission to the Finance Committee ("FC"). Ms LAU's concerns on the exceptionally high level of remuneration of PAOs. Her suggestion of inviting potential political appointees to Legislative Council for them to meet with Members as a first step.</p> <p>H/CEEEO's clarification that political positions at different levels under the new structure could provide a more comprehensive career path for political talents to pursue. Her advice that it would not be appropriate to disclose the successful candidates for political appointment prematurely.</p> <p>The Administration gave further elaboration on the recommendations of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the PAS of the HKSAR and the relevant considerations of the Administration. The Administration's clarification that the submission to FC was made by the current-term government with a view to avoiding a conflict of interest, and that the financial implication might be adjusted given the new development.</p>	
014500 - 015039	Chairman Mr Paul TSE	<p>Mr Paul TSE's views on the difficulty for PAS to attract talents as some might feel shame when encountering criticism at work; and the recent instances of conflicts of interest had revealed the fact that high pay to deter corruption proved to be ineffective.</p> <p>His views that the re-organisation of the government secretariat was an important issue which should be more thoroughly considered; and that the new CE should be given more room for development as the political development of Hong Kong was still in its early stage.</p> <p>Mr TSE's view that the table of comparison of remuneration might not give a fair assessment which</p>	

Time Marker	Speaker(s)	Subject(s)	Action required
		had not included fringe benefits and reference to take-home pay or after tax income in different countries.	
015040 - 020013	Chairman Dr Margaret NG H/CEEO	<p>Dr Margaret NG's expression of dissatisfaction with the disruption to the on-going work of other subcommittees and the Establishment Subcommittee consequent upon the additional work entailed by the re-organisation proposal.</p> <p>With the creation of two DSoDs posts who would directly supervise certain policy bureaux under their purview, Dr NG's enquiries on the communication within the various layers of the administration under PAS, and the communication amongst policy bureaux horizontally.</p> <p>H/CEEO's response on the enhancement of communication through the established channel of the meeting of Policy Committee and the daily meeting of CE with DoBs. Her reiteration of views as set out in Annex I to LC Paper No. CB(2)2158/11-12(01).</p>	Admin (para 2(c) of the minutes)
020014 - 021020	Chairman Mr LEE Cheuk-yan H/CEEO Administration	<p>Extension of meeting.</p> <p>Mr LEE Cheuk-yan's enquiry on the overlapping of functions of policy bureaux in handling issues with the Mainland; and his views that there being no such need to bring the level of remuneration of public offices commensurate with that of the private sector.</p> <p>H/CEEO's reply that the economic policy of the CE-elect, according to his manifesto, also included promoting industrial development and innovative technology, cultural and creative industries, promoting the agricultural and fisheries sector etc., hence was not limited to cooperation with the Mainland. Her views that maintaining a reasonable remuneration level to PAOs would attract talents to take up public offices.</p> <p>The Administration's explanation on the factors for consideration in determining the level of remuneration for DoBs.</p>	
021021 - 021555	Chairman Mr Albert HO	Mr Albert HO's views on the existing salary structure of PAOs and the need to review its reference to the civil service pay. His remark that	

Time Marker	Speaker(s)	Subject(s)	Action required
		<p>not quite many political appointees would eventually pursue a career in politics after having served as PAOs.</p> <p>Mr HO's concerns that the Administration would eventually rely on creating more deputy posts within PAS, leading to overlapping of functions within the government structure.</p>	
021556 - 021622	Chairman	Next meeting	

Council Business Division 2
Legislative Council Secretariat
24 September 2012