立法會 Legislative Council

LC Paper No. CB(1)2239/07-08 (These minutes have been seen

by the Administration)

Ref: CB1/PL/PS/1

Panel on Public Service

Minutes of meeting held on Monday, 16 June 2008, at 10:45 am in Conference Room A of the Legislative Council Building

Members present: Hon Howard YOUNG, SBS, JP (Chairman)

Hon LI Fung-ying, BBS, JP (Deputy Chairman)

Hon LEE Cheuk-yan Hon Margaret NG

Hon CHEUNG Man-kwong

Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP

Hon TAM Yiu-chung, GBS, JP Hon WONG Kwok-hing, MH

Hon KWONG Chi-kin

Member absent: Hon James TO Kun-sun

Public officers attending

Agenda item III

Miss Denise YUE, GBS, JP Secretary for the Civil Service

Mr Patrick CHAN Nim-tak, JP Director of General Grades

Agenda item IV

Miss Denise YUE, GBS, JP Secretary for the Civil Service

Mr Chris SUN

Ag Deputy Secretary for the Civil Service 2

Clerk in attendance: Mr Andy LAU

Chief Council Secretary (1)2

Staff in attendance : Mr Noel SUNG

Senior Council Secretary (1)4

Miss Winnie CHENG Legislative Assistant (1)5

Action

I Confirmation of minutes of meeting

(LC Paper No. CB(1)1827/07-08 — Minutes of meeting on 19 May 2008)

The minutes of the meeting held on 19 May 2008 were confirmed.

II Information papers issued since last meeting

(LC Paper No. CB(1)1825/07-08(01) — Letter from Union of Government

Amenities Assistants expressing concern about the widened scope of responsibilities of the Amenities Assistants in the Leisure and Cultural Services Department as a result of the merger of the Amenities Officer and Recreation and Sport Officer grades in 2001 (Restricted to members)

LC Paper No. CB(1)1883/07-08(01) -

Letter from Mr FONG Tong regarding employment of life guards (Restricted to members))

2. <u>Members</u> noted the information papers issued since last meeting.

III General Overview of the Civil Service Strength, Retirement and Resignation

(LC Paper No. CB(1)1817/07-08(01) — Administration's paper on general overview of the civil service strength, retirement and resignation)

Briefing by the Administration

3. <u>The Secretary for the Civil Service (SCS)</u> apprised the meeting on the strength, retirement and resignation situation of the civil service over the past 25 years, and a

projection on the retirement situation in the next 25 years, by highlighting the salient points in the paper.

Discussion

- 4. The Deputy Chairman expressed concern about the manpower planning and succession arrangements in the civil service in view of the aging profile of the civil service, which arose mainly from the implementation of voluntary retirement (VR) schemes, and a general freeze on open recruitment for the civil service in recent years. The Deputy Chairman was concerned that even when the freeze on open recruitment was lifted, the civil service aging problem might not be alleviated as new appointees were selected based on qualifications and experience rather than age, and the "3+3" entry system, i.e. new appointees were appointed on probationary terms for three years and on agreement terms for another three years before they were considered for appointment on the prevailing permanent terms, had discouraged people from applying for civil service posts. The Deputy Chairman asked whether the Government would review the "3+3" entry system in order to attract more people to apply for civil service posts. The Deputy Charman opined that where appropriate, the "3+3" entry system should be applied with flexibility; and in civil service recruitment exercises, priority should be given to non-civil service contract (NCSC) staff as they had the relevant working experience which would save the time and costs for training the new recruits.
- 5. SCS responded that the aging profile of the civil service was mainly attributed to the substantial expansion of the civil service in the 1980's and to the Administration's efforts in controlling the size of the civil service in the last decade or so. Another contributory factor was the introduction of the New Pension Scheme (NPS) in 1987 and the specification of the age of 60 as the normal retirement age for civil servants in the civilian grades on NPS. However, individual departments or grades had not experienced any succession problem, as arrangements had been made to give special approval for bureaux/departments which faced manpower problems to conduct open recruitment exercises during the general freeze on open recruitment for the civil service. With the gradual lifting of the open recruitment freeze since 1 April 2007, the Administration expected a moderation of the aging profile of the civil service. SCS further said that regular meetings were held between Civil Service Bureau (CSB) and Heads of Bureaux/Departments (HoDs) to review the succession planning arrangements of the bureaux and departments. Also, no restriction was imposed on the age of the candidates applying for civil service posts.
- 6. <u>SCS</u> stressed that the Government had to be extremely careful in appointing officers on permanent terms as they would work on a long term basis for the Government until retirement. Even at a time when the Government was faced with a serious fiscal problem, it had not compelled any civil servant to leave the service. The "3+3" entry system was considered a fair system for the Administration to consider whether an officer was suitable for appointment on permanent terms. Indeed, individual grades were allowed the flexibility to propose variations from the basic entry arrangement to cater for management needs and operational requirements. For instance,

the disciplined services management had indicated a strong need for staffing their services with permanent staff on security and stability grounds. Approval had therefore been given by the CSB to appoint disciplineed services staff for further appointment on prevailing permanent terms upon completion of a three-year probationary period.

- 7. <u>SCS</u> pointed out that recruitment of civil servants had to go through an open, fair and competitive process and that NCSC staff were welcomed to apply for civil service posts. NCSC staff should enjoy an edge over other candidates given their experience in working in the civil service.
- Mr CHEUNG Man-kwong noted with concern that the number of civil servants in the age group between 20 to 40 had dropped over the years. He pointed out that the number of civil servants between the age of 20 and 29 had dropped from 40% in 1984 to only 6% in 2007, and the number of civil servants between the age of 30 and 39 had decreased from over 40% in the mid-1990's to about 26% in 2007. Although some professional grades and disciplined services grades were allowed to resume open recruitment after the lifting of the five-year freeze, there were few recruitment exercises for most of the civil service civilian grades. Such arrangements might lead to loss of talents for the civil service as some highly qualified candidates who were interested in joining the civil service might be compelled to work in the private sector. Even if the highly qualified candidates joined the civil service as NCSC staff, they would choose to move to the private sector when the economy improved, in view of the uncertain employment prospect and less favourable employment terms for NCSC staff than those for their civil service counterparts. Mr CHEUNG was gravely concerned that a "talent vacuum" and a succession problem might emerge in the civil service when young and highly qualified candidates were not recruited in time to succeed retiring experienced civil servants.
- 9. <u>SCS</u> responded that statistically speaking, those who joined the civil service in the 1980's around the age of 20 to 30 when there was a substantial expansion of the civil service would now be in their 50s. This explained why the civil service now had a larger proportion of civil servants in the 50 60 age group. On new intakes, special approvals had been granted for the concerned bureaux and departments to conduct open recruitment to fill about 5 600 vacancies in non-VR grades and another some 1 200 vacancies in the VR grades even during the time when a general freeze on open recruitment was in force. <u>SCS</u> added that for the civil service open recruitment exercises conducted in recent years, the responses had been overwhelming and very often there were many more suitable candidates than the number of vacancies available. As a result of the review of the NCSC Staff Scheme in 2006, about 4 000 NCSC staff positions had been identified for conversion to civil service posts as the work concerned should more appropriatly be performed by civil servants.
- 10. <u>Mr KWONG Chi-kin</u> opined that the Government should review the "3+3" entry system as it would lead to a succession problem in the civil service. He doubted whether it was necessary to assess a staff for six years for consideration of appointment to the permanent establishment. Highly qualified and capable staff might be

discouraged from staying in the civil service by the long probation period, and might be lured to take up jobs in the private sector before the probation period expired. Hence the "3+3" entry system was not conducive to retention of quality staff in the civil service. Mr KWONG pointed out that in the private sector, the maximum probation period was only six months even for very senior posts. Mr KWONG was also concerned about the great disparity between the establishment and strength of the civil service as it would put extra workload on serving staff arising from the shortage of manpower.

SCS responded that CSB had regularly kept the "3+3" entry system under 11. review as the Government was also concerned about the need to attract qualified and capable persons to join and stay in the civil service, and whether the system would discourage people from joining the civil service. SCS drew members' attention to Annex E which showed that the number of resignations in the civil service had remained relatively stable between 2000 and 2006 when the "3+3" entry system was in operation. SCS pointed out that the civil service vacancy rate as at 31 March 2007 was about 3.5% (i.e. 5 596 vacancies against an establishment of 159 401), similar to the vacancy rates for 1983-84, 1984-85, 1985-86, 1986-87 which were 3.6%, 3.6%, 3.2% and 3.1% respectively. The vacancy rates in 1987-88 and 1988-89, at 4.1% and 5.5% respectively, were higher than the norm and was mainly attributable to the substantial expansion of the civil service during those years. From 1989 to 2005, the average vacancy rate of the civil service was about 3.5%. Such statistics showed that the vacancy situation in the civil service had remained stable over the years. undertook to provide the vacancies statistics in writing to the Panel after the meeting. SCS further explained that there was a disparity between the establishment and strength of the civil service mainly because some vacancies could not be filled when the incumbent officers were still on final leave. There was also a time lapse between the departure time of an officer and the time of a new appointee reporting duty due to the time needed to conduct a recruitment exercise; and there were some vacant posts which were considered to be in a state of obsolescence or subject to review.

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- 12. Mr KWONG Chi-kin reiterated that the civil service vacancies should be filled as soon as possible so as to ensure that adequate manpower was available to provide quality service to the public. He opined that a mechanism should be put in place to ensure that departments would fill the vacancies at the earliest opportunity.
- 13. Mr WONG Kwok-hing remarked that the breakdown of civil servants by age groups from 1983-84 to 2006-07 at Annex B of the paper had clearly showed that there was an aging situation in the civil service, and together with the general freeze on open recruitment between 2003-04 and 2007-08 and the "3+3" entry system, the civil service would face a succession problem. Mr WONG was of the view that even with the lifting of the freeze on open recruitment in 2006-07 and 2007-08, the recruitment of about 6 800 new appointees would not help relieve the aging situation and impart vigour into the civil service. Mr WONG opined that CSB should take the initiative to review the "3+3" entry system rather than leaving it to HoDs to consider adjusting the length of the probation period. Mr WONG enquired about the number of civil servants who were affected by the "3+3" entry system, and reiterated that the "3+3" entry system was an

irrational system which would adversely affect staff morale and the retention of quality staff in the civil service. Mr WONG said that even the tenures of the Chief Executive and Legislative Council (LegCo) members were for only five and four years respectively and he wondered whether a new appointee to the civil service had to undergo a probation period of six years during which the staff had to worry about losing their jobs.

- 14. <u>SCS</u> clarified that HoDs had to apply to the CSB if they wanted to propose variations to the basic entry system to cater for their own management needs and operational requirements. CSB would consider each application on its own merits. Between 2003 and 2008 when the general freeze on civil service open recruitment was imposed, about 6 800 civil servants were recruited upon special approval granted by a panel co-chaired by the Chief Secretary for the Administration and the Financial Secretary. <u>SCS</u> pointed out that the number of resignations in the civil service had remained stable after the implementation of the "3+3" entry system since 2000. <u>SCS</u> also drew members' attention to a written reply given by the Administration in response to a question raised by Mr CHEUNG Man-kwong at the Council meeting on 20 February 2008 which had listed out the number of new recruits appointed under the "3+3" entry system and the number of resignations of this group of appointees.
- 15. Mr LEE Cheuk-yan opined that the "3+3" entry system was excessively harsh to civil servants as it was unacceptable that the Government needed to take six years to ascertain whether a staff was suitable for appointment to the permanent establishment of the civil service, taking into consideration the fact that the Deputy Secretaries and Political Assistants appointed under the Political Appointment System did not have to undergo any probation. Mr LEE pointed out that it was not possible to ascertain the number of persons who were discouraged from joining the civil service because of the "3+3" entry system. Mr LEE requested CSB to review the need for retention of the "3+3" entry system. Mr LEE was of the view that in order to prevent a draining of experienced staff and maintain the high quality of the civil service, consideration should be given to extending the retirement age of civil servants with appropriate revision to the pension payment arrangements.
- Appointment System and the appointment of officials under the Political Appointment System and the appointment of civil servants were two distinct systems. Civil servants were expected to work on a long term basis for the Government until retirement. It was therefore necessary to carefully assess an officer's suitability, through the "3+3" entry system, for appointment to the permanent establishment of the civil service. While CSB would closely monitor whether the "3+3" entry system would adversely affect people's interest in joining the civil service, past recruitment exercises had shown that this was not the case as evidenced by the number of suitable candidates exceeding the number of vacancies available after the introduction of the "3+3" entry system. SCS noted that members had divergent views on the employment situation of civil service. On the one hand, some members were concerned that the civil service was experiencing an aging problem while others proposed that consideration should be given to extending the retirement age of civil servants with a view to retaining

experienced staff. <u>SCS</u> elaborated that to keep abreast of time and the evolving changes in the society, the Government had extended the retirement age for most civil servants from 55 to 60 in 1987. At this stage there was no justification to revise the retirement age for civil servants again as it might also affect the promotional opportunities of serving staff. The Government would take into consideration the age profile of the population, the number of young people joining the workforce in Hong Kong, the types of public services required to be provided, and the views of different age groups of civil servants, etc. in determining whether a review of the civil service retirement age should be conducted at some time in the future.

- 17. Mrs Sophie LEUNG pointed out that the latest trend of the labour market was that staff were expected to possess multi-discipline skills and perform different types of work during their life-long career. Mrs LEUNG opined that to tie in with the latest manpower management changes, the Administration should consider revising its recruitment system with a view to allowing admission or re-admission of staff at different echelons of the civil service at different periods of their working life, and attracting the elite from the market to join the civil service, rather than providing a fixed career path to civil servants without a performance oriented remuneration system. Mrs LEUNG cited the internationally renowned universities as examples and pointed out that many heads of faculties were now recruited from the senior management of private companies. Mrs LEUNG was of the view that civil servants would like to see this change of manpower policy as they would be able to fully develop their potentials and abilities, and it would ensure the intake of new blood at different levels of the civil service.
- 18. <u>SCS</u> responded that in devising the civil service manpower policies, a balance had to be struck between stability and flexibility. Stability was a pre-requisite for good public governance. However, flexibility was also required to ensure civil service manpower policies would not become outdated. Accordingly, the civil service employment system had been revised from time to time to keep abreast of the change of time and market situation. An example was the replacement of the pension system with a provident fund system for the civil service in 2000.
- 19. <u>Mr TAM Yiu-chung</u> remarked that in order to more accurately gauge the manpower situation of the civil service, the Administration should provide information regarding the wastage rates of specific professional and senior managerial grades. <u>Mr TAM</u> opined that the Government should review the "3+3" entry system in view of the economic recovery when civil servants, especially those on probation, might be tempted to join the private sector for better remuneration and career development. <u>Mr TAM</u> further asked whether the Government had monitored the succession arrangements in different departments.
- 20. <u>SCS</u> responded that the Panel had earlier been briefed about the Grade Structure Reviews (GSRs) for the disciplined services grades, directorate grades and selected non-directorate civilian grades. For the purpose of the GSRs, the Government had identified that the Government Counsel and Veterinary Officer

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grades had faced serious recruitment and retention difficulties in recent years. The Government would continue to review the "3+3" entry system regarding its impact on the recruitment of civil servants. <u>SCS</u> undertook to provide to the Panel information on the number of resigned and retired civil servants in different ranges of the civil service pay scales in recent years.

- Ms Margaret NG was concerned about the drain of staff in the Government Counsel grade and enquired about the progress of the GSRs and the time-table for consulting the relevant Panels of LegCo on the findings of the GSR regarding the Government Counsel grade. Ms NG stressed that the Panel on Administration of Justice and Legal Services should also be consulted on the report submitted by the relevant advisory body on civil service salaries and conditions of service.
- 22. SCS replied that the relevant advisory bodies on civil service salaries and conditions of service had been invited to conduct the GSRs. The Administration expected that the reviews would be completed and recommendations would be submitted to the Administration by September/October this year. Administration had received their recommendations, CSB would study each of them in detail, consult the staff sides and make submissions to the Chief Executive-in-Council. For those recommendations endorsed by the Executive Council which involved changes to civil service salaries or grade structure, CSB would seek the approval of the Establishment Subcommittee and the Finance Committee of the Legislative Council. In other words, CSB would need another 4 to 6 months to go through the evaluation and, if necessary, the funding approval processes after receiving the report from the relevant advisory bodies on civil service salaries and conditions of service. In response to Ms Margaret NG's request, SCS agreed to provide a written response regarding the time-table for conducting the GSR on the Government Counsel grade and implementation of the recommendations of the relevant advisory body on civil service salaries and conditions of service.

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Motion moved by Mr WONG Kwok-hing

23. Mr WONG Kwok-hing put forward the following motion which was seconded by Mr CHEUNG Man-kwong for the Panel's consideration. The motion was circulated to members at the meeting.

"(本委員會)促請政府取消'3加3'的招聘公務員政策和做法(即新入職的公務員須先按試用條款受聘3年,再按合約條款受聘3年,才獲當局考慮按當時的長期聘用條款聘用)。"

(Translation)

"(This Panel) urges the Government to abolish the '3+3' policy and practice for recruiting civil servants (i.e. new appointees are appointed on probationary terms for three years and on agreement terms for another three

years before they are considered for appointment on the prevailing permanent terms)."

24. <u>The Chairman</u> considered that the proposed motion was directly related to the agenda item under discussion and that it was appropriate for the Panel to deal with it. <u>All members</u> present agreed that the proposed motion should be processed. <u>The Chairman</u> put the motion to vote. <u>All members</u> present voted for the motion. <u>The Chairman</u> declared the motion passed.

(*Post-meeting note*: The Administration was requested on 17 June 2008 to provide the Panel with a written response to the motion as soon as possible. A copy of the motion was circulated to members vide LC Paper No. CB(1)1930/07-08 on 17 June 2008.)

IV 2008 civil service pay adjustment

(File Ref.:CSBCR/PG/4-085-001/55 — Administration's paper on 2008-2009 civil service pay adjustment (Legislative Council Brief) File Ref.:CSBCR/PG/4-085-001/55 — Administration's paper on 2008-2009 civil service pay adjustment (Legislative Council Brief))

Pay adjustment for different salary bands

- 25. Mr KWONG Chi-kin remarked that while he supported the "bring-up" arrangement to align the pay adjustment for the lower salary band civil servants to the net pay trend indicators (PTI) of the middle salary band civil servants, he was concerned that the "bring up" arrangement might lead to a pay cut for junior civil servants if the next Pay Level Survey (PLS) to be conducted in 2012 revealed that there was a differential of more than plus/minus 5% in the pay (inclusive of the embedded "bring up" portion) between the lower salary band civil servants and their counterparts in the private sector. Mr KWONG opined that staff morale should be taken into consideration in pay adjustment exercises, and a pay cut would adversely affect staff morale. Mr LEE Cheuk-yan, Mr WONG Kwok-hing, Ms Margaret NG and Ms LI Fung-ying shared Mr KWONG's concern. Mr LEE remarked that 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. Ms NG pointed out that when the Administration proposed the pay cuts for the civil service in 2004 and 2005, members were advised that any downward adjustment of civil service pay would only be implemented under very exceptional circumstances.
- 26. <u>Mr TAM Yiu-chung</u> pointed out that there was a polarization of the salaries for senior and junior staff in the private sector. <u>Mr TAM</u> opined that in view of the staff

salary situation in the private sector, the Government should consider building in measures in the civil service pay adjustment mechanism to counteract the polarization phenomenon.

27. SCS responded that the Chief Executive-in-Council would consider annually whether a pay adjustment for the civil service should be made, and, if so, the appropriate rates of adjustment, taking into consideration a number of factors including the findings of the annual Pay Trend Survey (PTS), the state of the economy, changes in the cost of living, the Government's fiscal position, staff morale and staff pay claims. She recalled that the Administration had briefed the Panel on the framework for the application of the results of a PLS to the civil service which was endorsed by the Chief Executive-in-Council in 2007. Under the established framework, the pay of a defined group of civil servants would be adjusted upward or downward if it deviated from that of its private sector counterparts by more than plus/minus 5%. The application of the "bring-up" arrangement in 2008-09 for the lower salary band civil servants meant that an additional 1.39 percentage point over and above the net PTI for this band had been embedded into the pay of this group of civil servants. Hence, it could increase the risk of a pay cut for junior civil servants upon the conclusion of the next PLS in 2012, and the Administration had the duty to inform the civil servants concerned of this possibility in the context of the 2008 civil service pay adjustment exercise.

Non-civil service contract (NCSC) staff

- 28. Mr WONG Kwok-hing asked whether NCSC staff would receive an upward pay adjustment in 2008. Ms LI Fung-ying shared Mr WONG's concern and enquired, given the current high inflation rate, and in view of the fact that NCSC staff were performing duties similar to those of civil servants, whether Heads of Bureaux/Departments (HoDs) would be requested to adjust the salaries of NCSC staff in 2008, and whether, if HoDs had difficulties in finding resources to finance the pay adjustment for NCSC staff, Civil Service Bureau would help seek financial provisions for these bureaux/departments to meet the expenses of the pay adjustment. Mr LEE Cheuk-yan opined that to ensure fairness, Civil Service Bureau should issue guidelines requiring bureaux/departments to adjust the salaries of NCSC staff at rates comparable to their civil service counterparts, taking into account the fact that NCSC staff did not receive any fringe benefits nor annual salary increments. The effective date for pay adjustment for NCSC staff should also be set on the same date for civil service pay adjustment, i.e. 1 April 2008.
- 29. <u>SCS</u> responded that NCSC staff and civil servants were appointed under two distinct systems and their pay packages were different. The pay adjustment mechanism for NCSC staff was in fact more flexible than that for civil servants. Any pay adjustment for civil servants had to be based on, inter alia, the findings of an annual PTS, consultation with the staff sides, and approval by the Chief Executive-in-Council and the Finance Committee; whereas HoDs were given the discretion to adjust the salaries of NCSC staff having regard to various relevant considerations, including the state of the employment market, NCSC recruitment results, NCSC staff retention needs,

cost of living, etc. Under the broad principle that the employment package for NCSC staff should not be less favourable than that provided for under the Employment Ordinance, HoDs might decide whether a pay increase should be granted to NCSC staff, and the rate of increase could be higher or lower than that for civil servants. She noted that Civil Service Bureau would issue a circular in July 2008 to remind HoDs of the mechanism for pay adjustment for NCSC staff. If HoDs required additional financial provisions for any pay adjustment for NCSC staff, they could either make use of their existing departmental financial resources or seek additional funds from their relevant policy bureau(x). In 2007, no HoDs had difficulty in making available resources to meet the expenditure arising from pay increase to NCSC staff under their employment. Continuing, <u>SCS</u> pointed out that about 11% of NCSC staff did not receive a pay increase in 2007, mainly because the majority of them were employed for a period of three to six months, and there were no justifications to adjust the salaries of these staff in view of their short tenure.

Subvented sector staff

- 30. Mr WONG Kwok-hing asked whether, in line with the civil service pay adjustment, financial provisions would be given to the Government subvented organizations to increase their staff's salaries, and whether the pay adjustment would take effect from the same date as for civil servants, i.e. 1 April 2008. Mr LEE Cheuk-yan expressed grave concern that although the Government allocated funds for subvented organizations to make pay adjustments for their staff, many subvented organizations did not offer their staff the rates of pay adjustment on par with those for civil servants of comparable ranks, and instead they reserved part of the allocated funds for other activities/functions. Ms LI Fung-ying was of the view that the Government should ensure that funds allocated to subvented organizations for making staff pay adjustments would be used for the designated purpose only. Mr CHEUNG Man-kwong shared Mr WONG, Mr LEE and Ms LI's concern, and remarked that the Government should issue instructions/guidelines to the relevant Government subvented organizations advising them to adjust their staff salaries according to the rates applicable to their civil service counterparts. Otherwise, the stability of society might be adversely affected if the rates of salary adjustment for subvented staff were lower than that for civil servants, in view of the existence of a disparity in the salary structures between civil servants and staff in subvented organizations performing similar duties.
- 31. <u>SCS</u> responded that the Administration would seek additional funding for the relevant subvented sector organisations consequential upon an increase in civil service pay. She noted that for 2008-09, the Administration would seek approval from the Finance Committee for a sum of \$3.665 billion to be allocated to the relevant subvented organisations. As the Government was not the employer of staff working for the subvented organizations, it was not in a position to directly determine whether or not a pay increase should be granted to these staff and, if so, the rates of pay adjustment for individual staff. As far as the social welfare organisations were concerned, Members could follow up on the usage of the additional funding to be allocated to these organisations through the LegCo Panel on Welfare Services.

Judges and judicial officers

- 32. Mr KWONG Chi-kin noted with concern that in considering any pay adjustment to be offered to the Judiciary this year and in the future, the pay reductions applied to the civil service in 2002-03, 2003-04 and 2004-05 would be set aside permanently for judges and judicial officers (JJOs), and if the 2008-09 pay adjustment rate for the upper salary band and directorate civil servants resulted in civil service pay being higher than that of JJOs at comparable level as their civil service counterparts, a pay rise for JJOs would be offered to bring their pay to the same level as their civil service counterparts in dollar terms. Mr KWONG opined that with due respect to the JJOs, the arrangement for the proposed pay rise this year for JJOs might not contribute to the good image of the JJOs as they were not subject to a salary reduction when civil service salaries were reduced in previous years. Mr KWONG asked about the time-table for developing the institutional framework and mechanism for determination of judicial remuneration.
- 33. Referring to a LegCo brief on the subject of pay arrangements for JJOs issued earlier by the Administration Wing, <u>SCS</u> said the Chief Executive-in-Council had decided (on 20 May 2008) to accept all the major recommendations of the Standing Committee on Judicial Salaries and Conditions of Service in respect of the institutional framework and mechanism for the determination of judicial remuneration. The Chief Executive-in-Council had further decided that, as an interim measure pending the establishment of the institutional framework for the determination of judicial remuneration, if the 2008-09 adjustment rate for the upper salary band and directorate civil servants resulted in civil service pay being higher than that of JJOs at comparable levels, a pay rise for JJOs should be offered to JJOs in order to bring their pay to the same level as their civil service counterparts in dollar terms.

V Any other business

- 34. <u>The Chairman</u> thanked SCS and her colleagues in CSB for their unfailing support given to the work of the Panel. <u>Members</u> also commended SCS for attending personally all meetings of the Panel.
- 35. There being no other business, the meeting ended at 1:00 pm.

Council Business Division 1
<u>Legislative Council Secretariat</u>
5 August 2008