

立法會

Legislative Council

LC Paper No. LS99/08-09

Paper for the House Committee Meeting on 10 July 2009

Legal Service Division Report on Public Officers Pay Adjustment Bill

I. SUMMARY

1. **Objects of the Bill** To adjust the pay and amounts of allowances payable to public officers with a monthly pay exceeding \$48,400 by reducing them by 5.38%.
2. **Comments**
 - (a) The Bill is essentially modelled on the Public Officers Pay Adjustment Ordinance (Cap. 574) and Public Officers Pay Adjustments (2004/2005) Ordinance (Cap. 580).
 - (b) The public officers to whom the proposed pay reduction applies are civil servants, Independent Commission Against Corruption (ICAC) officers and other public officers whose pay is determinable and adjustable in accordance with or by reference to a civil service pay scale or the ICAC pay scale.
 - (c) The Bill does not apply to the pay or allowances payable to a judicial officer holding a judicial office or appointed by the Chief Executive or by the Chief Justice.
3. **Public Consultation** According to the LegCo Brief dated 23 June 2009, the Secretary for the Civil Service informed the staff sides of the four consultative councils of the pay adjustments and other related matters on 23 June 2009.
4. **Consultation with LegCo Panel** The Panel on Public Service was briefed on the legislative proposals at its meeting on 29 June 2009. The Panel further discussed the proposals with the Administration and the Pay Trend Survey Committee (PTSC) and received views from 10 deputations at its meeting on 7 July 2009. Some members were opposed to the proposed pay reduction. Other members expressed concern that the findings of the 2009 Pay Trend Survey were not validated by four representatives of the staff sides of the central consultative councils out of the 16 members of PTSC.
5. **Conclusion** In the light of the views and concerns expressed at the Public Service Panel meetings, Members may wish to study the Bill in detail.

II. REPORT

Objects of the Bill

To adjust the pay and amounts of allowances payable to public officers with a monthly pay exceeding \$48,400 by reducing them by 5.38%.

LegCo Brief Reference

2. CSBCR/PG/4-085-001/62 dated 16 and 23 June 2009 issued by the Civil Service Bureau.

Date of First Reading

3. 8 July 2009.

Background

4. Under the existing civil service pay adjustment mechanism as set out in the LegCo Brief dated 16 June 2009, civil service pay is checked against the prevailing market situation on a regular basis through three different surveys, namely, (i) a pay trend survey (PTS) conducted annually to ascertain the year-on-year pay adjustment movements in the private sector; (ii) a starting salaries survey conducted every three years to compare civil service starting salaries with those of the private sector having similar academic qualifications and/or experience requirements; and (iii) a pay level survey conducted every six years to ascertain whether civil service pay is broadly comparable with private sector pay.

5. The annual PTS is commissioned by a tripartite Pay Trend Survey Committee (PTSC), comprising 10 staff sides representatives from the four central consultative councils (the staff sides representatives), three management representatives from the Administration, and three members of two advisory bodies on civil service salaries and conditions of service, namely, the Standing Commission on Civil Service Salaries and Conditions of Service and the Standing Committee on Disciplined Services Salaries and Conditions of Service. Upon completion of a PTS, the advice of the Chief Executive in Council will be sought on the pay offers to be made to the staff sides of the four central consultative councils, having regard to various factors including the net pay trend indicators, the state of the economy, the pay claims of the staff sides and the state of the civil service morale.

6. Having considered the responses of the staff sides representatives to the pay offers on civil service pay adjustment for 2009-2010 and the relevant factors under the established mechanism, the Chief Executive in Council decided at its meeting on 23 June 2009 that civil service pay for the lower and middle salary bands should be frozen and that civil service pay for the upper salary band and above (monthly pay of more than \$48,400) should be reduced by 5.38%.

Comments

7. The Bill, which is essentially modelled on the Public Officers Pay Adjustment Ordinance (Cap. 574) and Public Officers Pay Adjustments (2004/2005) Ordinance (Cap. 580) enacted in July 2002 and December 2003 respectively, seeks to implement the civil service pay reduction as set out in paragraph 6 above by reducing the pay of the following public officers by 5.38%:

- (a) civil servants pertaining to the points on the civil service pay scales and officers on the Independent Commission Against Corruption (ICAC) pay scale with a dollar value exceeding \$48,400;
- (b) Director of Audit; and
- (c) other public officers with a monthly pay of more than \$48,400 who are not civil servants or ICAC officers but whose pay is determinable and adjustable in accordance with or by reference to a point on a civil service pay scale or on the ICAC pay scale.

8. The Bill does not apply to the pay or allowances payable to a judicial officer holding a judicial office or appointed by the Chief Executive or by the Chief Justice.

9. Clause 11 of the Bill provides that the adjustments made by this Bill does not prohibit or affect other future adjustments made to the pay, or to the amount of any allowance, payable to public officers. Clause 12 varies the contracts of employment of public officers so that those contracts expressly authorize the adjustments made by this Bill. Similar provisions are provided in the Public Officers Pay Adjustment Ordinance and Public Officers Pay Adjustments (2004/2005) Ordinance.

10. The Bill also proposes to repeal the Public Officers Pay Adjustment Ordinance and Public Officers Pay Adjustments (2004/2005) Ordinance which are now spent.

11. If enacted, the Bill will come into operation on the date it is published in the Gazette. The pay adjustments made by the Bill will take effect on the first day of the month immediately following the month during which the Bill (if enacted) commences.

Public Consultation

12. According to the LegCo Brief dated 23 June 2009, the Secretary for the Civil Service informed the staff sides of the four consultative councils of the pay adjustments and other related matters on 23 June 2009.

Consultation with LegCo Panel

13. The Panel on Public Service was briefed on the legislative proposals at its meeting on 29 June 2009. The Panel further discussed the proposals with the Administration and PTSC and received views from 10 deputations at its meeting on 7 July 2009. Some Panel members were opposed to the proposed pay reduction. Other members expressed concern that the findings of the 2009 PTS were not validated by four representatives of the staff sides of the central consultative councils out of the 16 members of PTSC.

Conclusion

14. In the light of the views and concerns expressed at the Public Service Panel meetings, Members may wish to study the Bill in detail.

Prepared by

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