

**“Subject to the actual answer
given at the Council Meeting”**

Legislative Council Question No. 1
(Oral Reply)

Asked by: Hon CHEUNG Kwok-che Date of Sitting: 4 February 2009

**Replied by: Secretary for Labour
and Welfare**

Question:

In line with the mechanism stipulated in the Lump Sum Grant Manual, the Social Welfare Department (“SWD”) allocated, in accordance with the 2008-2009 civil service pay adjustment rates, supplementary subvention to subvented non-governmental organizations (“NGOs”) in September last year, and informed the NGOs concerned that the allocation aimed to be spent on adjusting the pay of their staff. In this connection, will the Government inform this Council whether:

- (a) it knows the respective numbers of NGOs which have not adjusted the pay of their staff in accordance with the relevant rates of pay adjustment for the civil servants of comparable ranks, NGOs which have not applied the pay adjustments retrospectively from 1 April last year, and NGOs which have not offered back pay to former staff who left the service after 1 April last year in respect of the period between 1 April and the end of the employment; and
- (b) it will request those NGOs not having adjusted the pay of their staff in accordance with the rates of pay adjustments for the civil service to return the balance of the allocation; if it will, of the details; if not, whether there is any measure to penalise such organizations; if there is not, of the reasons for that?

Reply:

Mr President,

Since the introduction of the Lump Sum Grant (LSG) Subvention System, the salaries of staff in subvented non-governmental organisations (NGOs) have been separated from the civil service pay system. Many NGOs have

also devised their own pay policies. While the LSG will be adjusted annually with reference to a number of factors stipulated in the LSG Manual, including the civil service pay adjustment, NGOs have the flexibility to deploy their LSG in accordance with the funding and service agreements.

Although the Administration has informed the NGOs that the supplementary subvention allocated as a result of the 2008-09 civil service pay adjustment is expected to be spent on adjusting the pay of their staff, as a matter of principle the Government is generally not involved in the determination of the salary adjustment of staff working in subvented organisations. The pay for these staff is a matter between the organisations as employers and their employees. This principle was clearly spelt out in the Administration's submissions to the Finance Committee (ref. FCR(2007-08)27 and FCR(2008-09)37) when members were invited to approve, among other things, additional subvention to NGOs as a result of the 2007-08 and 2008-09 civil service pay adjustments.

My reply to the Hon Cheung Kwok-che's question is as follows:

- (a) With reference to the 2008-09 civil service pay adjustment, the Social Welfare Department (SWD) adjusted the LSG of 162 NGOs in the same year. As the NGOs are not required to provide the details of their staff remuneration to SWD, SWD does not have the information requested at part (a) of the question.
- (b) As explained above, the Government is generally not involved in, and will not interfere with, the pay adjustment of staff working in subvented organisations. Pay adjustment for these staff is subject to the organisations' human resource policies as endorsed by their governing boards and the terms and conditions stipulated in the employment agreements/ contracts of the staff concerned. The interests of staff in subvented organisations, as those of all employees in Hong Kong, are protected by the relevant legislation. SWD will ensure that the LSG is only spent on recognised activities.