



**知識產權署**  
Intellectual Property Department

香港特別行政區政府知識產權署  
Intellectual Property Department  
The Government of the Hong Kong Special Administrative Region

Our Ref. 本署檔號 : (11) in LM to (31/02) in IPD/154/2  
Your Ref. 來函檔號 : JS/CSP/TF  
Tel. 電話 : [REDACTED]  
Fax. 圖文傳真 : [REDACTED]

By Fax (2877 0750) and By Post

26 June 2002

Secretary General  
Joint Secretariat for the Advisory Bodies on Civil Service  
and Judicial Salaries and Conditions of Service  
Room 701, 7<sup>th</sup> Floor,  
Tower Two, Lippo Centre  
Hong Kong

Dear Secretary General,

**Review of  
Civil Service Pay Policy and System**

I refer to the letter from the Chairman of the Task Force on Review of Civil Service Pay Policy and System inviting views on the consultation paper of their Phase I Study. We have consulted our colleagues responsible for departmental / grade management as well as the staff representatives of our Departmental Consultative Committee. Their views and comments are summarised in the Annex attached.

Yours faithfully,

for Director of Intellectual Property

**Annex**

**Intellectual Property Department**  
**Views and comments from departmental / grade management and**  
**staff representatives of Departmental Consultative Committee on**  
**Phase I study of the Task Force on Review of**  
**Civil Service Pay Policy and System**

**(a) General Issues**

- Questions were raised on the rationales for selecting the five commonwealth countries for study and comparison. The governmental administration of these countries are mostly developed from the original British system of governance, thus sharing many similar characteristics in their civil service pay policy and systems. References should also be drawn from non-commonwealth countries such as Japan, France and Germany which also have efficient civil service systems. Comparison with private sector practice should also be made.
- The theoretical premises of the review have not been stated. Articles 100 and 103 of the HKSAR Basic Law have not been addressed. The contractual employer-employee relationship between the Government and civil servants has not been mentioned.
- The pay policy and system should also address the changing mode of staff supervision and performance management consequent to the wide adoption of information technology in office administration / operation and service delivery as well as the rapid changes in this area.

**(b) Pay Policies, Pay System and Pay Structure**

- The clean wage policy i.e. paying "all cash" in lieu of allowances, housing and medical benefits etc is generally acceptable subject to no net decrease in take-home pay due to tax payment. There is a suggestion that civil service pay could be lowered but made

salaries tax-free to reduce administrative cost.

- There is general agreement that senior civil servants should be subject to a pay policy which is different from that of the middle-ranking and junior ranks, placing more risk/reward factors on the former; but the definition of "senior" should be spelt out more clearly.
- There is unanimous agreement that the disciplined services' pay should be treated differently from the rest of the civil service.
- Strict comparison with the private sector would not be feasible in most cases. Unlike the private sector where revenue would increase with increased productivity, most of the services to the public are free.
- Government's ability to pay should not be the over-riding consideration but just one of the factors in pay adjustment. Basic Law Article 100 should be the over-riding factor.
- To ensure stability and morale of the civil service, the pay system should be fair, objective and broadly comparable with the private sector. The pay package should be good enough to attract and retain top talents and to minimize possibilities for corruption.

#### **(c) Replacing Fixed Pay Scales with Pay Ranges**

- Pay ranges could be implemented on a trial basis for senior civil servants under prudent and objective administration. A mechanism should be worked out to reward good performing staff already on the maximum of the pay range.
- Departments should be given sufficient resources so that they would not be inhibited from rewarding deserving staff with pay increase due to insufficient financial provision.

#### **(d) Pay Adjustment System and Mechanism**

- There is consensus that the present principle of broad comparability with the private sector should continue be adhered

to.

- The existing pay adjustment system is still regarded as fair and should not be over-simplified.

**(e) Introducing Performance-based Rewards**

- The introduction of performance-based rewards is generally supported.
- Apart from pay ranges, other forms of performance-based rewards in the form of year-end bonus or shares of Tracker Fund should be considered.
- In general, team-based performance reward is not favoured.
- In addition to the existing staff appraisal system, a suggestion is that the 360° appraisal system could be introduced so that the appraisee's performance would also be assessed by his/her peers and subordinates.

**(f) Simplification and Decentralization of Pay Administration**

- The simplification and decentralisation of pay administration is supported in principle but there should be corresponding changes and delegation in financial management. Departments should be given more financial freedom in deploying their resources and be able to retain part of the departmental revenue.
- Departmentalisation of the clerical grade is welcome by some staff provided that they could still apply for transfer to other government departments and that their promotion prospects be preserved. However, it would reduce the current flexibility in deploying staff within the whole civil service especially in outsourcing exercises and in staff surplus situations.

- end -