



中華人民共和國香港特別行政區政府總部衛生福利及食物局
Health, Welfare and Food Bureau
Government Secretariat, Government of the Hong Kong Special Administrative Region
The People's Republic of China

Our ref : LM(10) to HWF/P/6/7/4/00
Your ref : JS/CSP/TF
Tel No. :
Fax No. :

Mr LEE Lap-sun
Secretary General
Joint Secretariat for the Advisory Bodies on Civil Service
and Judicial Salaries and Conditions of Service
Rm 701 7/F Tower Two Lippo Centre
89 Queensway
Hong Kong

Dear Mr Lee,

**Views and Comments on Interim Report
of Civil Service Pay Policy and System**

The broad principle of comparability with the private sector is supported. But as conditions in the employment market change rapidly, pay level and pay structure surveys should be conducted much more frequently to reflect market conditions. Otherwise, long gaps would appear before adjustments could be effected. Political pressures will be built up when the market changes for the worse and wastage will increase when the market improves. A simpler and more efficient mechanism needs to be worked out and agreed with staff.

/.....

Government's affordability to pay is certainly a very important consideration in pay adjustments. But other measures to reduce costs, e.g. streamlining structures and processes, should also be considered at the same time to form a comprehensive and effective package.

The concept of performance pay and flexible pay ranges replacing fixed pay scales are laudable in principle. The real test lies in devising a system of performance appraisal which is seen to be fair, reasonable and workable, which does not impose undue burden on management in implementation, and is acceptable to both management and staff. If it is not done properly, it could become divisive and undermine staff morale. If it is done well, it could help boost productivity.

Team-based performance rewards may work better where the team output is quantifiable and measurable. All members of a team would be motivated to perform. Individual performance rewards may be more suited for staff whose quality of work is more important than quantity, and the individual's input or contribution is more easily identified.

De-centralisation of pay administration would give Heads of Grades / Heads of Departments more flexibility to cater for the needs of their grades / departments. However, some principles and guidelines need to be established for the reference of HoGs / HoDs to maintain broad comparability of pay packages of the same or similar grades within Government.

The long established qualification benchmark system does not seem to be addressed in the Phase I study. Is it intended that it should be left intact? In line with the spirit of allowing flexibility in other aspects of the pay system, shouldn't greater flexibility to depart from the qualification benchmarks be allowed as well? At present, there are grades which stipulate unrealistically low entry qualifications on paper but which are recruiting staff with far higher qualifications. Shouldn't they be allowed to formally raise their entry qualifications without increasing pay? This would at least recognise the qualifications of existing staff and formalise recruitment practices.

/.....

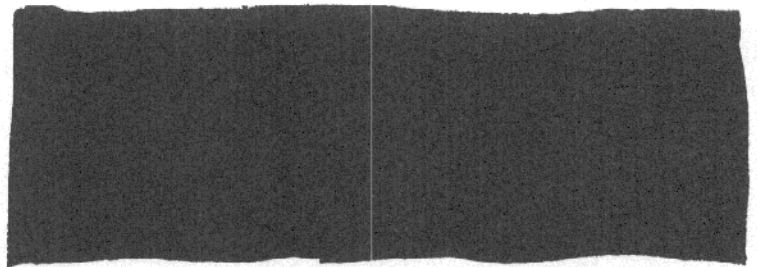
The idea of encashing fringe benefits is supported. It would reduce administrative costs for Government and make the benefits much more user friendly to staff.

There are many areas in which changes will have to be made to the civil service pay policy and system to align the latter with modern management practices. In introducing the changes, due regard should be given to maintaining the stability of the civil service and securing staff acceptance. A step-by-step approach is recommended, and extensive consultations with staff and grade / departmental management are essential throughout the process.

I understand that the former Environment and Food Bureau has submitted a separate return to you earlier. The views contained in this letter represent those of the Health & Welfare branch of this Bureau only.

With best regards,

Yours sincerely,

A large rectangular area of the document is completely redacted with a solid black fill, obscuring the signature and any text that might have been present.

for Permanent Secretary for Health, Welfare and Food