

CHAPTER 5

THE OUTLOOK FOR 1997

5.1 With the change of sovereignty on 1st July, 1997, it is perhaps opportune for us to review our own work. Most of the Commission's work is done quietly and attracts little, if any, publicity. Although implementation takes time, the Government has always endeavoured to implement our recommendations. Accordingly, our work has a significant impact both on the efficiency of the public service and on the wider economy of Hong Kong.

5.2 In recent months, public attention has focused on the qualities which have made Hong Kong a success. The Hong Kong civil service is considered to be a major contributing factor to Hong Kong's success. The civil service ranks among the top in the world league in terms of integrity and efficiency, openness and accountability. The public recognises the need for stability in the civil service during times of change.

5.3 A fair and competitive remuneration package, including appropriate fringe benefits, has always been and will remain a key component of the means to foster stability in the civil service during Hong Kong's transition from a colony to a Special Administrative Region of the People's Republic of China. As the largest employer by far in Hong Kong, the Hong Kong Government has a major impact on pay policies and trends in many sectors of the economy, although it is the Government's policy, as recommended by the Commission, that civil service salaries follow rather than lead the private sector.

5.4 The overwhelming majority of our recommendations were implemented by the Government forthwith. Instances of our recommendations not being implemented are few and far between. Exceptions include our proposals that the pay of the civil service be more performance-related and that the country restriction under the existing provisions of the Overseas Education Allowance (OEA) be removed.

5.5 The Administration's implementation progress was reviewed by us regularly. We were informed, for instance, that with regard to the OEA, the Administration was unable to introduce a single education allowance with no stipulated country coverage unless the Staff Sides were prepared to accept a reduction in the existing OEA rates. The Administration has, so far, not been

able to secure the Staff Sides' agreement on this. We appreciate the difficulties and constraints faced by the Administration. Implementation of proposals with financial implications for the staff, understandably, take time and considerable patience. We urge the Administration to continue to work with the Staff Sides for a satisfactory solution.

5.6 We are glad to note that in the seventeen years since the Commission was established, there has been no recurrence of the staff disputes which led to strikes, go-slows and other forms of industrial action in 1977 and 1978. Many of the principles pronounced by the Commission in the past, although innovative at the time, have become accepted as major tenets of Government's management of its human resources. Strong foundations have therefore been laid on which we can build our work for the Hong Kong Special Administrative Region. For instance, the system of benchmarks (Appendix M) is now well established, together with a mechanism for systematic reviews of the salary and structure of individual grades. Naturally, some grumbles and complaints are inevitable from time to time but morale in the civil service has, on the whole, held high despite the unprecedented changes faced by the service.

5.7 As Members of the Commission, we remain steadfast in our commitment to provide the Government with independent, objective and balanced advice on matters within our terms of reference. We shall continue to keep under review the methodology of the pay trend survey to ensure that the results will remain credible and that civil service pay remains competitive in order to attract and retain officers of high calibre. In consultation with the Administration, we shall, in the coming year, take a close look at the policy on fringe benefits, including the quantum, eligibility rules, the mode of dispensation and future direction. We shall also continue the new initiatives taken this year to enhance contact and liaison with staff associations as well as private sector organisations to ensure that we have due regard to relevant developments in both the public and private sectors when we discharge our duties and responsibilities.