

[REDACTED]@PLB

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 Urgent Return Receipt

To: [REDACTED]/EMSD/HKSARG@EMSD

cc:

Subject: Review on Civil Service Pay

Dear [REDACTED]

Please note my comments below for your follow up action.

- The overall pay package for civil service should be better than comparable posts in the private sector so as to ensure intake of officers of appropriate quality and calibre, as well as to ensure staff stability and morale.
- The scale and scope of public services do not change that quickly as that of the private sector, in fact the workload of civil service (such as social welfare services) may even increase during depression. Pay package for civil service should therefore be relatively stable and less volatile when compared with the private sector. The spontaneous up and down adjustment of the private sector would not be conducive to the quality and continuity of civil service.
- Benchmarking for middle and junior staff with the private sector is relatively easier than that for senior officials, thus different pay policies and system may be necessary.
- There should be built-in flexibility in civil service pay for better staff motivation, performance based bonus could be a viable option. However, the amount of bonus should not be disproportionately large.
- Replacement of fixed scale with pay ranges is supported provided flexibility is delegated to departments concerned. Besides, basic principles must be devised as to how increments are to be awarded given a pay range instead of fixed scale, as to avoid possible manipulation by individuals. Nonetheless, the system would be more applicable for middle to higher levels.
- The current pay policies and system is complicated and require a large supporting team to handle, clean wage policy (i.e. paying "all cash" wages in lieu of allowances, housing and medical benefits) is simpler, easier to manage, and considered more value-for-money from staff side's perspective as they can decide where and how best their benefit-related pay should be used.
- Decentralization of civil service pay administration is considered appropriate for departmental grades where similar grades/ranks would not be available in other departments. Otherwise, the issue of disparity need to be addressed. However, departmentalization of common grades for management purpose is acceptable.

[REDACTED]