

**Subcommittee to Study the Proposed
Accountability System for Principal Officials and Related Issues**

**Administration's response to
issues raised at the meeting on 17 May 2002**

This paper sets out the Administration's response to the list of issues raised at the meeting on 17 May 2002 as set out in LC Paper No. CB(2)1991/01-02(01).

(1) The Bureaux

Issue raised: A member has requested more justifications for the proposed distribution of policy portfolios. He is concerned that some will become 'super-bureaux' which will be over-burdened by too many policy portfolios (e.g. the proposed Health, Welfare, Environment and Food Bureau), while some other bureaux may have a light schedule (e.g. Constitutional Affairs).

Administration's response: We will respond in sum at the motion debate on 29 May 2002.

(2) Relationship between bureaux and departments

Issue raised: To provide more information on the objectives, considerations and plans (e.g. percentage of savings) for streamlining the structure of departments and bureaux.

Administration's response: The overall direction of the review on the role of bureaux vis-à-vis departments is to streamline the structure and working relationship between the two, merging and integrating similar functions being performed by both, making better use of resources and enhancing the efficient and effective implementation of policy and delivery of services to the public. The details of the review will be left to the principal officials under the accountability system.

(3) Employment package for principal officials

Issue raised:

(a) To provide information on the relativity of the remuneration for the

principal officials (such as CS) and the Chief Justice;

- (b) The basis and principles for determining the remuneration for members of the Judiciary; and
- (c) Whether any overseas countries have a system where the Head of Judiciary has a lower salary than that of the principal officials such as Directors of Bureau.

Administration's response:

- (a) In May 1987, in view of the independent status of the Judiciary and to enable greater flexibility in determining the pay and conditions of service of judges and judicial officers, it was decided that the Judiciary should be a self-administering body with pay and conditions of service for judges and judicial officers dealt with separately from those of the civil service. The Standing Committee on Judicial Salaries of Conditions of Services was subsequently established in December 1987. On the advice of the Standing Committee on Judicial Salaries and Conditions of Service and upon the approval of the Finance Committee, the Judicial Officers Pay Scale (initially known as the Judicial Service Pay Scale) was established in November 1988 as a new and separate pay scale to cater specifically for judges and judicial officers.
- (b) The Chief Justice (CJ) is remunerated on the Judicial Service Pay Scale (JSPS 19) whereas CS is remunerated on the Directorate Pay Scale (D10). The salaries of JSPS 19 and D10 are the same in monetary terms.
- (c) Under the accountability system, the remuneration package for CS will be re-structured so that he will no longer be entitled to a range of allowances and other benefits, nor will he be entitled to any end of contract gratuity payment. The total cost to the taxpayer in respect of the CS under the accountability system will be \$4,167,808 per year which is on par with the total cost to the taxpayer of the incumbent CS.

(4) Integrity checking

Issue raised: To provide the criteria and standards for integrity checks (e.g. moral standard and conduct guidelines), and the average time taken for completion of integrity check.

Administration's response: A separate paper has been provided.

(5) Involvement in political activities

Issue raised: To advise –

- (a) whether a principal official can be a member of a political party/organisation/body;
- (b) whether CE's approval is required for participation of activities organised by political organisations or bodies;
- (c) the meaning of 'not cause any embarrassment to the Government' and 'distract their attention' in paragraph 4.2 (b) and (c) of the draft Code for Principal Officials under the accountability system; and
- (d) whether a principal official can still be directors of companies during his term of office.

Administration's response: Freedom of association is protected by law in Hong Kong. It is the responsibility of the principal official under the accountability system to ensure that no conflict will arise with his oath to uphold the Basic Law and his oath of allegiance to the HKSAR. It is also his responsibility to ensure that there is no conflict with the principles set out in Chapter 4 of the Code for Principal Officials. The same applies to participation in activities organised by political organisations or bodies. In case of doubt, the principal official should seek guidance from the Chief Executive as is also provided for in Chapter 4 of the Code.

A principal official cannot be a director of a company without the prior consent of the Chief Executive. However he may retain or accept honorary posts in non-profit making organisations or charitable bodies provided that there is no actual or apparent conflict of interest between his interests in such organisations or bodies and his official duties and that his interests in such organisations or bodies would not cause embarrassment to the Government, the Chief Executive or other principal officials of the Government.