

**LegCo Panel on Public Service  
Meeting on Monday, 21 November 2005 at 10:45 am  
in the Chamber of the Legislative Council Building**

**Agenda Item IV: Appointment of consultant of the pay level  
survey for the civil service**

**Views of the Police Force Council Staff Side**

This paper is prepared in order to apprise the Panel of the views of the Police Force Council Staff Side and our objections to the appointment of Watson Wyatt (Hong Kong) Limited as the consultant for the 2nd phase of a proposed Pay Level Survey. We believe the appointment is ***wrong in principle and wrong in practice***.

2. Watson Wyatt was previously commissioned by the HKGCC to conduct a comparison of civil service and private sector pay in 2002. The results of that survey were announced in early 2003. Police officers strongly object to the findings of that survey, which suggest that civil servants had a pay advantage over the private sector ranging between 17% and 229%.

3. Watson Wyatt has since offered an explanation of the methodology of that survey, showing that the findings were unsound. However Watson Wyatt did not proffer these explanations when the local media were making much of the vast discrepancies the survey purported to show. The ethical standards of the consultant have been brought into question by their inaction.

4. On 8th June 2005, CSB announced that they had selected Watson Wyatt to conduct their own proposed pay level survey. The Police Force Council Staff Side and all other civil service unions universally condemned the appointment. The concerns of the Police Force Council Staff Side are simple - there is a clear conflict of roles on the part of Watson Wyatt and the company has previously published unsound findings in a similar survey. The credibility of Watson Wyatt as a professional and independent consultant in this regard has been irreparably damaged.

5. CSB has indicated that the results of this pay level survey will be applied to all servants, including police officers, despite the fact that all parties, including Watson Wyatt, admit there is no way to compare police pay with the private sector.

6. The proposed survey will therefore have far reaching consequences for officers of the Hong Kong Police Force. It is imperative that the survey is not only fair, but also ***seen to be fair***. Regardless of the survey findings, no right thinking member of the public could view them as fair. The Police Force Council Staff Side is simply asking for a level playing field.

7. Despite assurances to the contrary from the SCS to both the public and the Panel, the consultation with staff sides on the Pay Level Survey has not been going smoothly. The Police Force Council Staff Side has not attended any of the technical sessions with this consultant because of our objections to their appointment. There is also no consensus between staff and CSB in respect of the methodology of the survey. Neither of these facts is reflected in the minutes of the Consultative Group meetings and this insincerity on the part of CSB is of grave concern.

8. Our confidence in Watson Wyatt was further undermined by their initial response to staff queries about their role in the 2002 survey. During the 17th Consultative Group meeting of 13th June 2005, Watson Wyatt representatives persistently evaded questions from the Police Force Council Staff Side representatives in respect of their involvement in the 2002 survey.

9. Trust in the consultants has not been established since that first encounter. It is a fact that if such a conflict of roles had arisen in any other civilised country, the company themselves would have withdrawn from the tender process.

10. In dismissing our pleas for revoking the tender, CSB have made much of the fact that the tender process has "strictly followed established procedures for the procurement of consultancy services". However, CSB has not addressed our concerns about the conflict of roles and the perception of fairness.

11. The fact that this consultant has managed to comply with tender conditions (designed by CSB) is irrelevant. What does matter is that the tender did not address the issue of a conflict of role and that the consultant did not see fit to mention their involvement in the 2002 survey during the tender process but rather tried to evade questions on that role when queried by the Police Force Council Staff Side.

12. Police officers are inculcated with the values of honesty, fairness and impartiality. We have a right to expect the same in return. The exercise of executive power by SCS during this tender has not been fair, honest or impartial, and the integrity of the process has been seriously compromised.

13. It is in everybody's interest that this survey is completed in a fair, legal and transparent manner. Any question regarding the validity of the results would mean a waste of effort and money, and perhaps open the Government to more legal challenges. The Police Force Council Staff Side submits that this is a suitable case for the legislature to intervene.

14 November 2005