



27 February 2006

Mr CHIU See-wai
Chairman
Government Disciplined Services General Union

Mr NGAI Sik-shui
Staff Side Chairman
Disciplined Services Consultative Council

Mr LAU Kam-wah
Principal Staff Side Spokesman
Police Force Council

c/o Staff Side Secretary
Police Force Council
39/F, Arsenal House, Police Headquarters
1 Arsenal Street
Wan Chai, Hong Kong

Dear Sirs,

**Development of an Improved Civil Service Pay Adjustment
Mechanism – Conduct of a Pay Level Survey for the Civil Service**

The Chief Executive has asked me to thank you for your letter of 26 January 2006, and to reply on his behalf.

On the matter of the selection and appointment of the consultant to conduct the pay level survey for the civil service, the Civil Service Bureau (CSB) adhered strictly to the Government's established procurement procedures. The whole process was conducted fairly, properly and in a transparent manner. In addition, the CSB took the extra step of consulting you and other staff side members of the Consultative Group on Civil Service Pay Adjustment Mechanism (Consultative Group)

中華人民共和國香港特別行政區行政長官辦公室

Office of the Chief Executive of the Hong Kong Special Administrative Region of the People's Republic of China

香港禮賓府 電話: +852 2878 3300 傳真: +852 2509 0580 電郵: ceo@ceo.gov.hk

Government House, Hong Kong Telephone: +852 2878 3300 Fax: +852 2509 0580 E-mail: ceo@ceo.gov.hk

on the criteria for assessing proposals from consulting firms before they were finalized and made known to the bidders. In the circumstances, there is no valid reason to overturn the appointment decision. The CSB has already fully briefed the Legislative Council Panel on Public Service and the Consultative Group on this matter.

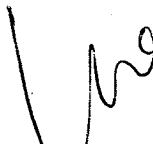
We fully agree that it is important to ensure that the pay level survey is conducted in a professional, impartial and transparent manner so that its results would be credible both to our civil service and the public at large. To this end, the CSB has specifically instructed the appointed consultant to conduct the pay level survey in close consultation with the Consultative Group and staff bodies – including yourselves - and to ensure that staff's views will be taken fully into account. The CSB has also pledged that the consultant's final report (save for commercially sensitive information) will be released to the public. We are grateful for your participation and contributions in the Consultative Group to date. We look forward to your continued active participation in the process in the months ahead.

On the matter of application of the results of the pay level survey to the disciplined services bearing in mind the lack of comparable jobs in the private sector, we wish to reiterate that the pay level survey does not seek to compare the pay of each and every grade and rank in the civil service with comparable jobs in the private sector. We will not apply the private sector pay data collected in the survey on a job-for-job basis. Our plan is to apply the consolidated private sector pay data to all civil service grades and ranks (including civilian grades not covered in the pay level survey and disciplined services grades) on the basis of the existing internal pay relativities in the civil service, unless and until the findings of any individual grade structure reviews support an adjustment to such relativities. This approach is in accordance with the established practice followed in past annual civil service pay adjustment exercises and in the 1999 Civil Service Starting Salaries Review.

In accordance with the established mechanism, we will seek independent advice from the Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) when the results of the current pay level survey are available, specifically on the proposed approach for applying the survey results to the disciplined services. Separately, the CSB has undertaken to accord priority to the disciplined services grade in carrying out individual grade structure reviews after the completion of the pay level review exercise.

We seek your understanding of the pragmatic and prudent approach set out above, which we believe is in the interests of the civil service (including colleagues in the disciplined services) and the community at large. The Administration looks forward to maintaining a constructive dialogue with you and other staff bodies.

Yours sincerely,



(Wanda Luk)

for Private Secretary to the Chief Executive

c.c. Chairman, Panel on Public Service, Legislative Council
Chairman, Standing Committee on Disciplined Services
Salaries and Conditions of Service
(c/o Joint Secretariat for the Advisory Bodies on Civil Service
and Judicial Salaries and Conditions of Service)
Commissioner of Police
Director of Immigration
Controller, Government Flying Service
Commissioner of Customs and Excise
Director of Fire Services
Commissioner of Correctional Services