

CSBCR/PG/4-085-001/46

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19 February 2005

Clerk to Panel  
(Attn.: Ms. Rosalind Ma)  
Legislative Council Panel on Public Service  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong

Dear Ms Ma,

**Panel on Public Service**  
**Meeting on 21 February 2005**

**Agenda Item IV – Outcome of the consultation on the proposals for the pay level survey and the way forward**

Thank you for your letter of 16 February 2005. I set out below the response of the Civil Service Bureau (CSB) to the written submission dated 14 February 2005 from the President of the Association of Expatriate Civil Servants of Hong Kong (AECS).

**Consultation with staff representatives**

To take forward the exercise on the development of an improved civil service pay adjustment mechanism, the CSB has set up the Steering Committee on Civil Service Pay Adjustment Mechanism (the Steering Committee)<sup>1</sup> and the Consultative Group on Civil Service Pay Adjustment Mechanism (the Consultative Group)<sup>2</sup> to gauge respectively professional and staff input to the exercise. Since the commencement of the exercise in April 2003, the CSB, with technical support from an outside consultant

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<sup>1</sup> The Steering Committee comprises selected members drawn from the Standing Commission on Civil Service Salaries and Conditions of Service, the Standing Committee on Disciplined Services Salaries and Conditions of Service and the Standing Committee on Directorate Salaries and Conditions of Service.

<sup>2</sup> The Consultative Group comprises staff representatives from the staff sides of the four central consultative councils and the four major service-wide staff unions.

(the first stage consultant), has held intensive discussions with the Steering Committee and the Consultative Group on various issues relating to the exercise, including the design of the pay level survey methodology.

During the period from April 2003 to November 2004, the Consultative Group had held a total of 19 meetings and technical sessions. Following deliberations with the Steering Committee and the Consultative Group, the first stage consultant has made recommendations on the methodology of the pay level survey. These recommendations, which were contained in the Consultation Paper on the Proposals on the Methodology of the Pay Level Survey and the Application of the Survey Results (the Consultation Paper), have taken on board many of the views and comments expressed by the staff side members of the Consultative Group. For example, in response to the staff side members' concern about whether civil service benchmark jobs can be properly matched to broadly comparable private sector jobs, the first stage consultant has recommended that an intensive job inspection process be carried out prior to the job matching process in order to ascertain the details of the job characteristics and work nature of the civil service benchmark jobs. In response to the staff side members' comment that the prevailing trend in the private sector is to have a portion of pay converted as variable pay, the first stage consultant has recommended that all cash compensation elements, including basic salary, guaranteed bonuses, cash allowances<sup>3</sup> and variable pay, should be collected from the surveyed organisations for the purpose of comparison with civil service pay.

Following the close of the consultation period on 7 January 2005, at the meeting of the Consultative Group held on 21 January 2005, the CSB consulted the staff side members on the next steps for taking forward the development of an improved pay adjustment mechanism for the civil service. Meanwhile, the CSB has tasked the first stage consultant to further consider whether any refinement of his recommended methodology as contained in the Consultation Paper is warranted in the light of the consultation feedback. At the next Consultative Group meeting to be held on 2 March 2005, we shall further discuss with the staff side members the responses from the CSB and the first stage consultant to the written submissions on the Consultation Paper.

### **Consultancy for the conduct of the survey field work**

At the above Consultative Group meeting held on 21 January 2005, the Consultative Group briefly discussed the approach for seeking professional assistance from outside consultants in conducting the field work of the pay level survey under a second stage consultancy. In response to the suggestion from the staff side members, we shall further consult them on the scope of work of the consultancy and the selection criteria of the consultant at the next Consultative Group meeting to be held on 2 March 2005 before proceeding to invite proposals from consulting firms/organisations.

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<sup>3</sup> Except those cash allowances which are conditional on individual circumstances (e.g. cash payment as reimbursement of an accountable expense) or special working conditions that may be unique to an organisation or particular jobs in an organisation (e.g. payments for overtime).

In the same manner as the appointment of the consultant for designing the survey methodology (the first stage consultancy), the selection and appointment of the second stage consultant will be in full compliance with the government's established procedures for procuring consultancy services. We shall ensure that the process will be carried out in a transparent manner while not compromising the integrity of the consultants selection process. For the first stage consultancy, we had consulted the staff side members of the Consultative Group on the proposed approach for seeking professional assistance (including the scope of work of the consultancy) before inviting proposals from consulting firms/organisations. Upon conclusion of the selection and appointment process, we have also uploaded all relevant information about the consultancy (including the scope of work, deliverables, composition of the assessment panel, assessment criteria of the consultancy proposals and consultancy fee) on the homepage of CSB at <http://www.csb.gov.hk> so that all interested civil servants are kept informed of the process.

### **Timetable of the consultancy**

Taking account of the first stage consultant's recommendations and other relevant considerations, the Government will take a decision on the methodology of the pay level survey with a view to embarking on the survey field work as soon as possible. The CSB will then invite proposals from consulting firms/organisations for carrying out the survey field work according to the finalised methodology. If the broadly-defined job family method as recommended by the first stage consultant is adopted for conducting the pay level survey, an intensive job inspection process will be carried out as a preparatory step before the collection of pay data from the private sector. In view of the number of benchmark jobs involved, we envisage that the proposed job inspection process will take around three to four months and that the process of collecting data from private sector organisations will commence around the third quarter of 2005.

Yours sincerely,

(Eddie Mak)  
for Secretary for the Civil Service