6 December 1985

His Excellency Sir Edward Youde, GCMG, MBE Governor of Hong Kong

Your Excellency,

Guidelines on the Future Direction of the Standing Commission's Work

In recent weeks we have been discussing the subject of leave and passages and have concluded that, if we are to make appropriate recommendations on this and other matters, there is a need for the Commission to work in accordance with a general policy which takes into account the lines on which the civil service is intended to develop between now and 1997. Such a policy should, in our view, take into account the longer-term political aspects of possible changes in pay and conditions of service in the civil service and not merely budgetary and other short-term considerations. Furthermore, we believe that it would not be appropriate for us in future to recommend changes in particular conditions of service or changes which affect particular sections of the civil service (such as expatriates) without taking into account their effect on the civil service as a whole.

not (attached) 2. In the course of our deliberations we have taken note of Section IV of Annex I to the Joint Declaration. For ease of reference, the text of the Chinese and English versions is at Appendices A and B respectively. Our particular concern is with the proviso in the final sentence of the last paragraph of this section. The final sentence (with the proviso underlined) reads, in English:

"Hong Kong's previous system of recruitment, employment, assessment, discipline, training and management for the public service

(including special bodies for appointment, pay and conditions of service) shall, save for any provisions providing privileged treatment for foreign nationals, be maintained."

and in Chinese :-

香港原有関公務人員的招聘、 僱用、考核、紀律、培訓和管理的制度(包括負責公務人員的任 的制度(包括負責公務人員的任 用、新金、服務條件的專門機構), 除有関給予外籍人員特權待遇, 的規定外,予以保留。」

- 3. It seems to us that this proviso carries two possible implications. Firstly, after 30 June 1997 there should be no difference between the salaries and the conditions of service of local officers and their expatriate counterparts for a given post (in this respect the Chinese version of the text seems to us to be even more explicit than the English) and, secondly, there should be no more designation of a specified number of posts in particular grades in the Government exclusively for expatriates.
- 4. We should be grateful for the Government's comments on this important matter since it has a direct bearing on our work.

We have the honour to be, Your Excellency's obedient servants,

> (S.Y. Chung) Chairman