Appendix J

2 January 2003

The Hon Joseph W P Wong, GBS, JP Secretary for the Civil Service 10/F Central Government Offices West Wing Lower Albert Road Hong Kong

Review of Job Related Allowances (JRAs)

Thank you for your letter of 15 November 2002 advising us of the Administration's decision on the above-mentioned matter.

The Standing Commission discussed the letter at its meeting on 5 December 2002 and noted the modified principles set out in your letter. There is, nevertheless, one issue which we would like to bring to your attention.

As has been pointed out in the report of the Standing Commission dated June 2000, we have reservation on keeping the eligibility cut-off point at MPS 33. This is on account of the fact that many civil servants remunerated below this point are also engaged in managerial functions. There is, therefore, a case to adjust the present eligibility cut-off point for JRAs to reflect the underlying principle that JRAs are intended for non-management staff only. It is noted that the Administration has decided to withhold action on the above recommendation in the light of divergent views received and the ongoing comprehensive review on civil service pay policy and system which may have an impact on the JRA system. We also note that a marker has been put down for the issue to be revisited in the context of the said review. We would recommend that the issue should be pursued as soon as it is practicable.

We are pleased to note that the Administration has now decided to launch a six-month moratorium on 1 December 2002 so that the review of individual JRAs may proceed as soon as possible. We should be grateful if the Standing Commission could be kept informed periodically of progress of the review, as we have recommended in paragraph 6.17 of our report.

(YEUNG Ka-sing) Chairman

cc Members, Standing Commission