

CHAPTER 5

LOOKING INTO THE FUTURE

5.1 We are aware that Phase Two of the Review of Civil Service Pay Policy and System has yet to be carried out. However, we are given to understand that, having regard to the recommendations of the Task Force in its Phase One Final Report, the Administration is now focusing on the priority actions in the short term, i.e. devising a practical framework and methodology for conducting pay level surveys and reviewing the annual pay trend survey methodology. At the time this report is prepared, discussions are being held between the Administration and the staff sides on the handling of the 2003 civil service pay adjustment mechanism and related issues. In view of these urgent tasks, the Administration aims to decide on the way forward regarding the comprehensive review in early 2003, following consultation with staff and taking into account the results of the public consultation on the Task Force's Phase One Final Report.

5.2 Pending the Administration's decision on how best to take forward Phase Two of the review, we shall continue to carry out our responsibilities under the Commission's terms of reference and to tender advice on any proposals from the Administration for changes to the pay and conditions of service for individual grades or for the civil service as a whole.

5.3 We also understand that, given the Government's commitment to achieving significant economy in its operating expenditure in the next few years, the Secretary for the Civil Service has recently undertaken to review all the existing civil service allowances within the coming year. The review covers allowances related to the performance of duty as well as allowances payable as fringe benefits. In due course, the Administration will seek the Commission's advice on specific proposals where appropriate.

5.4 As in the past, we shall maintain our contact with major civil service staff associations and private sector organisations to ensure that we keep abreast of developments relating to the discharge of our duties and responsibilities.