

CHAPTER 5

MODEL SCALE 1

General

5.1 Staff paid from Model Scale 1 (39,906 at 1st September 1979) comprise about 30% of the strength of the civil service. We were made aware of the problems which had arisen over the years concerning this large section of the service and the attempts which have been made to solve them. We also studied the recommendation by the 1971 Salaries Commission that an industrial civil service should be constituted and the findings of a Government Committee which was subsequently appointed in 1973 to examine this proposal and which advised against it. From our study it became obvious that a number of problems concerning Model Scale 1 remain which, if not insoluble, are certainly not capable of a quick or easy answer. In this first review we have therefore confined ourselves to the adjustment of the points in each segment of the scale rather than attempt to make a substantial revision of the existing framework of the scale itself.

5.2 In common with Master Pay Scale staff, Model Scale 1 staff had the opportunity of making representations to us on matters affecting individual grades. Management was given a similar opportunity and 110 written representations were received. Those from the staff, which made up the vast majority, together with the proposals made during numerous meetings with the Commission Secretariat, indicated that considerable increases in pay were sought and expected. Proposals to amalgamate and retitle ranks appeared in some cases to be first steps towards obtaining improved pay scales. Those from management made suggestions for restructuring certain grades and transferring others to the Master Pay Scale. As each grade was considered, the representations received in respect of it were thoroughly perused and given due weight, but we wish to stress that equal consideration was also given to the 20 grades from which no representations were received.

5.3 In our First Report on Principles and Practices we discussed the question of whether the long term objective should be to eliminate the differences in conditions of service between Model Scale 1 employees and employees on the Master Pay Scale. We are aware of the large body of opinion that these differences should be eliminated and we intend to make recommendations in this respect after further consultation with staff and management.

Private sector comparison

5.4 In the private sector, market considerations are the primary and sometimes the sole factor in determining wage levels. At times, therefore, wages may fail to keep pace with rises in the cost of living and the aspirations of the lowest paid workers

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for real increases in living standards will not be met. During periods of financial stringency this situation may be unavoidable and even tolerable in both the private sector and in Government, at least in the short term. This is illustrated by the fact that the real value of wages in both the public and private sectors fell between March 1974 and March 1975. However, in the longer term, Government is far more open to social and political pressures than the private sector and may find it difficult to exercise wage restraint to the same extent as the private sector. There will always be a section of the public which will expect Government to set an example in wages for the lowest paid.

5.5 The information we have used for comparison purposes regarding private sector pay is derived from the Census and Statistics Department publication "Wage Statistics" which is an indicator of wage levels for industrial workers in the private sector. Figures from this publication indicated that in March 1979 the pay of Model Scale 1 staff on the lower segments was higher than the average pay of that of their counterparts in the private sector. However when we examined these figures in relation to the better paying companies we found that some increase for the lowest paid was justified. The pay of staff on the artisan and senior artisan segments was somewhat lower than that in the private sector.

Cost of Living Allowance

5.6 Cost of Living Allowance (C.O.L.A.) is paid to all Model Scale 1 employees at the rate of \$15 a month for each five-point rise in the Consumer Price Index. It was first introduced at a time when general pay reviews took place at infrequent intervals and was intended as a "cushion" for the lowest paid civil servants who were most affected by rising costs. For the reasons given below it is considered that the continued payment of C.O.L.A. as such can no longer be justified :

- (a) With the introduction of regular pay adjustments the need to "cushion" civil servants immediately against rises in the cost of living is not as important as it was in the days when the reviews only occurred at much longer intervals. (Here it is relevant to mention that C.O.L.A. has never been paid to civil servants on the Master Pay Scale, some of whom receive salaries lower than the salaries paid to Model Scale 1 staff).
- (b) The level of C.O.L.A. is regarded as too low and was described to us by a group of staff representatives as "useless".
- (c) From representations made to Government in the past it is obvious that Model Scale 1 staff find it difficult to accept that C.O.L.A. is a payment in advance against any awards arising from regular pay reviews and thus feel aggrieved when C.O.L.A. is absorbed in any such award.

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- (d) C.O.L.A. is no longer common in the private sector. Companies consider that rising costs are catered for by regular pay reviews and in the event of costs rising very steeply over a short period their remedy would be to bring the date of review forward. In such exceptional circumstances similar arrangements for civil servants could then be considered.

5.7 For these reasons, we therefore recommend that C.O.L.A. should be absorbed in basic pay. We have taken some account of this in our proposed scales which are shown in Table A at the end of this chapter. However, in recognition of the fact that our proposal involves the once and for all withdrawal of C.O.L.A. which would normally be payable until the next pay trend survey award we recommend that Model Scale 1 staff should in addition receive a solatium of \$500. Furthermore, we recommend that C.O.L.A. should not be withdrawn until the month following the date when our proposed salaries are paid and that C.O.L.A. payments received before payment of our new salaries should not be recovered from arrears.

Lunar New Year bonus

5.8 We have received a number of representations to the effect that Lunar New Year bonus should be reintroduced. The payment of a Lunar New Year bonus is a well-established practice in the private sector so it is of interest to look back in history and trace how the practice ceased in Government.

5.9 By 1955 there had been two post-war Salaries Commissions, a major consolidation of pay and a revision of the cost of living allowance and it could justifiably be claimed that civil servants were adequately paid in comparison with the private sector. The Lunar New Year bonus was therefore withdrawn for monthly paid staff but retained for daily rated staff (who were paid rather less than their monthly paid colleagues) provided they had been employed for 300 days during the 12 months immediately preceding the date of the New Year.

5.10 The 1959 Salaries Commission recommended no change to the then existing Lunar New Year bonus payable to daily rated staff but in 1960 it was decided to discontinue it, since such casual workers who were employed on daily rates did not generally complete the necessary qualifying 300 working days.

5.11 The appointment of the 1971 Salaries Commission generated a number of requests from staff associations for the reintroduction of the bonus but these did not find favour with the Commission because the salaries of civil servants were based on comparison with the private sector and already included an element in recognition of the payment of a Lunar New Year bonus.

5.12 The position today is unaltered and the majority of us consider, therefore, that the Lunar New Year bonus should not be reintroduced, firstly because it is already allowed for in existing salaries and secondly because it would be in conflict with the policy of gradually equalising the conditions of Model Scale 1 and Master Pay Scale staff.

Individual grade and rank matters

5.13 The following points arose during our study of the written representations and our discussions with staff and management :

(a) Criteria for ranking

At present some staff carrying out similar duties but working in different departments have different titles and are paid on different segments of Model Scale 1. This is unfair and there is a need for criteria to be laid down to ensure that Model Scale 1 staff carrying out similar duties are placed on the same segment of the scale no matter in which department they work.

(b) Possible abolition of sub-segments

There are currently different salary scales applied to various ranks and grades within the same segment of Model Scale 1. This causes dissatisfaction among staff and proposals have been made to us that these sub-segments should be abolished. On the face of it the differences between the sub-segments are difficult to justify but before making any recommendations on this matter it will be necessary, among other things, to study detailed and up-to-date job descriptions and this we will do.

(c) Transfer to the Master Pay Scale

We have received a number of requests from Model Scale 1 staff for transfer to the Master Pay Scale. On the whole we feel that the position of Model Scale 1 staff should not be disturbed in the course of this first review but, as stated in paragraph 5.3, we shall be making recommendations in a future review with a view to eliminating the differences in conditions between Model Scale 1 and Master Pay Scale staff. However, we consider that the transfer of Assistant Butcher and Butcher II, Assistant Photoprinter, Copy Holder and Projection Mechanic to the Master Pay Scale would produce a consolidation of these grades and recommend that such transfer should take place as soon as possible.

(d) Amalgamation of ranks

The amalgamation of a number of ranks has been proposed to us. In some cases there might well be advantages in amalgamation but due to the lack of a detailed evaluation we are not yet in a position to advise on this. We have noted, however, that in some cases where amalgamation of ranks has been proposed, e.g. Gardener I and II, there would appear to be a need to retain two ranks because the higher rank carries a certain supervisory responsibility.

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(e) Supervisory ranks

There is a number of supervisory ranks on Model Scale 1, e.g. Ganger, Chargeman, Chargehand and Senior Chargeman, the responsibilities of which may not differ too widely. If this is so there may well be a case to reduce the number of such ranks. We will therefore examine this question of supervisory levels in due course both for Model Scale 1 and for the lower levels of the Master Pay Scale.

Recommended scales

5.14 The award resulting from the 1979 pay trend survey increased the salary of Model Scale 1 staff by over 10% in practically all cases and went some way towards meeting the various requests for an increased salary scale made to us.

5.15 As mentioned in paragraph 5.5 there is some evidence that the current minimum salary of the lowest paid Model Scale 1 staff already compares favourably with that of the average pay of their counterparts in the private sector. However, as we stated in our First Report on Principles and Practices, we consider that Government should be among the better paying employers in setting an acceptable standard for the remuneration of the lowest paid. We have therefore taken the figures of the better paying employers for comparison purposes in calculating the bottom segment of Model Scale 1. We have also made provision for an additional increment. The scales we propose for the other three segments are in our judgement broadly comparable with what employers in the private sector are offering.

5.16 In the case of employees on the bottom segment of Model Scale 1 we afford some additional recognition of the withdrawal of C.O.L.A. by a special conversion arrangement, details of which are given in Table A.

Allowances

5.17 A number of points were raised in the representations concerning allowances. These will be examined further when we consider conditions of service. In the meantime we draw attention to the comments in our First Report on Principles and Practices (paragraph 38) where we state that there appears to be an uneven application of eligibility for Obnoxious Duties Allowance and a need to rationalise its payment.

Nomenclature

5.18 A recurring theme throughout the representations from Model Scale 1 staff is their objection to being classified as "unskilled" and "semi-skilled". They argue that after some years

of service they have acquired considerable experience and skill in their particular job and should not, therefore, be described as unskilled or semi-skilled.

5.19 We agree that the present terminology is unsatisfactory and, after considerable thought and consultation, we recommend that the following new terms be used in future :

	<u>Existing</u>		<u>Proposed</u>	
Unskilled	非 熟 練	Workman II	二 級 工 人	
Semi-skilled	半 熟 練	Workman I	一 級 工 人	
Artisan	技 工	Artisan	技 工	
Senior Artisan	高 級 技 工	Senior Artisan	高 級 技 工	

5.20 We also note that the term "Model Scale 1" itself is a relic from the pre-1971 days when there were ten "model scales" from which civil servants were paid. With the disappearance of the other model scales, its continued use is in our opinion no longer appropriate. However, since the term is well understood and in regular use by all concerned, we recommend no change for the time being pending an overall review of the future of this category of staff.

TABLE A

MODEL SCALE 1

	<u>Existing</u>		<u>Proposed</u>	
	(Excluding C.O.L.A.)			
	\$		\$	
<u>Senior Artisan</u>	1640		1800	<u>Senior Artisan</u>
	1625		1765	
	1615		1735	
 <u>Artisan</u>	1575		1705	 <u>Artisan</u>
	1545		1675	
	1515		1645	
	1485		1615	
	1455		1585	
	1425		1555	
	1395		1525	
	1370		1495	
	1350		1465	
	1330		1435	
 <u>Semi-skilled</u>	1235		1360	 <u>Workman I</u>
	1220		1345	
	1205		1330	
	1190		1315	
	1175		1300	
	1160		1285	
	1150		1270	
	1140		1255	
	1130		1240	
 <u>Unskilled</u>	1125		1250	 <u>Workman II</u>
	1105 x 5		1225 x 5	
	1095 x 5		1200 x 5	
			1175 x 5	

Note : New entrants to the Workman II scale start at \$1175. After completion of 5 years' service they move to \$1200, after completion of 10 years' service to \$1225 and after 15 years' service to \$1250. Serving civil servants on \$1095 convert to \$1200. After completion of 5 years' service they move to \$1225 and after completion of 10 years' service to \$1250.