

CHAPTER 2

THE WORK OF THE COMMISSION

Civil Service Pay Policy

2.1 In our previous reports on civil service pay policy (Reports No. 7 and No. 9), we recommended that future arrangements for determining the general levels of civil service pay should take into account the total package of pay and other fringe benefits in the civil service and the private sector. We commented that, before this could be done, decisions would have to be made on the benefits to be included in the total pay package and the way in which they should be valued. We urged the Government to deal with this issue in consultation with staff in order that the total pay package concept could be fully implemented as soon as possible, and as a result, the Administration formed a Working Group comprising representatives of the Administration and the main staff associations.

2.2 We received the Working Group's report in May 1984 and asked our Pay Research Advisory Committee to conduct an in-depth study of the issues covered by it and to make comprehensive recommendations on the principles and methodology to be used in the valuation of fringe benefits. The Pay Research Advisory Committee has commenced its study but the subject is a complex one and we expect that the Committee and the Commission itself will be engaged on it during most of 1985.

2.3 Concurrently, we continued our investigation into the principles and methodology to be used for carrying out pay level surveys and, as a first step, we have commenced a study of the feasibility of finding suitable analogues for various civil service jobs in the private sector. The Pay Survey and Research Unit has completed a preliminary review of all civil service grades and classified them into two categories, one covering grades which are unlikely to have suitable analogues and the other covering grades for which analogues can probably be found though this will need to be established by further research. In view of the need to examine a large number of civil service and private sector jobs before any preliminary conclusions can be drawn, we expect that our study in this area will continue into 1985.

2.4 During 1984, we also reviewed the pay trend survey system in the light of experience gained in previous surveys. Our main recommendations were as follows :

- (a) Lunar New Year's Day in 1985 will fall on 20 February and the deadline for the collection of survey data should be extended to allow Lunar New Year bonuses to be included in the 1984/85 Pay Trend Survey;
- (b) the arguments for and against a proposal to divide the present three salary bands into four are evenly balanced, and the Administration should decide which option should be adopted for the 1984/85 Pay Trend Survey, taking into account the practical difficulties which might arise from an increased number of salary bands and a consequent increase in the number of pay trend indicators;
- (c) the existing criteria for the inclusion of companies in the survey field should remain unchanged;
- (d) survey companies should continue to report and identify the different elements in their pay increases and those components which are not relevant to the annual pay trend adjustments should continue to be excluded from the calculation of the pay trend indicators;
- (e) additional criteria should be adopted in order to ensure that the information used in the pay trend calculations is representative not only of the companies concerned, but also of the employees in each band; and
- (f) apprentices and trainees should be excluded from the pay trend survey as additional factors such as guidelines issued by the Vocational Training Council may affect the determination of their salaries.

2.5 Our recommendations are set out in full in our letter of 10 September 1984 to His Excellency the Governor (Appendix IV). They were all accepted by the Government and will be put into effect in the 1984/85 Pay Trend Survey.

Review of Job-related Allowances

2.6 We began our review of job-related allowances in 1983 and issued a consultative document in October 1983 seeking the views of civil service staff associations, departmental managements, the Administration and interested organisations in the private sector. In view of the complexity and scope of the issues involved, we found it necessary to appoint a special committee within the Commission to carry out a more detailed examination of the problems arising from the payment

of job-related allowances in the civil service. The Committee to Review Job-related Allowances, consisting of five Commission Members with Dr. Victor K.K. Fung as its Chairman, started work in January 1984.

2.7 The Committee completed the first stage of its review in October 1984 and has made a number of interim proposals on the role of job-related allowances in the civil service remuneration system and the principles and practices governing the payment of, and eligibility for, job-related allowances. In its study, the Committee has taken account of the views expressed by various parties in response to the Consultative Document, the present arrangements for the payment of allowances and the problems associated with them, and has also carried out research into specific issues where additional information was required.

2.8 Towards the end of the year, the Committee commenced the second stage of its review which is to examine individual categories of allowances. We expect to be able to submit our recommendations on the subject to His Excellency the Governor by the end of 1985.

Review of Individual Grades

2.9 As in previous years, we were asked to review and advise on the structure and pay scales of a small number of individual grades whose circumstances have materially changed since they were last reviewed and these cases are summarised in the following paragraphs. Where appropriate, the letters conveying our advice to His Excellency the Governor are reproduced in full in Appendix V. In all these cases our advice was accepted by the Government.

2.10 Transport Officer (Appendix V (1))

In Report No. 2 we commented that there was a wide range of entry qualifications for the Transport Officer grade and that the situation warranted further examination. The Administration subsequently conducted a review of the grade and during the year we were asked to advise on a number of proposals to revise its entry qualifications and rank structure.

Having regard to the duties and responsibilities of the Transport Officer grade, we were of the view that the most appropriate qualification for entry to this grade should be a relevant university degree in, for example, transport studies, town planning or some other related discipline, and that the entry point should be set at MPS 20. We considered that Membership of the Chartered Institute of Transport or possession of the Polytechnic Professional Diploma in Business Studies (Transport) would also be relevant to the competent discharge of the duties of the grade and we therefore proposed

that holders of these qualifications should be allowed to enter the grade at a sub-entry point of MPS 19. Although it had been suggested that, to widen the field of recruitment still further, holders of degrees which were not directly relevant should also be eligible for appointment at a sub-entry point of MPS 18, we did not consider that this should be a permanent arrangement in view of the small establishment of the grade. While we would have no objection if the Administration should find it necessary to continue the recruitment of holders of non-relevant degrees during the next two years, we recommended that any such arrangement should lapse after this period, unless fresh evidence of the need to continue it was produced for our consideration. Our recommendations on the entry qualifications for the grade were as follows :

<u>Entry Qualification</u>	<u>Entry Point</u>
Relevant degree	MPS 20
Membership of the Chartered Institute of Transport or a Polytechnic Professional Diploma in Business Studies (Transport)	MPS 19
Non-relevant degree (this arrangement to lapse after two years unless its continuation can be justified)	MPS 18

We were advised that the Administration's review had established that there were two distinct levels of responsibility within the existing Transport Officer rank. In the light of this we considered that there were grounds for splitting the Transport Officer rank into two functional ranks of Transport Officer II and Transport Officer I in accordance with the normal structure for grades in Degree Group III. The structure and pay scales we recommended for the grade were therefore as follows :

<u>Existing</u>		<u>Proposed</u>	
Transport Officer	MPS 20 - 37	(Transport Officer II ((Transport Officer I	MPS 20 - 31 MPS 32 - 37
Senior Transport Officer	MPS 38 - 47	Senior Transport Officer	MPS 38 - 47
Chief Transport Officer	MPS 48 - 51	Chief Transport Officer	MPS 48 - 51

2.11 Taxation Officer

During the year we were asked to advise on a proposal to create a new rank of Senior Taxation Officer so that the members of this rank could undertake some of the duties presently performed by Assistant Assessors.

The duties proposed for the new rank were mainly those performed by Assistant Assessors in the Salaries Tax and Personal Assessment Sections of the Inland Revenue Department. They included checking and approving personal assessments, signing refund notices and discharge orders, supervising the processing of employers' returns in order to identify any fraud, understatement or omission, answering general salaries tax enquiries from individuals about their obligations under the Inland Revenue Ordinance, and screening employers' returns to ascertain whether potential taxpayers were liable to tax.

We were advised that these duties had a relatively low professional content and could be performed by staff who did not possess the requisite accounting qualifications but who nevertheless had a good knowledge of the subject at the working level. A new rank of Senior Taxation Officer was accordingly proposed for officers performing these duties. We were advised that this proposal would improve efficiency as experienced officers in the Taxation Officer grade who were familiar with departmental procedures would be able to carry out these duties more effectively. It would also make it possible for Assistant Assessors to be released for duties requiring specialised accounting knowledge and would improve the promotion prospects of Taxation Officers.

However, we had reservations on the proposal as presented to us for the following reasons :

- (a) the pay scale proposed for the Senior Taxation Officer rank was higher than that of Assistant Assessors and this went against a basic principle that the remuneration for a job requiring a lower degree of professional expertise should normally not be higher than that for a job requiring a higher degree of expertise;
- (b) some of the duties proposed for the new Senior Taxation Officer rank could be more effectively discharged by staff with the professional training of Assistant Assessors; and
- (c) the improvement of promotion opportunities for Taxation Officers was not a valid reason for the creation of a Senior Taxation Officer rank, as the normal policy is that promotion ranks should only be created if the need for them can be justified on functional grounds.

In the light of these considerations, we did not consider that there was sufficient justification for the creation of a new rank of Senior Taxation Officer. However, we advised the Administration to resubmit the case to us for consideration if there were further points relevant to the proposal which we should consider or if it was felt that we had overlooked any important point in our deliberations.

2.12 Telecommunications Engineer (*Appendix V (2)*)

In Report No. 2 we noted that the main obstacle to advancement in the case of Assistant Telecommunications Engineers was that their experience in the civil service was not recognised by the relevant professional institutions as qualifying them for corporate membership and that this was a pre-requisite for appointment to the Telecommunications Engineer rank. We therefore suggested that a training programme, tailored to meet the requirements of the institutions, should be organised for Assistant Telecommunications Engineers.

We were recently informed by the Administration that Assistant Telecommunications Engineers had been given functional responsibilities similar to those of Telecommunications Engineers and that, as a result, their civil service experience was now recognised by the relevant professional institutions. In view of these developments and in order to bring the structure of the Telecommunications Engineer grade into line with that of comparable grades in the same group and, in the long term to promote the localisation of the grade, we accepted the Administration's proposal to amalgamate the Assistant Telecommunications Engineer and Telecommunications Engineer ranks into a combined establishment.

Having regard to an additional requirement that candidates for appointment to the Assistant Telecommunications Engineer rank should have two years' post qualification experience, we also recommended that the pay scale of the Assistant Telecommunications Engineer rank should be raised from MPS 20 - 31 to MPS 22 - 31.

2.13 Staff Officer (Auxiliary Medical Services) (*Appendix V (3)*)

We were asked to advise on the pay scale of the Staff Officer (Auxiliary Medical Services) in the light of changes in his level of responsibility in recent years. Having taken into account the increased scope of the duties assumed by the Auxiliary Medical Services as a whole and the pay scale of comparable ranks within the same group and, in particular, of those in the Civil Aid Services, we recommended that the pay scale of the Staff Officer (Auxiliary Medical Services) should be revised from MPS 32 - 37 to MPS 38 - 43.