

CHAPTER 2

THE WORK OF THE COMMISSION

Civil Service Pay Policy

2.1 In our last progress report, we said that, before we could undertake surveys of the actual levels of pay and other fringe benefits for comparable jobs in the civil service and the private sector, it would be necessary to determine how fringe benefits should be valued in accordance with the total pay package concept put forward in our previous reports on civil service pay policy (Reports No. 7 and 9). We also mentioned that we had asked our Pay Research Advisory Committee to consider the findings of a report on this subject which we received in May 1984 from a Working Group comprising representatives of the Administration and the main staff associations before tendering its advice to us. In view of the complexity of the subject, we indicated that we expected this study to continue into 1985.

2.2 During the year, the Pay Research Advisory Committee made considerable progress in its study of the way in which fringe benefits should be valued. The Committee completed an overall examination of the subject and, after obtaining the advice of a consultant engaged to carry out further investigations into certain aspects of it, is expected to submit a report to us early in 1986. We hope to be able to complete the whole study within that year.

2.3 In our last progress report we reported that as part of our study of the principles and methodology to be used for the conduct of pay level surveys, we had started work on an examination of civil service jobs for which there might be suitable analogues in the private sector. During 1985, the Pay Survey and Research Unit carried out further research on selected civil service grades and we expect this to continue in 1986.

2.4 During 1985, we also reviewed the pay trend survey system in the light of experience gained in previous surveys and submitted the following recommendations to H.E. the Governor :

- (a) Lunar New Year's Day in 1986 will fall on 9 February and the deadline for the collection of survey data should be extended to 13 February to allow Lunar New Year bonuses to be included in the 1985/86 Pay Trend Survey;

- (b) as on the previous occasion, the Administration should use its discretion to decide whether three or four salary bands should be adopted for the 1985/86 Pay Trend Survey, taking into account the practical difficulties which might arise as a result of any changes adopted;
- (c) the 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 elements, such as promotions, transfers, merit payments, increases due to internal and external relativities and in-scale increments, which are not relevant to the annual pay trend adjustments should continue to be excluded from the calculation of the pay trend indicators; and
- (e) all salary adjustments made by surveyed companies within the survey year should be included in the calculation of pay trend indicators.

2.5 Our recommendations are set out in full in our letter of 5 November 1985 to His Excellency the Governor (Appendix IV). They were all accepted by the Government and will be put into effect in the 1985/86 Pay Trend Survey.

Pay Adjustment for Non-Directorate Staff

2.6 Following claims from staff associations for an increase in pay of 6.4% backdated to 1 August 1985, we were asked by the Administration to advise whether, in general, non-directorate salaries had lagged behind those in the private sector. We considered the practical aspects of two possible methods of checking the validity of this claim. These were either to conduct a survey of pay levels covering pay only in the private sector or to make a historical comparison of cumulative pay adjustments as against pay trend movements in the private sector during the same period. In our view it was not possible to carry out a valid pay level survey within a reasonable period. In a letter dated 20 December 1985 to H.E. the Governor (Appendix V), we therefore submitted our findings on the extent to which pay adjustments in the civil service had cumulatively fallen behind the pay trend indicators since 1979/80. We did not make any recommendation on the size of any pay adjustment which the Government should make for non-directorate salaries and we suggested that, as in the case of the pay adjustments which result from annual pay trend surveys, the Government should take other relevant factors into account. We recommended that any pay adjustment which might be made should take effect from a current date.

Review of Job-related Allowances

2.7 We began our review of job-related allowances in 1983 and because of the complexity and scope of the issues involved, we appointed a special committee to carry out a detailed examination of the subject. The Committee to Review Job-related Allowances, comprising five Commission Members with Dr. Victor K.K. Fung as its Chairman, started work in January 1984. In our last progress report, we reported that the Committee had completed the first stage of the review by October 1984 and had drawn up a number of interim measures on the role of the job-related allowance system in the civil service and on the principles and practices governing the payment of job-related allowances and eligibility for them.

2.8 During 1985, the Committee focussed its attention on the second stage of its review which was to examine individual categories of job-related allowances. Emphasis was put on the broad issues and the common problems affecting each category and on the possible need to apply additional principles and guidelines to any of them. The Committee did not consider the payment of individual allowances as this task will require a detailed examination of individual jobs and it was felt that it could be more appropriately dealt with by the Administration and departmental managements in accordance with the general principles recommended by the Committee.

2.9 In the second stage of the review, as in the first, the Committee also took 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 carried out research into specific issues where additional information was required. In October 1985 the Committee submitted a full report covering the two stages of its review and we endorsed the recommendations contained in it. We intend to submit our recommendations to H.E. the Governor in early 1986.

Review of Leave and Passages

2.10 In Report No. 12, we said that it was our intention to include a review of leave and passage arrangements in the civil service in our future programme of work. In our last progress report, we recorded that we had not made a start on this review pending the outcome of an examination of the subject by the Administration in consultation with staff.

2.11 During the year, we were informed that the Administration had reached general agreement with the three main staff councils on a package of leave and passage arrangements which was intended to rationalize and simplify their administration and that our advice was sought on the proposals. We decided to examine the proposals in two stages,

the first stage covering those proposals which involved no major increase in the value of leave and passage benefits and the second stage covering the remaining proposals which entailed either an increase in the value of benefits, in the case of serving civil servants, or revised benefits, in the case of new appointees.

2.12 During the period covered by this report, we reached conclusions on the proposals covered by the first stage of the review. These were to define the purpose for which leave is granted, to simplify the existing types of leave and their calculation, to introduce new leave accumulation limits for serving local and overseas officers, to allow more flexibility in the leave arrangements for overseas officers and to revise the grades of passages to which civil servants are entitled. We submitted our recommendations in a letter dated 30 December 1985 to H.E. the Governor.

2.13 Towards the end of the year, we started to examine the proposals in the second stage of our review. These involve more complicated problems as well as increases in the value of leave and passage benefits. We need more time to examine these proposals and will submit our advice on them to H.E. the Governor in due course. It is also our intention to publish a report covering all the recommendations which we have made in the two stages of the review at a later date.

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

2.14 During the course of our review of leave and passage arrangements in the civil service, it became apparent to us that there was a need for a general policy which would take into account the lines on which the civil service should develop between now and 1997, as well as the long-term political factors likely to affect the pay and conditions of service of both local and overseas officers in the civil service. In our view such a policy was necessary not only for the formulation of appropriate recommendations on leave and passages but also on other matters falling within our terms of reference. We therefore submitted a letter dated 6 December 1985 to H.E. the Governor (Appendix VI) seeking clarification of the proviso in the last sentence of Section IV of Annex I to the Joint Declaration. In reply we received a letter from the Chief Secretary dated 3 January 1986 which made it clear that the last sentence of paragraph 3 of Section IV of Annex I was not intended to refer to civil service salaries and conditions of service. They are dealt with in the first paragraph of Section IV of Annex I and this provides that the pay, allowances, benefits and conditions of service of serving officers will be no less favourable under the Special Administrative Region Government than before. The Chief Secretary also commented that it was not the intention that pay and conditions of service should remain static between now and

1997. However, it was not envisaged that there would be any overriding necessity for major changes in the general principles that have been used. As the Joint Declaration envisages the continued employment of overseas officers in the Government of the future Hong Kong SAR, separate arrangements for leave, passages, housing and other fringe benefits will continue to be required for local and overseas officers as at present.

Review of Educational Benchmarks

Benchmark Entry Point for Polytechnic Professional Diploma

2.15 Following a decision by the Hong Kong Polytechnic to replace a number of its Higher and Advanced Higher Diploma courses with Professional Diploma courses, we were asked to advise whether a separate benchmark entry point on the Master Pay Scale should be set for the Hong Kong Polytechnic Professional Diploma.

2.16 We gave this matter careful consideration. Whilst we fully recognise the status of the Professional Diploma, we, nevertheless, concluded that it would not be appropriate for a separate benchmark to be set for it because we consider that the main factor in setting civil service pay should always be the needs of the Government as an employer. In arriving at this decision, we also took into account the following considerations :

- (a) Various avenues already exist through which Professional Diploma holders can be appointed to the civil service. Their entry pay-point varies from MPS 17 to MPS 20, depending on the minimum qualifications required of a particular grade and the extent of the exemption applicable to members of professional bodies which recognise these Diplomas;
- (b) Separate benchmark entry points are not normally set for qualifications such as Master and Doctorate degrees which are alternative rather than principal qualifications for appointment to particular civil service grades. The Polytechnic Professional Diploma falls into this category;
- (c) The Government, as an employer, requires only holders of Higher Diplomas, or the equivalent, for the competent performance of jobs in the paramedical grades.

Benchmark Entry Point for Registered Post-Secondary College Qualifications

2.17 In our review of benchmark entry points on the Master

Pay Scale (Report No. 8), we deferred consideration of whether separate benchmark entry points should be set for qualifications from registered post-secondary colleges, pending the outcome of a study by the British Council for National Academic Awards of the extent to which courses at the colleges were comparable to those run by the Polytechnic. In the interim, we recommended that the existing arrangements under which diplomas awarded by post-secondary colleges attracted the same starting pay as Polytechnic Higher Diplomas (in the case of grades where there was provision for multiple entry points) should continue. During the year, we received from the Administration the results of the Council's study and reviewed the need to introduce benchmark entry points for post-secondary qualifications.

2.18 After careful consideration of the Council's assessment and all other relevant factors, we came to the conclusion that separate benchmark entry points should not be set for post-secondary college qualifications. Our conclusion was based on the following grounds, which also applied in the case of the Polytechnic Professional Diploma mentioned in paragraph 2.16 :

- (a) The main consideration in setting benchmark entry points should be the needs of the Government as an employer. We were advised that the Government did not at present need the qualifications from post-secondary colleges as principal qualifications for entry into civil service grades;
- (b) For civil service appointments, separate benchmark entry points are not normally set for qualifications which are alternative rather than principal qualifications; and
- (c) Post-secondary college qualifications are already adequately catered for by existing channels for entry into particular civil service grades.

2.19 In the light of these considerations, we did not consider that there was sufficient justification for the establishment of separate benchmark entry points for post-secondary college qualifications. The existing arrangements governing the acceptance of these qualifications in grades where there was provision for multiple entry points were working satisfactorily and we recommended that they should continue.

The Standing Committee on Directorate Salaries and Conditions of Service

2.20 Under our terms of reference we are responsible for advising the Governor on the pay and conditions of service of civil servants other than those in the Directorate. In the case of the Directorate, the Governor is advised by the

Standing Committee on Directorate Salaries and Conditions of Service. From time to time, the existence of two separate bodies has caused embarrassment, particularly where the relationship between the bottom of the Directorate Pay Scale and the top of the Master Pay Scale is concerned.

2.21 In August 1985, the Ross Committee published its Ninth Report which included recommendations for an increase in Directorate Salaries. We consider it unfortunate that we were not given an opportunity to comment on the recommendations in the report as they are bound to have a significant effect on the work of the Standing Commission. We conveyed our concern about the lack of consultation between the two bodies to His Excellency the Governor in a letter dated 30 October 1985 (Appendix VII). In this letter we expressed the view that the only effective solution was for a single body to be made responsible for reviews of all civil service pay and conditions of service. Such a body would, we believe, be in a better position to consider the needs of the civil service as a whole.

Review of Individual Grades

2.22 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. These cases are summarized in the following paragraphs and, where appropriate, the letters conveying our advice to His Excellency the Governor are reproduced in full in Appendix VIII. In all these cases our advice was accepted by the Government.

2.23 Amenities Officer

During the year, we were asked to advise on a proposal from the Director of Urban Services that a new rank of Principal Amenities Officer should be created with a pay scale of MPS 48 - 51 in the Amenities Officer grade. The proposal was considered to be justified by the Administration as there was a functional need for an experienced officer at a senior level in the central administration of the department who could advise on the formulation of recreation and amenities policy. This need had increased as a result of the reorganisation of the Urban Services and Recreation and Culture Departments into a Municipal Services Branch, a new Urban Services Department and a new Regional Services Department and the rapid expansion of the Amenities Officer grade over the last five years.

We endorsed the proposal on functional grounds and considered the proposed pay scale for the new rank to be in line with that of comparable ranks in the Matriculation group of grades. Accordingly, we recommended the creation of a new rank of Principal Amenities Officer with a pay scale of MPS 48 - 51 in the Amenities Officer grade, as follows :

	<u>Existing</u>	<u>Proposed</u>
Amenities Officer II	MPS 14 - 30	MPS 14 - 30
Amenities Officer I	MPS 31 - 37	MPS 31 - 37
Senior Amenities Officer	MPS 38 - 43	MPS 38 - 43
Chief Amenities Officer	MPS 44 - 47	MPS 44 - 47
Principal Amenities Officer	-	MPS 48 - 51

2.24 Police Interpreter (*Appendix VIII (1)*)

In our First Report on Civil Service Pay (Report No. 2) we recorded our view that in terms of entry qualifications there might be too big a disparity between Police Interpreters and Chinese Language Officers and we asked the Administration to carry out a review of the Police Interpreter grade. During the year, we were informed that the Civil Service Branch had completed this review and we were asked to advise on a number of proposed changes in the entry qualifications and pay structure of the grade which were necessary to meet the increasing operational demands placed on Police Interpreters in recent years.

The entry qualifications for appointment to the basic entry rank of Police Interpreter II were passes in five subjects including English Language (Syllabus B) and Chinese Language in the Hong Kong Certificate of Education Examination plus the ability to type at 30 words per minute. In order to recruit candidates with better qualifications and experience, the Administration proposed that the entry qualifications should be raised to five passes in the Hong Kong Certificate of Education Examination, of which English Language (Syllabus B) and Chinese Language must be at Grade C or above, plus at least three years' relevant experience in jobs involving either interpretation and translation work or frequent use of written and spoken English. We endorsed the Administration's proposals which were needed to improve the overall standard of work of the grade. In line with the revised entry qualifications for the rank of Police Interpreter II, we also accepted the Administration's proposal that the Police Interpreter grade should be transferred from Group I to Group II of the School Certificate grades and that its pay scales should be similar to those of comparable grades in Group II as follows :

	<u>Existing</u>	<u>Proposed</u>
Police Interpreter II	MPS 10 - 22	MPS 12 - 24
Police Interpreter I	MPS 23 - 26	MPS 25 - 30
Senior Police Interpreter	MPS 27 - 32	MPS 31 - 37
Chief Police Interpreter	MPS 33 - 37	MPS 38 - 43

Whilst we considered that there was a need to improve the pay scale of the Police Interpreter II rank to reflect the new and higher entry qualifications proposed, we saw no valid reason why serving officers in the senior ranks of the grade should benefit from the proposed changes to the extent of more than two increments as would occur if the usual conversion arrangements were applied. We therefore asked the Administration to devise a set of modified arrangements to ensure that no serving officer received more than two increments on conversion.

2.25 Crown Counsel, Legal Aid Counsel and Solicitor Grades

We were asked to advise on proposals by the Administration to revise the pay structure and entry requirements for the Crown Counsel, Legal Aid Counsel and Solicitor grades in order to alleviate the recruitment and retention problems of the three grades and, in the long term, to promote their localisation.

The proposals presented to us included the addition of a third omitted point to the pay scales of the Crown Counsel, Legal Aid Counsel and Solicitor ranks at MPS 37 and a reduction in the experience requirements for appointment to these ranks. The revised entry requirements would be, in the case of solicitors, the completion of articles, and in the case of barristers, two years' professional experience after call.

Having regard to the acute difficulties which had been experienced in the recruitment and retention of local Crown Counsel, Legal Aid Counsel and Solicitors, we accepted that there was a need to lower the experience requirements for appointment to the three ranks as suggested by the Administration. However, we had reservations on the proposal to insert an additional omitted point into their pay scales as this would conflict with the principle laid down in our Report No. 2 that no new omitted points should be introduced. On balance, we concluded that the pay structure and entry requirements of the Crown Counsel, Legal Aid Counsel and Solicitor grades should be revised by stages as follows :

- (a) as a first step, the entry qualifications of the three ranks should be lowered in accordance with the Administration's proposal, the existing omitted point at MPS 38 in their pay scales should be shifted to MPS 37, and there should be no change in the existing omitted point at MPS 42; and
- (b) if the Administration found that the first step did not do enough to resolve the recruitment and retention difficulties of the three ranks, then, as a second step, it could re-introduce

an omitted point at MPS 38 in the pay scales of the three ranks. They would then have three omitted points at MPS 37, 38 and 42 respectively.

We accepted the inclusion of another omitted point in the pay scales only because of the exceptional circumstances involved and it is important that this concession should not be regarded as a precedent. We felt that the ultimate solution to the problem was to increase the number of law graduates from the University of Hong Kong and we recommended that the Government should give more resources to the University for this purpose.

2.26 Experimental Officer (Appendix VIII (2))

In Report No. 2, we noted that the pay scales of Experimental Officers were out of line with those of comparable grades in Group III of the Professional, Degree and Related Grades. We recommended no immediate changes, pending a more detailed examination of the grade. During the year, we received the findings of a review carried out by the Administration and we were asked to advise on the pay scales and rank structure of the grade.

Our examination led us to endorse the Administration's proposal to revise the pay scales of the Experimental Officer grade to bring them into line with the normal pay structure for comparable grades in Degree Group III. We also noted that the duties and responsibilities exercised by the Chief Experimental Officers who headed the Department's Computer Division and the Airport Meteorological Office were considerably higher and more demanding than those of other officers in the same rank. We therefore considered that a new rank of Principal Experimental Officer with a pay scale of MPS 48 - 51 should be created to accommodate these two posts. The proposed pay scales and structure of the grade are as follows :

	<u>Existing</u>	<u>Proposed</u>
Experimental Officer	MPS 21 - 34	MPS 20 - 31
Senior Experimental Officer	MPS 35 - 41	MPS 32 - 37
Chief Experimental Officer	MPS 42 - 47	MPS 38 - 47
Principal Experimental Officer	-	MPS 48 - 51

2.27 Mould Laboratory Technician (Appendix VIII (3))

We were asked to advise on a proposal from the Administration to improve the pay structure of the Mould Laboratory Technician grade. A recent review conducted by the Administration established that the responsibilities of one Senior Mould Laboratory Technician in the headquarters of the Institute of Radiology and Oncology in the Medical and Health Department were distinctly greater and the work more complex than in the case of other officers in the same rank. As a means of improving the Mould Laboratory Service as well as the general management of the grade, we accepted a proposal from the Administration that a new rank of Mould Laboratory Technologist with a pay scale of MPS 33 - 37 should be created. We considered that the proposed pay scale for the new rank was in line with the norm for corresponding ranks in the same Polytechnic Higher Diploma, Diploma and Related Grades Group.

The proposed new structure and pay scales for the Mould Laboratory Technician grade are as follows :

	<u>Existing</u>	<u>Proposed</u>
Student Mould Laboratory Technician	TPS 5 - 7	TPS 5 - 7
Mould Laboratory Technician	MPS 14 - 25	MPS 14 - 25
Senior Mould Laboratory Technician	MPS 26 - 32	MPS 26 - 32
Mould Laboratory Technologist	-	MPS 33 - 37

2.28 Superintendent of Lights

In Report No. 2 we commented that the pay scale for the rank of Superintendent of Lights (MPS 38 - 45) required detailed examination in a future review. As a result of the recommendations in our Report No. 5, the pay scale for the rank was subsequently revised to MPS 38 - 47 when the upper end of the Master Pay Scale was extended. During the year, the Administration completed a review of the rank and we were asked to advise whether its pay scale should remain unchanged.

We considered the duties and responsibilities of the rank of Superintendent of Lights, which straddle two distinct functional ranks in Group I of the Technical Inspectorate and Related Grades, and concluded that it was appropriate for the top pay-point of the rank to remain at MPS 47. We therefore recommended that the existing pay scale of MPS 38 - 47 for the rank of Superintendent of Lights should remain unchanged.

Creation of New Grades

2.29 Security Assistant (Legislative Council Building)
and Security Officer (Legislative Council Building)
(Appendix VIII (4))

During the year, we were asked to advise on a proposal to create two new grades of Security Assistant (Legislative Council Building) and Security Officer (Legislative Council Building) in the Specialist Civilian Grades Group. The staff concerned were required to provide a reception and security service for the new Legislative Council Building to which the Legislative Council Chamber, the Legislative Council Section of the Councils Division of the Government Secretariat and the Office of the Unofficial Members of the Legislative and Executive Councils were moved at the end of 1985.

We were informed that the Administration had examined the possibility of using existing civil service grades for the proposed duties but had not found one which was suitable for the purpose. It was also considered to be inappropriate to contract out the duties to companies in the private sector, in view of the sensitivity of the issues likely to be dealt with in the Legislative Council Building.

Taking into account the proposed entry requirements and the responsibilities of the grades, we endorsed the Administration's proposal and recommended the creation of two new Specialist Civilian Grades of Security Assistant (Legislative Council Building) and Security Officer (Legislative Council Building) with fixed point pay scales as follows :

	<u>Pay Scale</u> (fixed point)
Security Assistant (Legislative Council Building)	MPS 19
Security Officer (Legislative Council Building)	MPS 33