

## CHAPTER 1

### INTRODUCTION

1.1 In early 1983 we decided to conduct a review of job-related allowances in the civil service covering Extraneous Duties Allowances, Hardship Allowances and Special Allowances. These allowances are described in detail in paragraphs 22 - 34 of Appendix III. Although Shift Duty Allowances were considered in our Report No. 10, they were also included in the review as any general principles which we might recommend on job-related allowances could affect the way in which they are paid.

1.2 In the first instance we carried out a preliminary examination of all the issues relating to job-related allowances to be covered by the review. This included the practice of companies in the private sector on which a study was carried out by the Pay Survey and Research Unit in May 1983. We then prepared a Consultative Document which outlined the current procedures for the payment of job-related allowances in the civil service and invited comments on a number of points. The Consultative Document was issued to departmental managements, staff associations, the Administration and interested private sector organisations on 3 October 1983. A copy of the Consultative Document is at Appendix III. Altogether 110 written replies were received : 37 from staff associations, 11 from groups of staff, 13 from individuals, 43 from Departmental Managements and 6 from the private sector. A list of the respondents is at Appendix IV.

1.3 In December 1983, we appointed a committee to carry out a comprehensive analysis of the problems covered by the review. Initially the Committee consisted of Dr. Victor K.K. Fung (Chairman), Dr. Kim Y.S. Cham, Mrs. Alice Lam and Mr. B.A. Pemberton. Miss Therese Chan subsequently joined the Committee in March 1984.

1.4 The Committee carried out its review in two stages. In the first stage, it examined the role of job-related allowances in the civil service remuneration system and the principles and practices which should govern the payment of job-related allowances and eligibility for them. In the second stage, the Committee examined individual categories of allowances, concentrating on the broad issues and the common problems relevant to each category and on whether additional principles and guidelines were necessary. In both stages of the review the Committee took account of existing practices and the views expressed by various parties in response to the Consultative Document and it also carried out further research into specific issues where additional information was required. The Committee did not review the payment of individual allowances as it felt that this task would require the detailed examination of individual jobs and could be more appropriately carried out by the Administration and departmental managements in accordance with the general principles recommended in this Report.

1.5 In October 1985, we were presented with the Committee's recommendations covering both stages of its review. We endorsed them and our detailed proposals are contained in the chapters which follow.

1.6 If our proposals are accepted, we recommend that they should be implemented as soon as practicable.