

CHAPTER 2

REVIEW OF PASSAGES

Review of Air Passage Arrangements

2.1 We stated in paragraph 5.14 of our Progress Report - 1991 that we had decided to suspend our review of passage arrangements whilst the Administration took a fresh look at the issue after receiving a proposal from another airline on Government-sponsored travel. In January 1992, the Administration reverted to us for advice on a number of proposals offering greater flexibility in the use of leave passages. Our deliberations and recommendations on these proposals are set out in the following paragraphs.

Air passage agreement

2.2 The provision of Government passages was governed by an agreement signed with British Airways (BA) on 15 October 1974. It initially gave BA the exclusive right to carry all Government-sponsored passengers between Hong Kong and London (the UK route). The agreement was modified in 1976 and 1980. The modifications in 1980 allowed, among other things, Cathay Pacific Airways (CPA) to carry Government-sponsored passengers on the same route.

2.3 The Administration informed us that following negotiations with BA and CPA, it had secured a new air passage agreement with the following main concessions from the two airlines:

- (a) non-standard leave passages, i.e., air passages between Hong Kong and an officer's country of origin by an indirect route or between Hong Kong and a destination other than his country of origin, and passages under the Long Service Travel Award Scheme would be excluded from the agreement; and
- (b) Advance Purchase/Special Excursion (Apex) fares would be used for student passages on the UK route without the normal restrictions.

The Administration proposed to sign a two-year tripartite agreement with BA and CPA following which any of the parties concerned could withdraw after six months' notice. The Administration could thus review the agreement after two years.

2.4 Since the new agreement with BA and CPA represented a substantial improvement over the then existing agreement with BA, we supported the Administration's proposal.

Modification of leave passage provisions

2.5 Under the previous provisions for leave passages, an officer could claim, in addition to air fare, reimbursement for any travel undertaken by car, coach, rail or ferry. He could also claim a subsistence allowance for the number of nights required for any journey by road. However, the passage allowance could not be used to cover hotel accommodation or package tours.

2.6 In response to repeated requests from staff for greater flexibility and having regard to private sector practice, the Administration proposed that officers be permitted to use their passage entitlement to cover accommodation, package tours, car-hire charges and airport tax. In return, they would have to give up the road travel subsistence allowance which was difficult to administer. The Administration further proposed to allow officers to accumulate passage allowance subject to a limit of twice the prevailing passage entitlement and some other conditions.

2.7 We supported the Administration's proposal to extend the coverage of the passage entitlement as it would provide greater flexibility. We further suggested that consideration be given to permitting staff to use their passage entitlement to cover excess baggage charges. We endorsed the proposal to allow officers to accumulate passage allowance as it would address the concern of staff over inability to take leave within a particular eligibility period.

Extension of split leave and passage arrangements to overseas non-directorate officers

2.8 Directorate officers are allowed to make two separate journeys within an eligibility period provided that the total cost to Government does not exceed the individual officer's passage entitlement. We last reviewed

leave and passage arrangements during the period from June 1985 to January 1987 and presented our views in Report No. 19. At the time, the Administration sought our advice on whether overseas non-directorate officers on MPS 45-49 should also be allowed to split their passage entitlement. We did not support the extension at the time because of the possible implications for other areas of pay and conditions of service. We were particularly concerned that it might weaken the concept of renewing home ties in determining the leave-earning rates of overseas officers and lead to possible parity claims from local officers.

2.9 In 1992, the Administration asked us to reconsider extending split leave and passage arrangements to overseas non-directorate officers. It pointed out, among other things, that the extension would bring civil service practice more in line with the private sector, that it would be operationally less disruptive for an officer to take two short holidays a year instead of a long one, and that the introduction of split passages for directorate officers had had no significant effect on the proportion of overseas directorate officers returning to their country of origin. The Administration further proposed to phase the implementation of its proposal in the following stages:

- (a) Stage I - split leave and passage arrangements for officers on MPS 45-49, and split leave for officers on MPS 34-44; and
- (b) Stage II - split passage arrangements for officers on MPS 34-44.

2.10 We re-examined our earlier reservations as expressed in Report No. 19 in the light of the Administration's arguments for the extension and its assurance that both overseas and local officers supported the proposal. The latter had not pressed for the provision of passages to local non-directorate officers. We concluded that while our previous views still had some validity, the Administration's proposal would provide greater flexibility for both management and staff at no additional cost. We therefore supported the Administration's proposal.

Grading of passages

2.11 We recommended in Report No. 19 that a two-tier system of leave passages should be introduced for overseas non-directorate officers as follows:

- (a) Point-to-Point Economy Class for officers on MPS 44 and below or equivalent; and
- (b) Point-to-Point Full Economy Class (i.e. with a seat in Business Class) for officers on MPS 45-49 or equivalent.

2.12 The Administration considered that the existing grading of leave passages should not be changed because there would be administrative complications and staff relations problems. The Administration also pointed out that the introduction of the modified annual leave scheme in 1987 had already resulted in different arrangements for overseas officers on MPS 34-44 and those on MPS 45-49, thus satisfying the spirit of our recommendation in Report No. 19.

2.13 Having regard to the Administration's difficulties in making any further changes and the fact that the spirit of our recommendation had been met, we agreed that our earlier proposal need not be pursued.

2.14 Our letter of 2 April 1992 to the Governor tendering advice on the review of air passage arrangements is reproduced at Appendix D. This advice has been accepted by the Administration.

Review of Sea Passages

2.15 In our Progress Report - 1991, we mentioned that in response to the Administration's request, we had given our preliminary views on the abolition of sea passages. In January 1992, the Administration reverted to us for formal advice on this issue. Having regard to the fact that the provision was outdated and that in present-day circumstances a sea passage is in effect a luxury cruise, we agreed, with the exception of one Member, that sea passages should be abolished. We considered that the Administration should decide on appropriate cash compensation for officers who would be affected, but the total cost to Government should not be greater than the cost of maintaining the status quo.

2.16 Our letter of 4 March 1992 to the Governor on the abolition of sea passages is reproduced at Appendix E.

2.17 We understand that based on this advice, the Administration has presented a proposal to the Finance Committee. The Committee has deferred its consideration of the proposal pending further discussions with staff aimed at achieving agreement on the abolition of sea passages at a cost no greater than that of the proposal put to the Committee.