

CHAPTER 4

OTHER ACTIVITIES

Modification of Leave Passage Arrangements

4.1 The Administration sought our advice in January 1992 on a number of proposals to provide greater flexibility in the use of leave passages. These included a new agreement with British Airways and Cathay Pacific Airways, extension of the coverage of passage entitlement to items such as accommodation, package tours, car-hire charge and airport tax, accumulation of passage allowance and extension of split leave and passage arrangements to overseas non-directorate officers in stages. We supported the proposals which were implemented on 1 July 1992.

4.2 In the light of experience and feedback from staff, in May 1993, the Administration proposed further modifications to the arrangements with a view to extending the scope of reimbursable travel-related expenses to cover miscellaneous expenses directly related to accommodation and car-hire, simplifying the current apportionment rules on common expenses and permitting the booking of non-standard passages through non-IATA agents. Details are as follows.

4.3 Under the revised provision introduced in 1992, officers were permitted to use their passage entitlement to cover accommodation, package tours, car-hire charges and airport tax. The Administration informed us that accommodation and car hire bills normally included related expenses. In arranging for reimbursement, much time and effort had to be spent on extracting items of expenditure which were not reimbursable under the existing rules. To simplify the process, the Administration proposed that officers should be allowed to claim reimbursement in respect of expenses directly arising from accommodation and car hire, provided that these expenses were included in the bills. Since the proposed relaxation would not result in any increase in the cost of the benefit for the Government and would reduce administrative work, we supported the proposal.

4.4 Administrative measures were introduced in 1992 to permit apportionment of common expenses in the same ratio as individual passage allowance. At the same time officers could book non-standard passages only through travel agents who are members of the International Air Transport Association (IATA). To reduce administrative work and to enable officers to use cheaper fares in the market, the Administration proposed to relax

the apportionment rules by allowing common expenses relating to accommodation and car hire to be debited in any proportion to the passage accounts of the family members travelling together, and to remove the restriction on booking of passages to IATA agents.

4.5 We supported the proposed revision of the apportionment rules as it would simplify the administration of the scheme. With regard to the proposed removal of the restriction on the booking of passages to IATA agents, we considered that it was an administrative measure on which our advice was not required. Nonetheless, we suggested that the Administration should remind officers to exercise great care in choosing travel agents and that the Government would not be held responsible for the consequences of any malpractices or omission on the part of their travel agents.

4.6 The Administration has accepted our recommendations.

Review of Home Purchase Allowance

4.7 In September 1993, the Administration sought our advice on a proposal to revise the rates of allowance and the maximum amount of downpayment loan under the Home Purchase Scheme. The Administration pointed out that since the last revision of the Home Purchase Allowance in 1990, property prices had on average increased by some 100%. Moreover, the major banks had lowered the mortgage ceiling to 70% of the assessed value of the property. To provide junior officers with more realistic assistance towards home ownership, the Administration proposed to revise the rates of Home Purchase Allowance annually in accordance with property price movements capped by the increase in the Consumer Price Index (A) (CPI)(A) over the previous 12 months. It further proposed to increase the maximum amount of downpayment loan to 30% of the purchase price of the property or 24 months of the officer's salary, whichever was the less. The Administration stated that on the basis of the proposed method of revision and the average increase in the CPI(A) between 1 October 1992 and 30 September 1993, HPA rates should be increased by 8.7% with effect from 1 January 1994.

4.8 We supported the method of revision and the increase in the maximum amount of the downpayment loan proposed by the Administration, since the former would provide a more realistic level of assistance to junior officers and an annual adjustment would avoid the need for more substantial revisions over a longer period of time. We had reservations about the increase of 8.7% proposed for 1994, as it did not seem to have regard to the increase in the CPI(A) between 1990 and 1992. However, the Administration informed us that a more substantial increase in the rates would impose a heavy financial burden on the Government

in the long term and that staff would like a revision to take effect as soon as possible. After further deliberation, we accepted with reluctance the proposed increase of 8.7% for 1994.

4.9 Our letter tendering advice to the Governor on the review of Home Purchase Allowance is reproduced at Appendix G. The Administration has since implemented the proposals.

Survey on Pay and Conditions of Service of
Comparable Model Scale One Jobs in Private Sector

4.10 As part of the 1989 Salary Structure Review, we invited the Pay Survey and Research Unit to conduct a series of Pay Comparison Surveys, including one on the salaries and fringe benefits of private sector jobs comparable to Model Scale 1 grades in the civil service. Subsequently we recommended that the Senior Artisan and Artisan segments of Model Scale 1 should be transferred to the Master Pay Scale and a number of changes to the pay and conditions of service to the remaining Model Scale 1 staff. Our recommendations were accepted by the Administration.

4.11 In June 1992, in response to a request from the Administration, we agreed to conduct a similar survey to establish the current pattern and whether any significant changes had taken place since the 1989 survey.

4.12 The Unit carried out the survey from February to June, using the same methodology as that of the 1989 survey. Of the 68 companies taking part in the survey, 51 also participated in the earlier study. Data in respect of 215 jobs in these companies were obtained and analysed to establish the current practice in the private sector. The findings in respect of the 51 companies which took part in both surveys were compared. Overall, there have been no significant changes in pay practices and fringe benefit provisions among this group of employees in the private sector since 1989. The findings of the survey were forwarded to the Administration in September 1993.

Special Allowance for Senior Personal Assistant and
Senior Personal Secretary in Government House

4.13 The Administration informed us that the Senior Personal Assistant and the Senior Personal Secretary in Government House were subject to greater work pressure and had to work longer and more irregular hours compared to other officers in the same ranks elsewhere in the service. They also had to shoulder heavier responsibilities. It sought our advice on a proposal to pay these officers a special allowance at a rate of one increment

above their substantive salaries to recognise the onerous nature of their work.

4.14 We agreed that the nature of work in Government House was such that the two officers concerned had to cope with greater demands on their time, dedication and resourcefulness than other members of their ranks. We therefore supported the payment of a special allowance as proposed by the Administration. However, we recommended that the Administration should consider a long-term solution as such working conditions were likely to persist.

4.15 The letter to the Governor tendering our advice on this subject is reproduced at Appendix H. Our advice is under consideration by the Administration.

Informal Discussions with Major Staff Associations

4.16 During the year, we held informal discussions with four major staff groups, namely, the Staff Side of the Model Scale 1 Staff Consultative Council, the Association of Expatriate Civil Servants of Hong Kong, the Senior Non-Expatriate Officers Association and the Hong Kong Chinese Civil Servants' Association to keep in touch with their concerns and aspirations. As in the past, we found the discussions most useful and would endeavour to arrange similar sessions from time to time.