

## CHAPTER 3

### FURTHER DELIBERATIONS ON REVIEW OF JOB-RELATED ALLOWANCES AND INFORMAL MEETINGS WITH CIVIL SERVICE STAFF ASSOCIATIONS

#### **Further Deliberations on Review of Job-Related Allowances**

3.1 At the invitation of the Administration, the Commission conducted a review of job-related allowances (JRAs) in respect of the civilian grades in 1999-2000. Our findings and recommendations were published in Report No. 38 in June 2000.

3.2 The Administration launched a three-month consultation on our review recommendations in November 2001 with staff and departmental management. After considering the feedback obtained from the consultation exercise, the Administration drew up specific proposals on the way forward and consulted staff and departmental management further on the proposals in September 2002. The SCS wrote to the Commission on 15 November 2002 to set out the Administration's decision on the review (Appendix I).

3.3 Having regard to the ongoing comprehensive Review of Civil Service Pay Policy and System (see Chapter 2), the Administration considered it appropriate to focus at this stage on measures which would improve on the administrative efficiency of the JRA system while broadly maintaining the existing framework of the JRA system. Fundamental changes to the JRA system would be further examined in the context of the comprehensive review.

3.4 In his letter, the SCS informed us that the Administration had decided to withhold action on our recommendation to lower the eligibility cut-off level of JRAs, currently set at Master Pay Scale (MPS) Point 33. The decision had been taken in the light of divergent views received from the staff sides and departmental management, and the ongoing

comprehensive Review of Civil Service Pay Policy and System which could have an impact on the JRA system.

3.5 We had reservation about this decision. As we had pointed out in Report No. 38 in June 2000, we considered that civil servants discharging managerial duties or duties of a comparable level of responsibility should not strictly adhere to rigid duty lists and expect to become eligible for JRAs when required to take up new or additional duties. As many civil servants remunerated below MPS 33 were also engaged in managerial functions, we had recommended lowering the eligibility cut-off point for JRAs by re-aligning it with that for Overtime Allowance. In other words, we remained of the view that only staff in ranks with scale maxima on or below MPS 25 and scale minima on or below MPS 19 should be eligible for JRAs.

3.6 We noted that the Administration had responded to our recommendations on JRA principles applicable to the civilian grades, and made modifications to two of the principles. First, the principle relating to the amount of time spent on extra or unusual duties was modified to address the problem of inconsistency in its application across departments and the need to allow greater flexibility for departments to use JRAs as motivation to deliver prompt and efficient public service. The modified principle focused instead on service need and operational efficiency. Second, the principle which specified that JRAs should not be paid for 'inherent duties' was revised to clarify that the exclusion referred more specifically to 'inherent duties of the concerned grade and rank'.

3.7 The Administration had also accepted our recommendations on the categorisation of JRAs, the rate-setting mechanism and the imposition of a moratorium to facilitate the review of individual JRAs payable to civilian staff. The moratorium was launched on 1 December 2002 for six months, during which bureaux and departments would be required to review all JRAs under their charge.

3.8 Our comments were conveyed to the Administration in a letter  
— dated 2 January 2003 (Appendix J). We noted that a marker had been put down for the issue of the eligibility cut-off point to be revisited in the

context of the comprehensive review, and recommended that the issue should be pursued as soon as it was practicable. We also requested the Administration to keep us informed periodically of progress of the review of individual JRAs during the six-month moratorium.

### **Informal Meetings with Civil Service Staff Associations**

3.9 Since 1992 we have held informal meetings each year with the Staff Sides of the Senior Civil Service Council (SCSC) and the Model Scale 1 Staff Consultative Council (MOD 1 Council), the two central consultative councils of the Government in respect of the civilian grades. The Staff Side of the SCSC is made up of the Association of Expatriate Civil Servants of Hong Kong, the Senior Non-Expatriate Officers Association and the Hong Kong Chinese Civil Servants' Association. In order to canvass a wider spectrum of views, the Commission decided in 1996 to meet also three major confederation-type unions not represented on the SCSC, viz. the Hong Kong Civil Servants General Union (HKCSGU), the Government Employees Association (GEA) and the Hong Kong Federation of Civil Service Unions (HKFCSU). These meetings have proved to be very useful in keeping the Commission apprised of issues of topical concern to civil servants.

3.10 The informal meetings in 2002 were held in December. As in past years, we invited each of the seven staff associations to a separate meeting. On this occasion, the three constituent associations of SCSC indicated that they did not wish to participate in the meetings because at the time they wished to focus on discussion with the Administration regarding the pay review. The GEA also declined our invitation as they did not have any substantial views on civil service pay and conditions of service to raise at the time. As a result, informal meetings were only held with the Staff Side of MOD 1 Council, HKCSGU and HKFCSU.

3.11 Among the many issues raised, a major concern of the staff associations was the 2003 civil service pay adjustment. The associations expressed the general view that civil servants were willing to share economic hardship with the general public and were prepared to accept any outcome that was arrived at under the existing pay adjustment

mechanism. They would like to see the Administration sitting down with the staff sides to work out the way forward for the 2003 pay adjustment. We also noted their concerns about any further pay cut through legislation and the adverse effect of conducting a pay level survey under the current depressed economic conditions.

3.12 Regarding a possible second Voluntary Retirement Scheme, the associations commented that should the Administration decide to proceed, the compensation package would have to be comparable to, if not more favourable than, the first scheme in order to attract civil servants to participate. The scheme should also be open to all grades.

3.13 We exchanged views with the associations on some recommendations contained in the Phase One Final Report of the Task Force on Review of Civil Service Pay Policy and System. We responded to their concern about considering the departmentalisation of common and general grades. As regards the recommendation to study the incorporation of fringe benefits into base pay, we noted their worry about the implications that any such measures might have on the benefits currently enjoyed by civil servants. Another concern of the associations was that, instead of taking forward the proposals of the Task Force as a comprehensive package, the Administration might follow up on only some of the proposals in a selective, piecemeal manner.

3.14 We were briefed on the justifications for the proposed conversion of MOD 1 staff from Category B to Category A status, and the proposal to merge the Workman I and Workman II grades in order to boost the morale of MOD 1 staff. Regarding the applications of HKCSGU and HKFCSU for admission into the SCSC, we noted the associations' suggestion about reviewing the existing civil service consultative machinery to broaden its representativeness.

3.15 We found the exchange of views with the staff associations very useful. Their views were also conveyed to the Administration for consideration and follow-up as appropriate.