

INTRODUCTION

WE submitted our original report on 18th August, 1964.

2. Since then, we have received comments on our recommendations, including those of the Colonial Secretary, Heads of Department and other superscale officers. These comments covered both the principles we had adopted and the detailed allocation of individual posts. The more general points of criticism covered:

- (i) our recommended abolition of the present grading system;
 - (ii) our principle that all heads of department should receive higher salaries than all deputies;
 - (iii) the closeness and multiplicity of our recommended salary points;
- and in particular, it was suggested to us:

- (i) that a fourth group of departments be established below our third, and main, group;
- (ii) that the number of salary points be reduced from 13 to 9.

3. In addition to the comments mentioned above, we were notified of decisions taken by Government in respect of certain posts.

4. A further event that occurred which affected our recommendations was the publication, on September 29th, 1965, of the final report of the Salaries Commission. Recommendations of, and views expressed by, the Commission which were relevant to our considerations were:

- (i) that the top of the time-scale should be \$5,000;
- (ii) that children's allowances should be discontinued;
- (iii) that education allowances should be continued for the time-scale;
- (iv) that, at the superscale/upper scale level, there should be 'broad-banding' and the avoidance of a multiplicity of different salaries; and that the previously existing differential between the top point of the time-scale and the bottom point of the upper scale—\$200 or 4.6% of the former—was too small;
- (v) that eligibility for 1st class air passages should be confined to heads of department occupying superscale posts and officers of equivalent or superior status.

5. We have considered all the above factors and views and now make the further recommendations covered in the paragraphs which follow, commenting on certain important points. We have, in particular, assumed that the recommendations of the Salaries Commission noted at paragraph 4(i) - (iii) above will be accepted. In some cases, we accept changes suggested; in others, we maintain our previously expressed views.

SALARY STRUCTURE

Appendix I
Appendix II
Appendix III

6. At Appendix I is our revised recommended general salary structure; at Appendix II our revised recommended salaries for legal posts; and at Appendix III our revised recommended structure for the Administrative Service. These appendices replace the tables in Appendices B, D and E to our previous report.

7. Generally, yielding to advice on the question of differentials between and number of salary points, we have contracted our original general structure from 13 to 11 points and have changed the lowest point from \$4,800 to \$5,400 and the highest point from \$10,000 to \$10,500.

8. We comment below on certain points associated with these revised recommendations.

9. *Salary Levels.* The first point that concerned us was the determination of the bottom point of our salary structure in relation to the figure of \$5,000 for the top of the time-scale. We agree with the view of the Salaries Commission quoted at paragraph 4(iv) above on the subject of differentials and have recommended a salary of \$5,400 for point 11. This represents a differential of \$400 or 8% over the figure of \$5,000.

10. As regards the remaining points, it will be noted that the salaries proposed for points 1 to 5 represent increases of \$500 over the figures included in our previous report. We have felt that it is desirable to maintain the differentials at these points at the amounts proposed previously; and the differentials proposed between points below point 5 do, we feel, reasonably meet the views expressed to us as to what these differentials should be.

11. *Grouping of Departments.* We are unanimous in rejecting the suggestion that a fourth group of departments be formed below the basic group, and in adhering to the views expressed in paragraphs 44 - 46 of our previous report (as modified in succeeding paragraphs below).

12. We were informed that it was Government's intention that the heads of the Medical & Health and Education Departments should be grouped with the heads of the Police, Commerce & Industry, and Public Works Departments. We have provided accordingly.

13. We were also informed that it was Government's wish that the heads of the Resettlement and Social Welfare Departments should be placed, in company with the heads of the Departments of Labour, Marine, New Territories, and Urban Services, above the basic group of departments, and again we have provided accordingly.

14. *Deputy Heads of Departments.* We unanimously adhere to the principle (stated in paragraph 54 of our previous report) that all heads of department should receive higher salaries than all deputies (with the exception of the three Public Works Department deputies, who are in effect the heads of large subsidiary departments).

15. In our previous report, we took the stand that there cannot be more than one true deputy to any head of department; if the Establishment list shows more, they are in reality assistant directors. We adhere firmly to this view, but we recognize that in the undermentioned two departments certain special considerations apply:

Commerce & Industry Department. We understand that in practice a second post at deputy level became necessary because the director or a deputy is required frequently to go abroad on special assignment or to deal with a fluctuating volume of work related to overseas commitments. We accordingly recommend a salary point appropriate to a true deputy for both of these posts, i.e., point 6 of our new structure.

Medical & Health Department. We were informed that there are now two deputy directors, each in full charge of one branch of the department. Neither of these can be properly described as a 'deputy', but in view of the size and complexity of the department we recommend that they should each receive salaries at point 6.

16. After much discussion and a further interview with the Commissioner of Labour we have revised our recommendation for his deputy. We are satisfied that he is a true deputy and that he should be graded at point 6.

17. *Other posts.* In order to effect the contraction of our salary structure from 13 to 11 points, we have reconsidered and reassessed all posts previously placed by us on salary points below point 5 and have assigned to them new salary points.

18. The opportunity has been taken to consider and assign salary points to certain new upperscale and superscale posts created since our previous report was written, and posts affected by departmental re-organization. These posts are (excluding mere additions to the number of posts already existing):

- Deputy Commissioner of Inland Revenue
- Deputy Director of Broadcasting
- Assistant Government Building Surveyor
- Assistant Government Water Engineer
- Assistant Director of Audit
- Assistant Director of Civil Aviation
- Chief Fire Prevention Officer
- Chief Fire and Ambulance Officer
- Chief Staff Officer, Civil Aid Services
- Chief Electrical Engineer
- Chief Mechanical Engineer
- Principal Surveyor of Ships
- Chief Housing Manager
- Principal Assessor
- Registrar, Trade Unions.

19. The Public Works Department now has two posts of Chief Quantity Surveyor. We were informed that the Director has proposed that, in view of the nature of the duties of the posts, one of them should be called Government Quantity Surveyor, on a higher salary point than the other. He has also proposed that the existing post of Chief Structural Engineer should be called Government Structural Engineer. On the assumption that these changes of title and responsibilities will be approved by Government, we have made provision accordingly in Appendix I, placing the posts of Government Quantity Surveyor and Government Structural Engineer on point 9 (equating them, as in our previous report, with e.g. Assistant Government Architect), and the remaining post of Chief Quantity Surveyor on point 11 (where may also be found the other 'chief' posts in the department).

20. We have also assigned salaries to the following posts which we had left ungraded in our previous report: Director of Organizational Surveys Unit; Banking Commissioner; Assistant Directors of Commerce & Industry, London and Brussels; Senior Principal, Education Department.

21. *Judicial/Legal Posts.* Having regard to the changes made in general salary levels referred to in paragraphs 9 and 10 above, we have assigned fresh salaries to the posts in this category, and these are set out at Appendix II. In reaching our conclusions, we felt that we were bound to give due weight to the importance and dignity of a judge's office, and rather more weight than previously to some legal/judicial posts in the superscale when measured against those in Appendix I.

22. *The Administrative Service.* The changes we have made in our previous recommendations reflect mainly the points touched upon on paragraphs 13 and 16 above. It is inherent in our proposals that Staff Grade 'A' Administrative Officers performing the duties of Director of Commerce & Industry will receive an allowance in addition to their personal salary. We were of the view that the allowance should be in the nature of a post allowance equal to the full difference between the salary assigned to the post and the personal salary of the incumbent, and that such allowance should be pensionable. We have been informed, however, that it is Government's view that it would be more appropriate to proceed by way of the normal rules regarding acting appointments.

EDUCATION ALLOWANCES

23. In our previous report (paragraph 102), we advocated payment of overseas education allowances to upperscale/superscale officers on a reducing scale until they disappeared. It has been suggested that this could best be effected by a scheme based on the number of allowances payable at different salary levels. We agree, and recommend that the full allowances (for up to three children) be paid at points 11 and 10 of the structure, up to two allowances (the first two, i.e. £180 and £220) at points 9 and 8, and not more than one allowance (£180) at points 7 and 6, the allowances to disappear completely at point 5 and above.

24. We are satisfied that, at the levels of salary now proposed by us, the application of the above arrangements as regards education allowances can in no case result in an officer losing out in comparison with present salary plus 12½% (the level recommended by the Salaries

Commission up to 31st March, 1965) plus the full number of education allowances. We consider it unlikely that any cases will arise of officers suffering a drop in overall emoluments on promotion within our new structure; however, in the event that such circumstances do arise, we draw attention to the recommendation in paragraph 104 of our previous report, that no officer should lose money on promotion.

25. Our previous recommendations as regards education allowances applied also to children's allowances in like fashion. However, as noted in paragraph 5 above, we have assumed that the recommendation of the Salaries Commission that these allowances should be discontinued will be accepted, and we have, therefore, not allowed, in our calculations, for any element relating to these allowances.

AIR PASSAGES

26. We have noted (see paragraph 4(v) above) that the Salaries Commission has endorsed our recommendation (contained in paragraph 79 of our previous report) that 1st class air passages should be restricted to heads of department and officers of similar or superior status (which means, in terms of our revised structure at Appendix I, officers occupying posts on point 5 and above). We merely wish, in this context, to draw attention to this previous recommendation of ours, which we still adhere to.

EFFECTIVE DATE

27. Our previous report was dated 18th August, 1964, and we recommended that the effective date of the proposed increases in salary should be 1st September, 1964. Subsequently, the Salaries Commission was appointed. The Commission recommended, *inter alia*, a 12½% increase in salaries up to 31st March, 1965, a recommendation which has been accepted and implemented for those sections of the Public Service affected *including* officers on superscale/upper scale salaries.

28. In view of the above, and in view of the fact that our revised recommended salary levels have been proposed in the light of the recommendations of the Salaries Commission for the period 1st April, 1965 onwards, we consider, and we so recommend, that the only practical course is for the new salaries now recommended by us to come into effect on the same date as any further salary increases approved following the recommendations of the Salaries Commission (or, in

respect of certain posts, such other date as may be indicated by the timing of changes or the creation of new posts).

COST

29. The annual cost of our recommended salaries is \$19,100,000, or \$3,870,000 more than the present cost excluding the 12½% increase in salaries referred to in paragraph 27 above; allowing for the 12½% increase, the additional annual cost is \$1,970,000. These figures in respect of additional cost would be reduced if our recommendations concerning passages and education allowances are approved.

MEMBERSHIP

30. With the departure from the Colony of Mr. W. C. G. KNOWLES, Mr. G. R. ROSS was appointed by H.E. the Governor to be Chairman of the Committee. No further additional member was appointed to replace Mr. KNOWLES on the Committee.

31. Our original Secretary and Adviser was Mr. G. C. HAMILTON. Subsequently, Mr. G. T. ROWE and Mr. G. M. TINGLE served in this capacity and we are indebted to them for their assistance to us in our deliberations.

G. R. ROSS
(Chairman)

E. R. CHILDE

F. S. LI

G. T. ROWE
(Secretary & Adviser)

J. S. LEE

22nd February, 1966