

CHAPTER 4

ACTIVITIES OF COMMITTEES

Pay Trend Survey Committee

4.1 The Pay Trend Survey Committee was established in early 1983 and has the following terms of reference : -

- (a) to commission the annual pay trend survey;
- (b) to analyse the results of the survey and to ensure that the agreed criteria for the interpretation of the data collected have been properly applied;
- (c) to agree the pay trend information resulting from the survey; and
- (d) to advise the Standing Commission on matters relating to pay trend survey methodology.

4.2 The Committee consists of two Members of the Standing Commission, one as Chairman and the other as Alternate Chairman, the Secretary-General of the Standing Commission, two representatives of the Administration, three representatives of the Staff Side of the Senior Civil Service Council, three representatives of the Staff Side of the Model Scale 1 Staff Consultative Council and two representatives of the Police Force Council. There are also observers from the constituent bodies. During 1986, there were no changes in the Commission's representatives on the Committee, namely, Mr. Gordon M. Macwhinnie, the Chairman, and Mrs. Alice Lam, the Alternate Chairman.

4.3 The Committee held four meetings during the year. The first meeting was held in March 1986 to examine the findings of the Pay Survey and Research Unit on the 1985/86 Pay Trend Survey. The meeting took place in two sessions, at the end of which the Committee accepted the pay trend survey results which were announced immediately afterwards. The second meeting was held in April 1986 with representatives of the Employers' Federation of Hong Kong. The meeting was convened at the request of the Federation for its representatives to express views on matters relating to pay trend surveys and civil service pay awards. These views were taken into account by the Committee when it met in May 1986 for the third time in the year to consider how the methodology of the pay trend survey could be improved. We

took the advice of the Committee into account when we formulated our own recommendations to His Excellency the Governor. In November 1986, the Committee met for the fourth time to commission the 1986/87 Pay Trend Survey.

Pay Research Advisory Committee

4.4 The Pay Research Advisory Committee was established in late 1983 and has the following terms of reference : -

To advise the Standing Commission on matters relating to pay and fringe benefits, with particular reference to : -

- (a) the comparability of jobs in the civil service and the private sector;
- (b) the differences between civil service and private sector pay practices;
- (c) the methodology of pay level and pay trend surveys;
- (d) the valuation of fringe benefits; and
- (e) any other matters relating to pay and fringe benefits referred by the Commission.

4.5 In paragraph 3.6 of our last progress report, we mentioned that the Committee had completed an initial study of the issues covered in the Report of the Working Group on the Valuation of Benefits for Pay Level Surveys. This included an examination of individual benefits to determine which of them should be included in total pay packages and how they should be valued as well as a study of the general principles governing comparisons between pay in the public and private sectors. We said that the Committee had employed an international firm of employee-benefit consultants to conduct a further examination of certain specific issues, particularly the development of a practical and feasible method of valuing fringe benefits for pay comparison purposes. We also said that we expected the Committee to submit a report on its recommendations to us after it had received and examined the results of the consultants' study.

4.6 In May 1986, the Committee submitted to us a report entitled "Report on the Valuation of Fringe Benefits", which contained a methodology for comparing and valuing fringe

benefits in the public and private sectors. We took into account the views in the report when we formulated our final recommendations on the subject.

4.7 As the Committee had fulfilled its mission, we decided that there would not be any further need for it to remain in being after 1986.

The Pay Level Survey Advisory Committee

4.8 The 1986 Pay Level Survey Advisory Committee was established in the middle of the year and has the following terms of reference : -

To advise the Standing Commission on matters relating to the pay level survey, with particular reference to : -

- (a) the methodology for the pay level survey to be drawn up by the specialist consultants;
- (b) the selection of grades in both the civil service and the private sector for job and pay comparisons;
- (c) the analysis and interpretation of the results of the pay level survey; and
- (d) any other matters relating to it referred by the Commission.

4.9 In pursuance of a decision by the Governor-in-Council to carry out a pay level survey for non-Directorate civil servants in the financial year 1986-87, we engaged Hay Management Consultants (Hong Kong) Ltd. to propose a methodology for the pay level survey, taking into account both pay and fringe benefits, and to carry out the survey. In order to collect a broad spectrum of views on the pay level survey, we set up the Pay Level Survey Advisory Committee to advise us on matters relating to the survey at various stages of the exercise, with particular reference to the methodology proposed by Hay Management Consultants (Hong Kong) Ltd. for pay comparisons, the selection of grades for job and pay comparisons, the Pay Research Advisory Committee's Report on the Valuation of Fringe Benefits and the analysis and interpretation of the results of the pay level survey.

4.10 The Committee consists of five Members of the Standing Commission with Mr. Gordon M. Macwhinnie as its chairman, two representatives of Members of the Executive and Legislative Councils, two representatives of the Administration, three representatives of the Commission Secretariat, three representatives of the Model Scale 1 Staff Consultative Council, three representatives of the Police Force Council, three representatives of the Senior Civil Service Council and eight representatives from private sector organizations and institutional bodies. There are also three observers from each of the three staff consultative councils in the civil service.

4.11 During May and June of 1986, the Committee held a series of six meetings which constituted the first round of consultation on the methodology for the pay level survey. The first meeting was an introductory and planning session. It was followed by five meetings during which a broad spectrum of views was expressed by members on the following topics : -

- (a) the development of the Hay methodology for job evaluation and the selection of jobs in the civil service for pay comparisons;
- (b) the Pay Research Advisory Committee's Report on the Valuation of Fringe Benefits;
- (c) the proposed methodology for job evaluation and pay comparisons by the consultants; and
- (d) the Committee's First Report on the Pay Level Survey for submission to the Commission.

We are grateful to the Committee members for their valuable views expressed at the meetings, which we took into account when we formulated our own advice to His Excellency the Governor on the methodology for the pay level survey as set out in our Report No. 16 - The First Report on the Pay Level Survey.

4.12 Following the completion of the conduct of the pay level survey in early November, the Committee held another series of meetings between November and December 1986 at the next stage of consultation. The first meeting was for the consultants to present their findings. The second, third and fourth were for members to discuss the consultants' report. The fifth meeting was for members to discuss the draft for the Committee's Second Report for the Pay Level Survey. Another meeting, perhaps with one or two to follow

afterwards, is scheduled to be held in January 1987 during which the Committee will discuss the final draft for the Committee's report. We expect the Committee to present its report to us in late January 1987. We shall examine it and forward our findings to His Excellency the Governor in late February.

Pay Level Survey Steering Group

4.13 The Pay Level Survey Steering Group, established in mid 1986, is an in-house working group of the Commission. Its main function is to monitor the work of the consultants engaged to undertake the pay level survey. Under the chairmanship of Mr. Gordon M. Macwhinnie, a senior Member of the Commission, the Steering Group consists of staff of the Commission Secretariat and the Pay Survey and Research Unit. Representatives from the consultants and from the Administration are invited to attend its meetings as and when required for discussion on specific topics.

4.14 During the year, the Steering Group held a total of 24 meetings. The major subjects discussed were the inclusion of expatriate benefits as a separate chapter in the consultants' report, the timing of the pay level survey, the inclusion of public utilities companies in the survey field, the adoption of a separate band for Model Scale 1 staff in the survey, separate valuation of contract gratuities, the expansion of the survey field, the reaction of the civil service staff side to the Commission's Report No. 16, changes to the methodology for the pay level survey suggested by the Acting Governor in his letter dated 14 August 1986, the findings of the Consultants' report and comments on the report made by members of the Pay Level Survey Advisory Committee.