

REVIEW OF LEAVE AND PASSAGE ARRANGEMENTS :

REPORT ON CONSULTATIONS BETWEEN CIVIL SERVICE BRANCH
AND STAFF SIDE REPRESENTATIVES

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PART I - BACKGROUND

In its 8th Review published in April 1982, the Standing Committee on Directorate Salaries and Conditions of Service considered that there was a need to rationalise leave and passage arrangements with the aim of bringing them into line with the private sector. In October 1982 the Standing Commission on Civil Service Salaries and Conditions of Service indicated its intention to review leave and passage arrangements.

2. In October 1982 a review of leave and passage arrangements was initiated by the Civil Service Branch. Members of the Branch commenced a series of meetings with Staff Side representatives of the Senior Civil Service Council, the Model Scale 1 Staff Consultative Council and the Police Force Council.

3. The broad aims of the review were to modernise leave and passage arrangements, achieve economy of administration and, if possible, replace the existing multiplicity of leave and passage terms by a new set of entitlements.

4. It became clear in the course of consultation with Staff Side representatives that any reduction of leave earning rates for serving officers would be extremely unpopular and might be challenged in the law courts. The financial implications of making improvements sufficient to outweigh even a modest reduction in leave earning rates would be unacceptably high. The scope of the review was thus modified, and the third aim mentioned in paragraph 3 above (i.e. to reduce the multiplicity of leave terms from a current date) had to be dropped. The following paragraphs examine areas in which Staff Side representatives and members of the Civil Service Branch concluded in principle that improvements should be pursued.

PART II - PROPOSALS

(A) Definition and Purpose of Leave.

5. Staff Side representatives and members of the Civil Service Branch concluded that the following definition of leave should be adopted -

"a period of absence from duty on full pay granted by an employer to employees for recuperation from the pressure of work, for betterment of health and staff morale and for attending to personal matters. In the case of overseas officers, leave is granted also for renewal of home and family ties."

It was noted that this definition would embrace the purpose of vacation leave (set out in CSR 1150) and would be in line with the spirit of the Employment Ordinance (Cap. 57).

(B) Simplification of Types of Leave

6. Staff Side representatives and members of the Civil Service Branch concluded that casual and vacation leave should be combined to form one type of leave. The proposal would be in line with private sector practice, and the system would be simpler to administer. The proposal in itself would not result in any change in existing leave earning rates for serving officers. The new type of leave might be taken as follows -

- (a) if not more than 12 working days' leave was to be taken consecutively, the leave would be calculated on a working day basis. The leave might also be taken in half-day units; and
- (b) if more than 12 working days' leave was to be taken consecutively, the leave would be calculated on a calendar day basis and intervening Sundays and public holidays would be counted as leave. The leave might not be taken in half-day units in this case.

(C) Leave Accumulation Limit

7. For local officers, members of the Civil Service Branch concluded that the maximum leave accumulation limit under the new type of leave should continue to be fixed at 60, 120 and 180 days depending on length of service. The limit was considered reasonable because excessive leave accumulation would negate to some extent the purpose of leave. Most Staff Side representatives supported the proposal. Representatives of the Local Inspectors' Association, the Senior Non-Expatriate Officers' Association and the Hong Kong Chinese Civil Servants' Association took the view that the maximum accumulation limit should be raised in order to reflect also the combination of casual leave and vacation leave arrangements. Representatives of the Model Scale 1 Staff Consultative Council felt strongly that they should be allowed to retain their present maximum accumulation limit of 90 days (i.e. 30 days casual leave and 60 days vacation leave).

8. For overseas officers, members of the Civil Service Branch concluded that a maximum accumulation limit of 180 days should be introduced. The expatriate members of the Staff Sides indicated that this would be acceptable on the understanding that leave accumulated as a result of curtailment of leave in the public interest should be permitted beyond the proposed limit.

(D) Flexible Leave Arrangements for Overseas Officers

9. The expatriate members of the Staff Sides considered that the tour system and the annual leave arrangements for overseas officers were too restrictive. At present, any leave not taken would automatically be forfeited. It was concluded that some flexibility should be accorded to overseas officers who wished to take a shorter period of leave and that they should be allowed to carry forward the untaken balance, subject to the maximum accumulation limit (see paragraph 8 above).

10. It was also concluded that overseas officers not eligible for annual leave arrangements should normally be allowed to take leave in advance during any period of the tour up to the amount earned proportionately, provided that the public interest was not affected.

(E) Cash Payment in Lieu of Final Leave

11. Staff Side representatives and members of the Civil Service Branch concluded that officers leaving the service should be allowed to opt for immediate cash payment in lieu of final leave. This would have the advantage of reducing administrative work for management and of speeding up the payment of pensions and that part

of contract gratuities relating to the final leave period. If this option was exercised by staff, it follows that they would have to forgo any incremental award or salary adjustment which might occur during the final leave period. They would also forgo fringe benefits (e.g. private tenancy allowance) which they would otherwise enjoy during the period of final leave.

(F) Extension of Annual Leave Scheme for Overseas Officers

12. The annual leave scheme, begun in 1962 for heads of Grade 1 departments, was extended to all directorate officers in 1978 and was further extended in 1980 to Segment D officers (now MPS 48 - 51). The reasons for the extension were as follows -

- (a) employees in comparable positions in the private sector were given annual leave of about six weeks;
- (b) the practice of "long leave" after a two-year or three-year period of duty had caused staff management and posting problems, and could result in an officer failing to keep abreast of new developments. This was undesirable particularly where officers reached certain senior ranks and where management continuity was important; and
- (c) a regular annual break from duty would be beneficial both to the officers concerned and to the civil service as a whole in view of the pressure under which the officers worked.

13. The expatriate members of the Staff Sides argued strongly that these arguments generally applied to overseas officers below MPS 48. They pointed out that in the private sector the large majority of overseas staff were entitled to annual leave with passages. They therefore urged the Government to extend the annual leave scheme to all overseas officers and to take into account the value of enhancing staff morale and staff relations as further justifications for their proposal.

14. Members of the Civil Service Branch concluded that, mainly for the staff management and operational reasons set out in paragraph 12 above, the annual leave scheme should be further extended to overseas officers on MPS 38 - 47 or equivalent. However, in view of the Government's financial position and having regard to the present financial constraints, a phased approach was identified : as a first step, the scheme should be extended to overseas officers on MPS 44 - 47 or equivalent with 10 years' service or more and, as a second step (say, one year later), to overseas officers on MPS 38 - 43 or equivalent with 10 years' service or more. Since most overseas officers with 10 years' service earned 59 days of vacation leave a year, the additional cost for extending the annual leave scheme to them could be offset to some extent by a consequential reduction in their leave earning rate from 59 to 45 days per year. It was thought that a proposal in this form would stand a reasonable chance of receiving approval by the Finance Committee.

15. Members of the Civil Service Branch felt that a further extension of the annual leave scheme to cover those overseas officers on MPS 38 - 47 or equivalent with less than 10 years' service, except those in their first tour, might be pursued in the future especially if the Government's budgetary situation had improved.