

PREFACE

In our Progress Report for 1983 (Report No. 12) which was submitted to His Excellency the Governor in January 1984, we expressed an intention to carry out a review of leave and passage arrangements in the civil service as part of our work programme for 1984. We were, however, unable to undertake this review in 1984 as the Administration, which had commenced a similar review since October 1982, was still examining the subject in consultation with staff councils at the time, and was not yet in a position to furnish us with the background information needed for the review.

2. In June 1985, we were informed by the Civil Service Branch that it had completed its review of the subject and had reached a number of conclusions on new leave and passage arrangements for civil servants which were designed to simplify and rationalize existing arrangements in the civil service. Our advice was sought on those conclusions which are detailed in Appendix IV.

3. In the first instance, we asked the Secretariat for the Standing Commission to carry out a preliminary examination of the Administration's proposals during our summer recess of 1985 before we commenced the actual review in September 1985. At the outset, we felt that it would be important to our work to obtain a better understanding of the Staff Side's views on various issues covered by the review. With this in mind, a panel of our Members and staff of the Secretariat for the Standing Commission met representatives of the three main staff councils in September and October 1985 to listen to their views and representations on matters affecting their members. The views expressed at those meetings were taken into account in our subsequent deliberations on the subject.

4. In view of the complexity and the scope of the issues involved, we also decided to examine the proposals in two stages. During the first stage of our review, we studied those proposals of the Administration which would not lead to major increases in the value of leave and passage benefits in the civil service. During the second stage, we focused our attention on the remaining proposals which would either entail an increase in the value of benefits in the case of serving civil servants or revised benefits in the case of new appointees. The major topics dealt with in the two stages of the review with regard to serving officers in the civil service comprised the following : -

At the First Stage

- (a) Definition of leave;
- (b) Simplification of existing types of leave;
- (c) Leave accumulation limits;
- (d) Flexible leave arrangements for overseas officers;

At the Second Stage

- (e) Cash payments in lieu of final leave;
- (f) Annual leave for overseas officers below MPS 48 or the equivalent;
- (g) Provision of leave passages to local officers on MPS 51 or the equivalent;
- (h) Flexible leave arrangements for overseas officers on MPS 48 - 51 or the equivalent; and
- (i) Flexible passage arrangements for overseas officers on MPS 48 - 51 or the equivalent.

5. In the course of our deliberations, we also considered two other related issues, namely, the grading of passages to which serving civil servants below the Directorate level should be entitled, and representations we received from the Hong Kong Chinese Civil Servants' Association and the Model Scale 1 Staff Consultative Council through the Administration, requesting that some form of passage or travelling benefits should be provided for local non-Directorate officers, including staff on Model Scale 1.

6. In formulating our advice and recommendations, we also had regard to the existing practices governing leave and passages in the civil service and the principles which underlie them, as well as the prevailing practice in the private sector as revealed by the 1985 and 1986 Fringe Benefits Surveys conducted by our Pay Survey and Research Unit.

7. At one point in our deliberations during the second stage of our work, we felt that there might be a need to defer consideration of those proposals which would entail an increase in the value of benefits until the total package concept could be applied to comparisons of civil service and private sector benefits in the then impending pay level survey. However, at the request of the Administration and (a) having regard to the desire of the Staff Side for an early decision on the leave and passage proposals, and

(b) recognizing that the further development of the total package concept would take some time to complete, we continued, nevertheless, to examine those proposals on the proviso that any conclusions reached on them might be subject to future revision as necessary.

8. During the second stage of our work when we examined proposals which would entail an increase in the real value of fringe benefits of serving overseas officers, we also considered whether this would lead to claims for parity of treatment from local officers. We sought clarification on whether Section IV of Annex I to the Sino-British Joint Declaration bore any implication that the conditions of service for local and overseas officers should be brought closer together in the run-up to 1997, and we received advice from the Chief Secretary which we took into account in examining the proposals.

9. We tendered our advice to His Excellency the Governor on the two stages of our work affecting serving civil servants in separate letters of 30 December 1985 and 17 February 1986. These are reproduced in Parts I and II of this report. In both of them, we have recommended that if our proposals are accepted by the Administration, they should be implemented from a current date.

10. Towards the end of 1986, we were informed by the Administration that it had conducted extensive consultation with the main staff councils on those recommendations which we had submitted to His Excellency the Governor, and that relevant Government departments had also been consulted on how to devise practical means of implementing them. We were further informed that while most of our recommendations were found to be acceptable to both the Administration and the staff councils, modifications were suggested by the Administration, at the request of the staff councils, on two issues. We were asked to consider those proposed modifications. After carefully examining them, we felt that, as a compromise and for the sake of good staff relations, we should not object to their implementation. Accordingly, we tendered our further advice to His Excellency the Acting Governor in a letter dated 28 January 1987. This letter is reproduced in Part III of this report.

11. In paragraph 7 above, we said that we had decided at the second stage of our review to go ahead with examining those proposals referred to us for advice, on the proviso that any conclusions we reached on them might be subject to future revision in the light of the impending pay level survey. It should be pointed out that this proviso has now been overtaken by events. The 1986 Pay Level Survey, which compares the total remuneration of non-Directorate officers in the civil service with that of their counterparts in the private sector, has now been completed by us. Expatriate

passages, however, have not been assessed in the survey because, according to the methodology, the valuation of total packages for pay level comparisons should only have regard to local terms of service. On the other hand, although leave has been taken into account in total packages in the survey, it has been adjusted in the form of negative working hours for comparison purposes. In view of the above, we shall not be reviewing our recommendations on leave and passages in the light of the findings of the Pay Level Survey in the immediate future. However, we understand that the Administration intends to rationalize the remuneration of the civil service, based on those findings.

12. It should be pointed out that this report does not cover our recommendations on leave and passage arrangements for new appointees to the civil service. Although we have preliminary views in this regard, we are not yet in a position to formulate a final view, because we feel that the extent to which our recommendations on new leave and passage arrangements for serving civil servants are accepted by the Administration should have a bearing on the scope of leave and passage benefits that we shall recommend for new appointees.