

CHAPTER 1

INTRODUCTION

1.1 Since the Standing Commission on Civil Service Salaries and Conditions of Service was set up in 1979, we have published regular progress reports on our work and activities. This is our eighth progress report and it gives a general account of our work during 1988.

1.2 During the year, the methodology for the pay trend survey had been a subject of much debate. Although the 1987/88 Pay Trend Survey had been conducted according to the agreed methodology, there was disagreement within the Pay Trend Survey Committee on the interpretation of the information provided by the surveyed companies regarding certain elements in the latter's pay increases. Subsequently, the Government offered a pay increase to civil servants that closely followed the disputed net pay trend indicators. This offer was rejected by the staff. At the request of the Staff Side of the Senior Civil Service Council and in accordance with the 1968 Agreement made between the Government and the staff associations, the Governor appointed a Committee of Inquiry to resolve the issue and other related matters. In late November 1988, this Committee submitted to the Governor an interim report in which recommendations regarding the methodology for pay trend surveys generally and the 1988/89 survey in particular were made. In December 1988 we conveyed to the Governor our observations on those recommendations which fell under our purview.

1.3 In April 1988, at the request of the Government, we commissioned an independent committee to review the pay and conditions of service of the disciplined services. Although this committee was to submit its findings and recommendations to the Governor through us, we decided from the outset that, in order to maintain the committee's independence, we should not involve ourselves in any way with its work. Nonetheless, we indicated that we would comment on its conclusions after they were submitted to the Governor. The committee published a preliminary report in July 1988 to serve as a consultative document for soliciting further views from interested parties. Its final report was

submitted to the Governor through us in October 1988, and our views on its recommendations were conveyed to the Governor on 28 October 1988.

1.4 In Chapter 2, under the general subject of civil service pay policy, we give an account of our deliberations on the recommendations of both the Committee of Inquiry and the Review Committee on Disciplined Services Pay and Conditions of Service.

1.5 In 1988, one of our major activities was to continue our review of the civil service consultative machinery. A committee was set up in March 1988 to examine the subject in depth. In June 1988 we tendered our advice to His Excellency the Governor regarding consultative machinery for the disciplined services. The entire review was completed in November 1988 and a report (Report No. 21) was submitted to the Governor in December 1988. A summary of the major recommendations made is set out in the third chapter of this report.

1.6 Another of our major activities was, as in previous years, to conduct reviews on a number of grades in the light of changing circumstances. A detailed account of our work in this area is given in Chapter 4.

1.7 Chapter 5 gives an account of the activities of the Pay Trend Survey Committee and the Committee on Civil Service Consultative Machinery.

1.8 In Chapter 6, we report the work of the Pay Survey and Research Unit during 1988.

1.9 Chapter 7 outlines the programme of work we intend to undertake in 1989.

1.10 At the end of August 1988, Sir S.Y. Chung, G.B.E., J.P., our Chairman for eight years, retired from the Standing Commission. His chairmanship was taken over by Sir Sidney Gordon, C.B.E., J.P., who joined us on 1 September, 1988. Three of our Members, Mr. F.L. Walker, O.B.E., the Hon. Poon Chi-fai and Mr. Vincent H.C. Ko, J.P., also left the Commission during the year. We would like to take this opportunity to record our appreciation of Sir S.Y. Chung's outstanding leadership of the Commission for the

past eight years. We are also most grateful to the other three Members for their devoted service and for their valuable contribution to the work of the Commission. Membership lists of the Standing Commission, the Pay Trend Survey Committee and the Committee on Civil Service Consultative Machinery are at Appendix II. A list of the staff of the Commission Secretariat is at Appendix III.