

CHAPTER 2

REVIEW OF JOB-RELATED ALLOWANCES

2.1 We last reviewed job-related allowances between 1983 and 1986 and our recommendations were set out in Report No. 15 which was submitted to the Governor in February 1986. Most of our recommendations in Report No. 15 amount to codifying or reaffirming many of the principles and practices which have already been adopted by the Administration. As to the other ten recommendations, although the Administration agrees with the principles, they have not yet been implemented. We understand that it is because their implementation would lead to withdrawal of some allowances which have existed for a long time and that the Administration sees difficulty from the staff relations point of view.

2.2 During the 1989 Salary Structure Review, we received a number of staff representations on issues relating to job-related allowances and recommended that the subject should be further examined in a separate exercise. When starting the current review in February 1991, we decided that we should focus on those issues which had been identified for examination during the 1989 Salary Structure Review and those still outstanding from our last review. On this basis, we have examined the following areas in the current review :-

- (a) basis for determining rates of job-related allowances;
- (b) eligibility for job-related allowances; and
- (c) categories of job-related allowances.

2.3 In the process, we sought the views of the Staff Sides of the Senior Civil Service Council and Model Scale 1 Staff Consultative Council on those areas under review. In formulating our recommendations, we took account of the views expressed by the Staff Sides.

2.4 The review was completed in November 1991. Our main deliberations and recommendations are summarised in the following paragraphs.

Basis for Determining Rates of Job-Related Allowances

2.5 In Report No. 15, we recommended that the same allowance should be paid for the same extra duties regardless of the rank and basic salary of the officer concerned as it was only fair that two officers who were required to carry out the same extra duties should be paid the same allowance. We re-examined this principle in the current review and considered that it was still sound and valid. However, where the extra duties would subject the staff to different elements or degrees of hardship or levels of responsibility, such extra duties should not be regarded as "same extra duties" and the rates of allowances should have regard to the recipient's salary.

2.6 We reviewed the existing arrangement of using old MPS 1 as the reference point for determining the rates of standard allowances. The Administration proposed to repeg all job-related allowances to point 1 of the new Master Pay Scale generally maintaining the present dollar value of the allowances by adjusting the percentages downwards. Having regard to the fact that pegging of job-related allowances as percentages of point 1 of the MPS had been used for many years and was generally accepted and that this system had the advantages of easy administration and automatic adjustment following salary adjustments, we supported the Administration's proposal. We also supported the proposal to revise the percentages downwards in view of the fact that the degree of hardship or extraneousness of the extra duties had not changed.

2.7 In Report No. 15, we recommended that allowances should not be paid to officers unless extra or unusual duties took up a "substantial part of their time". In the 1989 Salary Structure Review, some staff associations submitted a suggestion for relaxing the requirement of involving "a substantial part of their time". In the current review, we re-examined this issue, particularly the possibility of revising the basis for the payment of job-related allowances from a monthly rate to a daily rate. Having regard to the principle that, as far as possible, the pay scales in the civil service were designed to cover the main duties generally performed by a particular rank or grade and to take account of minor variations of duties performed by individual officers, we reaffirmed our recommendation in Report No. 15. What constitutes "a substantial part of their time" should be left to the Administration to decide. Furthermore, subject to the satisfaction of the Administration of the merits of

the case, the practice of paying non-monthly rates should continue to be allowed as non-monthly rates could be more appropriate and economical in special circumstances.

2.8 We noted that one-off bonuses were given to staff on life-guard duties on qualifying for operating motorised rescue boats or on acquiring approved life-saving awards. While we agreed that there was a need for some incentive for the staff to upkeep their physique and proficiency in life-saving and to acquire the skill required for operating rescue boats, we considered that the classification of these bonuses under the category of job-related allowances was not appropriate having regard to the nature of the grant. We recommended that they should cease to be classified as job-related allowances.

Eligibility for Job-Related Allowances

2.9 In Report No. 15, we recommended that eligibility for job-related allowances should be determined by reference to a cut-off point at MPS 33 (old MPS 37) and that members of the administrative and professional grades should not be eligible for job-related allowances regardless of their salary level. While the Administration has generally followed this principle in dealing with applications for new approvals or with extensions of existing eligibility for allowances, exceptions have been made by the Administration of some staff of the professional grades or staff above MPS 33. These cases had mostly been approved a long time ago and the Administration considers it difficult to enforce the rules having regard to possible staff reaction to withdrawal of allowances and to the small number of officers involved.

2.10 A number of developments arising from the 1989 Salary Structure Review do not appear to be entirely consistent with our recommendations in Report No. 15. They involve giving recognition in the pay scales of a number of professional grades or ranks above MPS 33 of hardship related factors such as shift work, obnoxious or dangerous duties.

2.11 In the current review, we reviewed these eligibility principles. Having regard to the nature of duties, the level of responsibility and the broadbanding of pay scales above MPS 33, we reaffirmed that our recommendation in Report No. 15 was basically sound and still valid. However, flexibility should be allowed for exceptions to be made to cater for very special circumstances where hardship factors featured overwhelmingly in the duties of a particular rank and were exceptionally onerous compared to other ranks at the same

level. To discourage a proliferation of exceptions, further instances should be carefully examined by the Administration and should be subject to our advice and recommendation.

Categorisation of Job-Related Allowances

2.12 In our last review of job-related allowances, we examined the overall categorisation of allowances in detail and recommended a number of measures to streamline the system. Three of the recommendations in Report No. 15 had not been implemented, including :-

- (a) abolition of Level 1 of Extraneous Duties Allowance (Supplementary Duties);
- (b) consideration by the Administration to splitting Level 2 of Extraneous Duties Allowance (Supplementary Duties) into two; and
- (c) incorporation of all non-standard allowances into a single new category called "Non-standard Allowances".

2.13 In the current review, the Administration reverted to us on these three issues with the proposals that Level 1 of Extraneous Duties Allowance (Supplementary Duties) be formally abolished and that the splitting of Level 2 of Extraneous Duties Allowance (Supplementary Duties) into two would not be pursued further as it was neither necessary nor possible to differentiate clearly the various types of skill associated with individual allowances in this group. Furthermore, following abolition of existing Level 1, current Levels 2 and 3 should respectively be retitled as Levels 1 and 2. We took note of the Administration's conclusion and proposals.

2.14 As to the introduction of a new category of "Non-standard Allowance", the Administration considered that the existing classification of job-related allowances was appropriate and that the introduction of a new category would not serve any useful purpose. We accepted the Administration's view.

2.15 Apart from the above three outstanding issues, we also reviewed the overall categorisation of job-related allowances and considered the existing arrangements appropriate.

2.16 We further proposed that in future, new allowances involving deviation from the established

principles governing payment of job-related allowances should be referred to the Commission for advice. This would serve to discourage the proliferation of exceptions to the basic principles and the introduction of Special Allowances but at the same time allow flexibility to be exercised for very special circumstances.

2.17 Our letter of 14 November 1991 to the Governor tendering advice on the review of job-related allowances is reproduced at Appendix D.