

# CHAPTER 1

## INTRODUCTION

### Preamble

1.1 In the 1999-2000 Budget Speech, the Financial Secretary announced the Government's intention to invite the Standing Commission on Civil Service Salaries and Conditions of Service (the Commission) and the Standing Committee on Disciplined Services Salaries and Conditions of Service to carry out a review of job-related allowances (JRAs) in the civil service.

1.2 The last review of JRAs was conducted by the Commission from 1983 to 1985. The result was published in the Commission's Report No. 15 (February 1986). The review was a massive exercise involving comprehensive surveys and consultation with civil service unions, departmental management and private sector organisations. With the lapse of time, the Government considered it opportune to conduct another review of JRAs to take account of changes over the years.

### The Review

1.3 On 26 May 1999, the Secretary for the Civil Service (SCS) invited the Commission to undertake a review of JRAs in the civil service. The letter of invitation from the SCS is at Appendix I. The Commission was mandated to revisit the principles, eligibility criteria and rates governing the dispensation of JRAs promulgated in the 1986 Report. It was also tasked to advise on how the review and monitoring mechanism should be improved. The detailed Terms of Reference for the review is attached to the SCS's letter at Appendix I.

1.4 The Commission accepted the invitation on 10 June 1999. A Steering Group was set up to oversee the review. The Steering Group consisted of four Commission Members viz., **Professor Chan Yuk-shee**, **Mr Nicholas Chiu**, **Mr Simon Ip** (until 31 January 2000) and **Mr Yeung Ka-sing** with **Mr Yeung** serving as the Convenor.

1.5 Since inception, the Steering Group had held seven meetings to consider various issues involved in undertaking the complex exercise. As an initial step, the Steering Group embarked on a fact finding exercise to obtain information on the payment of JRAs in the civil service. A brief on how JRAs were dispensed in the civil service, compiled by the Civil Service Bureau (CSB), was noted by the Steering Group at its meeting in November 1999. In addition, a survey of private sector practices in the payment of JRAs was conducted. The findings provided a broad picture of the situation in the private sector, confirming at the same time that while JRAs were not as common in the private sector they were nevertheless paid to employees in specific circumstances.

1.6 Notwithstanding the Administration's stated intention to undertake staff consultation after the Commission had completed the review, the Steering Group considered that it would still be useful to meet with the staff side representatives prior to the commencement of the review to listen to their views. To this effect, two informal sessions were held on 28 December 1999 with representatives of the Model Scale 1 Staff Consultative Council and the Hong Kong Civil Servants General Union; the Federation of Civil Service Unions and the Government Employees Association respectively. Views expressed by the staff representatives covered a wide spectrum of issues such as the role of JRAs in the civil service; the principles of JRAs promulgated in 1986 and their continued relevance in the present day circumstances; the eligibility cut-off point at MPS 33 and whether it should be lowered; the need to simplify the various categories of JRAs and the future review and monitoring mechanism. The Steering Group made it very clear that it had no pre-conceived views on the outcome of the review and expressed gratitude to the staff representatives for the frank exchange of views.

1.7 The staff side of the Senior Civil Service Council (SCSC) declined attendance of the discussion sessions on the ground that the Steering Group had refused to divulge data of the private sector survey to them for information. The Steering Group explained its position to the staff side of the SCSC that since the survey data had been obtained from companies on the clear pledge that they would be kept confidential at all times, the findings of the survey could not be released to them as requested. The staff side of the SCSC was assured, however, that the survey data would only be used as a general reference for the Steering Group rather than for direct application in the JRA review.

1.8 The Steering Group completed its deliberations and submitted its recommendations on the JRA review to the Commission in May 2000. The Steering Group's recommendations were endorsed by the Commission in June 2000.

### **Acknowledgements**

1.9 We would like to express our sincere gratitude to representatives of the staff sides, private companies and the Civil Service Bureau who have responded with patience and understanding to our requests for information. Without their cooperation, it would not be possible for us to complete the review as smoothly.