

working with social deviants and hardened criminals day after day, and for having to cope with large influxes of Vietnamese refugees.

8.136 A point forcefully made was that morale in CSD would suffer if the disciplined services were to be given unequal treatment. The recurrent theme of many submissions as we reported above, is that a further widening rather than narrowing of the present disparity as it is currently perceived would demoralise CSD staff and affect the quality of the department's service.

IV. Customs and Excise (C&E)

Pay

8.137 We received a number of views on pay, most of which concentrated on the disparity, between C&E and the Master Pay Scale (MPS) and police. It was recognised that the disciplined services were given a different pay scale, the Disciplined Services Pay Scale (DPS), from the general grades in the civil service because of the difference in the nature of work. However the existing difference between the DPS and MPS was not considered to have adequately recognised the actual work and responsibilities of the disciplined services. It was also represented that the merging of the two scales at DPS(0) 29 and MPS 43 was difficult to justify since the life of a general grades staff "was thought to be a lot easier" than his disciplined services equivalent who had to contend with urgent operational demands. One submission asked that the structure of the DPS should be improved and revised to reflect the actual work performed by disciplined services staff particularly the "enormous work stress, often unbearable working conditions and potential dangers."

8.138 Three points were made about pay comparisons with the police. As mentioned earlier in connection with other submissions, we describe these views not to be divisive but in the spirit of our review to air as fully as we can the different views we have received.

8.139 A major point concerned recruitment qualifications and pay. We were told that since entry qualifications for both C&E and police are about the same, they attract recruits from the same labour force; but Police Inspectors enter the DPS(0) four points above Customs Inspectors holding similar qualifications. In the rank and file, Customs Officers who hold the same qualifications enter the scale three points lower than Police Constables. It was said that these "inequalities recommended in the 1979 Pay Review Report" have made it more difficult to recruit persons of the right calibre into the service. (This point is further developed below.)

8.140 Second, submissions explained that there was a distinct difference in career prospects and promotion rates between the two services. It was pointed out that Police Inspectors and Senior Inspectors form a combined rank with advancement after three to five years and passing a qualifying examination. However, Customs Inspectors can reach Customs Senior Inspector only through competitive promotion with a ratio of 3.82 Inspector to one Senior Inspector posts. Moreover, it was said that police Senior Inspectors do not have to supervise Inspectors whereas Customs Senior Inspectors are required to do so. Using the Hong Kong Government staff list 1987, the average length of service in officer ranks before promotion/advancement was calculated by dividing the aggregate years of service of present rank holders before promotion by the number of established posts. This showed that it took a police Inspector an average of 11.5 years to reach Chief Inspector while a Customs Inspector took an average of 22 years to reach the equivalent rank of Assistant Superintendent. It was also argued that while the customs service was already almost completely localised, the localisation of the police force in coming years would provide local police officers with much better promotion prospects. A particular point regarding the rank and file was that while the disparity in promotion ratio was less apparent, the larger police establishment does enable a higher number of the rank and file to become officers. On the basis of the police comparison, the general view was put that promotion prospects within C&E were relatively poor.

8.141 The third major point regarding comparability with the police was the perception in the service that C&E staff were performing similar work to the police in anti-narcotics work and land and sea patrols. We were told that in 1974 the Pay Investigation Unit concluded that in "many respects, the responsibilities, legal powers, working conditions etc. of the C&E were broadly comparable to those of the police". It was further submitted that customs had not only shared duties with the police in anti-narcotics and in some joint departmental operations regarding illegal immigrants and refugees, but also had an internal security role in providing 240 uniformed units (about 1,000 men) to protect, guard and supervise the distribution of food supply in a state of emergency. C&E also took over the enforcement of copyright laws from the police upon enactment of the new Copyright Ordinance in 1973. It was added that since the 1970s, the additional duties and responsibilities vested in C&E had reinforced the need for comparability with the police and justified the removal of existing disparity. (We return to comparability of work below.) It was also argued that the diversity of responsibilities which the police and C&E had to undertake further distinguish them from those disciplined services with a more limited departmental objective. The conclusion of these arguments on comparability and disparity was that C&E pay should "be brought back into line with that of the police" and that certainly the existing gap should not be widened. One submission concluded on the basis of these arguments that

the "level of police pay should form the basis of determining Customs pay".

8.142 We were given considerable material on recruitment problems and wastage. In general we were told that the department was suffering from an increasing number of vacancies and that it is over-stretched while at the same time being required to maintain a high standard. Vacancies in 1983 were 46 but in 1988 had increased to 108 (135% increase) while the establishment of the department had grown in the period from 2,471 to 2,751 (11.33% rise).

8.143 Recruitment has been unsatisfactory in recent years dropping from about 2,000 applicants per year from 1984-1986 to 1,192 in 1987 for inspector posts. An enormous decrease was recorded for applications for Customs Officer, from 16,675 in 1986 to 964 in 1988. The number of recruits actually joining the service over recent years has been about 60% of the applicants accepted for appointment which in turn has been roughly 66% of the posts available in any one year. We were told that the service had clearly become less attractive in recent years compared with other departments and the private sector and that lower pay, poor prospects and unfavourable conditions of service have been the main contributors.

8.144 We were given detailed wastage figures which showed an increase in premature wastage. The number of officers on probation or trial leaving the service showed an upward trend from eight in 1986 to 11 in 1987 and nine in the first four months of 1988. The highest recent wastage for this category had occurred in 1983 when 37 such officers left the service. Great concern was expressed over the loss of officers who had completed their probation and were regarded as trained and experienced. 1983 was also a high year with 39 such officers leaving but, after a drop, this figure is increasing again, from 30 in 1986 to 51 in 1987 and 26 in the first four months of 1988. In 1987 62 officers left the service prematurely, together with 15 officers on normal retirement; in the first four months of 1988, the totals were 35 and 17 respectively. We were told of a survey which showed that 55.35% of those leaving did so for another job with higher pay and better prospects while 20.46% left for jobs with better working conditions. We were told that many members of the service thought their prospects were not good, the majority of duties strenuous, stressful, dangerous and obnoxious, and that present pay was not commensurate with their efforts and sacrifices, and that these views were not confined only to those who were leaving.

8.145 The main points we received about pay therefore were that remuneration -

- (a) was not commensurate with duties and conditions of work and should be improved;
- (b) should be comparable to the police; and

- (c) at present levels was not high enough to permit the recruitment of sufficient suitable applicants, and retain trained and experienced officers.

Work of the department and its development

8.146 The work of the department and the way in which it has developed is concisely described in the annex on Customs and Excise in this report and provides an informative context for this account. We will concern ourselves here therefore, with the main aspects of the work and its development that were stressed to us in the submissions. A number of submissions emphasised the wide variety of the department's work. We were told that other disciplined services, apart from the police, each appeared to have two main functions. C&E however, has a large spectrum of responsibilities ranging from collection of revenue, anti-narcotics, anti-smuggling to copyright protection and the enforcement of 30 ordinances. Moreover there were over 18 separate functions for C&E officers, all different from each other and all requiring training and experience. Posts were very varied and we were told every officer "is expected to be a Jack of all trades and very adaptable."

8.147 We were told that in 1979, C&E was responsible for 14 ordinances, second in number only to the police. Today their responsibility covers 20 ordinances and a role in the enforcement of another 10, giving C&E statutory responsibilities covering 30 pieces of legislation. Developments in the main areas have been as follows.

8.148 C&E took over the responsibility of enforcing copyright laws from the police on the enactment of a Copyright Ordinance in 1973 : technological developments since then have led to the enactment of more complicated legislation, for example, on computer software. The types and techniques of counterfeiting have become increasingly diverse and complex with a growing number of cases and seizures.

8.149 C&E's responsibilities to control the import and export of drugs were expanded in 1972 when it was given the duty to conduct anti-narcotics operations on land. In recent years, Hong Kong has been increasingly used as a transit point for drugs from the Golden Triangle to North America, and drug smuggling techniques and routes have become much more sophisticated and better organised. C&E has in recent years improved liaison and intelligence with neighbouring countries and now also coordinates customs intelligence on drugs in the Asia Pacific region. Further expansion in C&E's marine capability was also expected to conduct anti-smuggling and control of influx of illegal immigrants operations in Deep Bay and Mirs Bay.

8.150 We were told that the number of entry points in Hong

Kong has doubled from five in 1979, to 10 in 1988 with the number of incoming passengers increasingly substantially. There has been almost a four fold increase in incoming passengers at the airport, from about three million in 1980, to 12 million in 1987.

8.151 We were told that since China's adoption of an "open door" policy in the late 1970s, smuggling activities between Hong Kong and the mainland have grown very substantially both at the land border and by sea. These activities are usually conducted by sea and C&E has greatly increased its searches of local craft (from 2,786 in 1980 to 24,049 in 1987) and incoming ocean going vessels (from 10,933 in 1980 to 15,660 in 1987). The latter category has increasingly included the growing container vessel traffic and required adoption of different rummaging techniques.

8.152 We were also informed of developments in excise duty, particularly the introduction of ad valorem duty on European-type liquor and cosmetics in 1984 and 1985, and the changed methods of calculating duty on tobacco. Changes in dutiable commodities legislation required staff to acquire further knowledge and expertise in excise duties.

8.153 We were told that not only has the number of prosecutions increased over the 1979 level but so also has the complexity of cases. Greater access for the defence to proper legal representation has further added to the complexity of prosecution work, and the level and number of staff engaged in this work has had to be increased. Whereas Inspectors used to handle all cases, they now prosecute Magistrate Court cases only, while District or High Court cases are handled by Senior Inspectors.

8.154 As mentioned above, comparability with police work was an important element in the views we received and certain similarities in operational areas were quoted, e.g. like CID officers, certain C&E officers carry arms both on and off duty; both services enforce a number of the same ordinances such as Dangerous Drugs, Anti-biotics, Pharmacy and Poisons Ordinances; and both services undertake patrols to enforce laws on land and at sea. It was also put to us that other areas of C&E work is "just as complicated and challenging as police work," e.g. ship rummaging, copyright protection, cargo examination and control point operations.

8.155 We were given specific examples in the areas of anti-narcotics and marine work where C&E felt disadvantaged in comparison to the police for the type of work they were doing. First, we were told that whereas the police Narcotics Bureau (NB) is headed by a Chief Superintendent (at D1 rank) assisted by a Senior Superintendent (DPS(O) 34-37), the head of Customs Investigation Bureau (CIB) is headed by a Senior Superintendent who, in addition to anti-narcotics work also has to oversee customs investigations, copyright operations and prosecutions. We were also told that the CIB Narcotics

and Airport Investigation Group Superintendent commands 175 officers as opposed to the police Superintendent of the NB Investigation and Operations Group who is in charge of 107 officers. Similar comparisons were made at other ranks engaged in this activity to show that for a similar level of work and responsibilities C&E staff appeared undergraded compared to the police and therefore, underpaid. The command structure of the Joint Intelligence Unit consisting of police and customs officers was quoted as an example.

8.156 The second area of comparison was between Marine Police and the much smaller Customs Strike and Search Division which we were told are both involved in interception and search of different vessels; prevention of smuggling of contraband; and the control of the influx of illegal immigrants. The difference in scale of activities was acknowledged but it was pointed out that while commanders of police launches are either Inspectors or Senior Inspectors, their counterparts in C&E are Inspectors. Moreover the "officer of the watch" in marine police is usually a Station Sergeant while in C&E he is one rank lower at Senior Customs Officer.

8.157 The general arguments put to us on comparability of work between police and C&E were -

- (a) C&E officers have powers of arrest, search and seizure under various ordinances which are the same as those conferred on the police;
- (b) C&E duties, like those of the police, are both obligatory and discretionary. The exercise of discretion in customs work requires a "very high degree of professional judgment" in decisions about searching consignments and individuals, and in investigation.

8.158 Finally it was emphasized to us that unlike the other disciplined services, C&E has an important revenue role. In 1987, it collected about \$3,618 million against a total annual departmental expenditure of \$320 million (i.e. 8.8% of revenue collected).

Nature of work

8.159 C&E's primary aims and objectives were described as anti-smuggling, anti-narcotics and revenue and collection, intellectual property and copyright protection.

8.160 Ship rummaging was generally considered the most unpleasant of duties, a "dreadful job". The work was dirty (including searching toilets and septic tanks on ships), noisy and uncomfortable (e.g. searches in hot and cramped spaces or engine rooms); and dangerous (e.g. poisonous gas in tanks, the need to climb up and down very tall masts, the possibility of being hit by flying derricks, other machinery or cargo).

8.161 We were given a list of dangers to which C&E officers are likely to be exposed in the execution of their duties including resistance and attack during search duties and undercover operations especially in undercover buy and controlled delivery operations (vulnerability to attack was demonstrated by the fact that officers are required to carry arms); exposure to dangerous substances; physical accidents during ship searches; liability to assault or revenge, and other occupational hazards. We were told that 51 injuries while on duty were recorded in 1987 which was triple the total in 1979 and it was suggested that C&E's work in recent years has become more injury prone.

8.162 We were given a number of comments on stress which one submission divided into three categories. External causes of stress beyond an individual officer's control included conflict with the public e.g. during personal searches; malicious complaints and pressure from internal investigation (number of complaints lodged rose from 11 in 1980 to 117 in 1987; and a role which had elements of conflict with society. Internal causes of stress derived from the organisation and administration of the service including the need to follow many detailed orders and regulations; strict discipline and the fear of disciplinary action; the need to be on guard against losing arms and equipment; limited promotion opportunities and inequity in pay. Task-related causes of stress were directly related to operations such as unpleasant working environment; irregular working hours and meal breaks; close contact with criminals; fear of danger and injury; a requirement to adapt to different duties within a short period; and, in investigation work, the mental stress of not being able to discuss one's work with family or friends for fear of divulging information.

8.163 We were given evidence to illustrate these aspects of stress. For example, strict discipline had to be adhered to in the service and we were told that over the last five years, 62 disciplinary cases were heard involving 78 officers and resulting in 14 interdictions. One submission said that because of shortage of manpower baggage could not always be thoroughly checked and other law enforcement agencies might subsequently discover smuggled goods or contraband. Such an occurrence could result in either an internal or an ICAC investigation which created pressure on the staff. We were also told that the number of corruption reports received and investigated by ICAC on alleged corruption of C&E officers rose from 13 in 1983 to 28 in 1987, although the number of reports investigated varied from a high of 10 in 1983 to a low of six in 1987. It was put to us that too much stress on the job caused physical and emotional problems and in 1987, 159 officers were hospitalized compared with 84 in 1980.

8.164 We received comments on physical working conditions. The main points concerned poor working environments (11 units have been classified as having undesirable working conditions)

and adverse weather conditions. About 1,195 officers (45.2% of the department's total strength) worked in these 11 units. We were also told that officers on shift and outdoor duties such as off-shore ship rummaging, had irregular (pre-packed box) meal breaks and particularly in winter, are deprived of a hot meal which caused digestive problems in some officers. Officers on surveillance duties missed meals because of operations and were not allowed to leave their posts until relieved by other members. It was represented that in terms of meals, C&E staff were much worse off than either beat PCs who had transport back to their station canteens, or firemen who have a mobile canteen while on duty.

Hours of work

8.165 It was explained to us that C&E officers' conditioned hours of work were 48 hours a week while Disciplined Services Special Allowance (DSSA) was payable after working hours exceeded 51 hours a week. We received one representation that DSSA was normally granted for investigation work only. It was suggested that some form of overtime allowance should also be paid to those undertaking uniformed duties, rather than granting time-off. It was said that taking time-off meant an accumulated workload upon return to post. We were told that over 70% of C&E officers were engaged in shift duties and we were informed of the seven basic scheduled duty hour shift patterns used in C&E, depending on the duty and location involved. Most staff on shift (582 men) worked a four day cycle of three eight-hour shifts per day which was used by Rummage and Guard Teams, harbour launches, and airport warehouse officers. 20% of the officers on shift worked irregular shift patterns where duty hours were confirmed one day in advance and there was no fixed pattern of working hours or day off. This system was used for CIB officers engaged in investigation duties. In general, we were told that shift patterns were arranged to provide adequate numbers of staff to cope with demand e.g. rush periods or peak seasons at entry points; and for special anti-narcotics and anti-counterfeiting duties.

8.166 One individual submission said that one of the reasons disciplined services enjoy a higher salary was that they had to work shift duty that was detrimental to family and social life. However, the submission pointed out that not all disciplined services staff had to work shifts, even though they received the same pay. It suggested therefore that salaries should be lowered by "one or two points" and the public money thus saved should be paid to shift duty staff in the form of a shift duty allowance, especially those on all-night shifts, which were harmful to health.

8.167 Irregular working hours and shift patterns were cited as the main cause of disruption to the officer's family and social life. These working hours meant that officers had to work on public holidays, or late at night or at short notice. Many officers were required to do stand-by duty, or

to be available on call, and under S.17 of Cap. 342, a C&E officer is "deemed to be on duty whenever he encounters circumstances which would require him, if actually on duty, to act in enforcing any of the Ordinances specified". It was said this affected normal marital relationships and child-rearing and sometimes brought about family disputes and strain. Working hours were said to alienate officers from their friends. We were informed that 72.3% of officers at Senior Inspector rank and above and just over half of officers at Inspector or below are required to be available to make or answer telephone calls for advice or instructions outside duty hours and 31% of officers of Chief Customs Officer and above, are required to conduct supervisory checks outside duty hours. Thus most officers are expected to undertake official duties in their own time. We were told that those engaged in investigation duties were issued with pagers or wireless telephones so as to be kept informed of operational matters and to monitor their staff's work when off-duty. It was claimed that this was tantamount to being on-call all the time.

8.168 While we did not receive much detail, it was also submitted that shift work affected health and caused loss of sleep, disturbed eating and digestive patterns and caused ulcers.

Personal restrictions

8.169 Irregular hours and shift working as the cause of much family and social disruption as described above was regarded as the worst restriction.

8.170 Other restrictions mentioned were that staff had to wear uniforms, and to be conscientious about their bearing, manner and conduct; should not associate with undesirable characters or visit places of doubtful or poor repute; could not take up part-time jobs; could not take part in industrial action. We were also told that C&E staff suffered a "high degree of social stigma" but were given no substantiation or illustration of this.

Conditions of service

8.171 Apart from those aspects already mentioned, we did not receive many comments on conditions of service other than on retirement age and quarters.

8.172 It was represented that the requirement for C&E staff to retire at 55 instead of 60 years of age as for the rest of the civil service under the new pension scheme, with the resultant loss of five years' earnings, was not sufficiently compensated for by the enhanced pension.

8.173 We were told that Departmental Quarters (DQs) were for operational use in C&E and that all 529 Officer grades on strength were eligible. However, only 221 (41.8%) were housed

in DQs at present of whom 66 were actually living in rank and file quarters while only 21 were living in appropriately graded quarters. In the rank and file, 497 (or 23.5% of total strength) lived in DQs and of this figure only 135 were in appropriate grade quarters. One submission told us "the provision of quarters is the most attractive part of the package" and a key factor for retention in service.

8.174 Although welfare benefits are not strictly a condition of service, we received some comment, particularly in comparison with the police. Whereas the police welfare fund is derived from different sources, C&E's fund is provided from public funds only, at \$12 per annum for every established disciplined post. We were told that there was a wide gap in welfare funds per capita as well as in facilities such as club houses and holiday houses.

Morale

8.175 It was impressed upon us that throughout the years C&E staff have been working conscientiously and loyally to meet all the duties required of them with enthusiasm and success. It was put to us that high morale helped the service to operate efficiently despite the stress and unpleasant working environment, and there was a pride underlying the submissions, in the challenging nature of the job and in doing it well. We were told that a strong and efficient customs and excise was important in bolstering goodwill in Hong Kong's major trading partners and to the flourishing export trade that is Hong Kong's lifeline. It was important that Hong Kong should be seen to be willing and able to actively discharge its international obligations in anti-narcotics, copyrights, control of export quotas and so forth.

8.176 Submissions were unanimous that morale and thus efficiency, would suffer if the disparity in pay and conditions of service between C&E and police were to be widened, and that this would lead to difficulties in recruiting the right calibre of staff as well as retaining experienced officers. The operating standard required of a dedicated C&E work force we were told, "is such that it cannot be achieved with the employment of cheap labour."

V. Immigration Service (IS)

Pay

8.177 Disparity in pay between the Immigration Service and the other disciplined services was one of the main themes of the representations we received. We were told that Immigration Service staff were generally disappointed at the Standing Commission's Report in 1979 which stated that the duties of the entry rank (Assistant Immigration Officer) were more commensurate with a school certificate education, and that the duties and responsibilities of the Immigration Service were less complex than those of the other disciplined