

CHAPTER 3 : REVIEW OF PAY SCALES

3.1 This chapter gives an account of proposals submitted to us concerning pay scales for the disciplined services.

3.2 In addressing requests for revision of pay scales of disciplined service staff, we have followed the Administration's pay policy principle which is -

"To offer sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with an effective and efficient service. Such remuneration should be regarded as fair both by civil servants and the public which they serve: in assessing fairness, broad comparability with the private sector is an important factor."

Pay Scales for the Royal Hong Kong Auxiliary Air Force

3.3 In May, 1989, the Administration sought our advice on a proposal to transfer the departmental grades in the RHKAAF from the Master Pay Scale (MPS) to the General Disciplined Services Pay Scale. The pay scales proposed by the Administration are set out at Appendix F and are mainly based on recommendations from Mr. A.L. Rennie who was asked, in his personal capacity, to conduct a study of the RHKAAF.

3.4 We were informed that the pay scales for the Pilot grade were based upon those for the operational stream in the Fire Services Department because there was a broad comparability in terms of training, degree of professionalism and command responsibility between the Pilot and Station Officer/Divisional Officer grades in the two services. The scales for the grades of Crewman Officer* and Observer/Crewman* were based upon existing relativities with the Pilot grade. For the Flight Technician and Technical Officer grades, the scales were based upon those for the Immigration Officer grade, since this provided the most suitable comparison in terms of pay level and length of scale (although it is not intended to suggest that their work is similar).

* These grades were retitled as Air Crewman Officer and Air Crewman respectively on 26 April, 1991.

3.5 Having regard to the present and future functions and responsibilities of the RHKAAF as well as its recruitment and retention problems, we were satisfied that the proposed new scales were appropriate because -

- (a) the basis for setting the proposed pay scales as set out above was reasonable and acceptable;
- (b) the existing relativities between RHKAAF grades/ranks would be preserved;
- (c) the new scales should help to alleviate recruitment and retention difficulties with which the RHKAAF had been beset for some time; and
- (d) the new scales were acceptable to the Administration as well as the management and staff of the RHKAAF.

3.6 Although we agreed that, in setting the appropriate pay scales for the RHKAAF, broad comparisons could be drawn between certain grades in the Fire Services and Immigration Departments, we considered that these linkages should cease once the new pay scales for the RHKAAF have been established. Should the Fire or Immigration Services receive future pay adjustments, this should not be taken to imply a similar adjustment for the RHKAAF. In future, adjustments to the RHKAAF pay and salary structure should be considered on their own merits.

3.7 In line with the existing practice for other disciplined services, we also concluded that staff in the RHKAAF up to the rank of Pilot II and equivalent should be eligible to receive Disciplined Services Overtime Allowance (DSOA).

3.8 We advised the Governor in July, 1989 that the new pay scales for RHKAAF grades should be adopted and should be backdated to 1 April, 1989. The Chief Staff Officer, RHKAAF, was informed of our advice to the Governor later the same month.

Parity in Pay between Ambulanceman and Fireman Grades

3.9 In April, 1989, the Director of Fire Services submitted a request to us to restore parity in pay between Firemen and Ambulancemen, and between Station Officers in the Operational stream and Station Officers (Control).

3.10 We noted that there were three streams in the Fire Services Department - the Operational, Control and Ambulance streams. Fireman (Operational), Fireman (Control) and Ambulanceman are rank and file grades in the Department. We were informed that before the

implementation of the Rennie Committee recommendations, all rank and file staff were remunerated on the same pay scales and that Station Officers in both the Control and Operational streams had the same pay scale. As a result of the Rennie Committee recommendations, rank and file staff in the Control and Ambulance streams were paid one point less than those in the Operational stream, while Station Officers in the Control and Ambulance Officers in the Ambulance streams were paid two points less than Station Officers in the Operational stream.

3.11 We noted that in recommending new pay scales for various ranks in the Fireman and Ambulanceman grades, the Rennie Committee had based its judgement on such factors as hours of work, stress, danger and hardship. We used these factors to compare the work of staff in the Control and Ambulance streams with that of the Operational stream and found that the key factors in the Operational stream are physical strength, endurance, stress, danger and long hours of work. We were satisfied that these factors are either absent from, or present to a lesser degree, in the Control and Ambulanceman streams. We considered that the duties of an operational Fireman are more demanding than those of Control and Ambulance staff. We concluded that the Rennie Committee recommendations were not without justification.

3.12 However, we also took into consideration factors such as morale and staff management. We were aware from the representations made to us, of the staff's concern, and concluded that parity in pay between Firemen and Ambulancemen should be restored. We advised that the proposed pay scales for the rank and file staff in the three streams should be -

Ambulanceman/Fireman (Operational)	GDS(R) 2-16*
Senior Ambulanceman/Senior Fireman (Control)/Senior Fireman (Operational)	GDS(R) 17-25*
Principal Ambulanceman/Principal Fireman (Control)/Principal Fireman (Operational)	GDS(R) 26-30*

3.13 We also advised that the pay scale for Station Officer (Control) should be revised to GDS(O)6-23**. We noted in this connection that, although the rank of Station

* These pay scales were renumbered as GDS(R)2-13, GDS(R)14-22 and GDS(R) 23-27 on 1 October, 1989 as a result of the renumbering of the GDS(R) Pay Scale following the introduction of new education benchmarks.

** The pay scale for Station Officers in the Control and Operational streams were adjusted to GDS(O)6-25 on 1 October, 1990 as a result of a pay revision to Officer ranks.

Officer (Control) is a basic recruitment rank, all the posts are filled by the in-service appointment of Principal Firemen (Control) who have obtained a Principal Fireman (Control) Certificate through the departmental examination. Since the starting pay of Principal Firemen (Control) is higher than that of Station Officers (Control), a Principal Fireman (Control) on appointment to Station Officer (Control) invariably enters the grade at a higher point on the scale, in accordance with normal civil service practice. The question of parity is, therefore, largely irrelevant as long as Station Officers (Control) continue to be recruited from the Principal Fireman (Control) rank.

3.14 We also advised that should the Department change its policy and introduce direct recruitment of Station Officers (Control), then the direct entry recruits should be appointed at GDS(O) 4, because they would lack the basic requirements of the rank (possession of a Principal Fireman (Control) Certificate) which could only be acquired by a Fireman in the Control stream.

3.15 We advised the Governor in July, 1989 that the new pay scales for the Fireman (Control), Ambulanceman and Station Officer (Control) grades should be introduced and should be backdated to 1 April, 1988, the date on which the Rennie Committee recommendations were implemented. The Director of Fire Services was informed of our advice to the Governor later the same month.

**Pay for the Directorate, Senior Superintendent
and Superintendent and Equivalent Ranks
in the Disciplined Services**

3.16 The Rennie Committee did not make any substantive recommendation regarding the salaries of the directorate ranks in the disciplined services, except that it proposed a 5% increase at the lowest rank of Chief Superintendent of Police or equivalent in order to provide headroom for the increase proposed for Senior Superintendent and equivalent ranks. However, the Rennie Committee recommended that the Standing Committee should conduct a job evaluation of directorate posts and propose any consequential restructuring that might be required, including re-examination of structures and pay levels in the ranks just below the directorate level.

3.17 During August and September, 1989, we conducted a job evaluation of the directorate (except the heads of the disciplined services), Senior Superintendent and Superintendent ranks and their equivalents, in the other disciplined services in conjunction with the respective disciplined service managements and the Hay Management Consultants.

3.18 We established a Project Liaison Group to oversee and monitor progress of the evaluation, which comprised several stages: each service was invited to nominate a representative to chair a Job Evaluation Panel overseeing the preparation and evaluation of representative benchmark jobs in that service. The Job Evaluation Panel consisted of departmental nominees and representatives from the Hay Management Consultants and the Office of the Secretary General. In the second stage, and based on agreed job descriptions drawn up for each benchmark job, the Evaluation Panel produced a point score for each job on the basis of the know-how, problem-solving and accountability in each job. Using the point scores for each job and the job salary, a Salary Practice Line was plotted for each disciplined service and compared against the market practice in Hong Kong. This comparison then enabled each disciplined service to know where it was paid in relation to the Hong Kong market place. The results of the job evaluation exercise were kept confidential to each service, in compliance with their wishes.

3.19 The results of the job evaluation indicated that, in broad terms, Senior Superintendent and Superintendent or equivalent ranks were paid at a level at, or above, 75% of equivalent jobs in Hong Kong; directorate jobs appeared to be less well paid, particularly at more senior levels.

3.20 Between October and November, 1989, we received submissions from each of the disciplined services for improvements in the salary structure of the ranks evaluated. All, except the Commissioner of Correctional Services and the Chief Staff Officer, RHKAAF, proposed that pay adjustments arising from this review should be backdated to 1 April, 1988. The proposals from the disciplined services covered a wide range. In the main, the disciplined services claimed that the job evaluation results had not adequately reflected the special, unquantifiable factors which made their jobs different from those of their civilian counterparts in the rest of the civil service. They proposed increases of up to 26% in some ranks to take account of these special factors and the job size. They argued that the disciplined services should, in general, be paid better than equivalent jobs in Hong Kong.

3.21 In considering their proposals for new pay scales, we took the job evaluation findings and the following considerations into account -

- (a) **the Administration's Pay Policy** : We considered that while comparability with the private sector is an important factor, other factors and conditions of service, such as security of employment, should also be taken into account. We accepted that civil service directorate salaries cannot match those of top executives in the private sector;

- (b) **broadbanding** : Job evaluation identified different job sizes within the same rank. We were advised by the consultants that, as long as differences were within a reasonable range, they should not be reflected in ranking or pay. A broadbanding or averaging approach was, therefore, adopted;
- (c) **special factors** : The disciplined services emphasised to us that they were subject to special factors, such as exposure to danger, hardship and risk, which should be compensated by additional pay. We noted, however, that while these factors might well be applicable to junior officers and the rank and file, their effect would diminish with each higher step in the structure. We considered that, at about directorate level, officers would mainly be engaged in administrative and managerial work and the effect of the special factors is, therefore, minimal; and
- (d) **the Ross Committee** : The Ross Committee had made recommendations on the salaries of the heads of the disciplined services. These, therefore, set a ceiling on any pay adjustments in respect of the lower levels of the directorate in the disciplined services. In addition, it had recommended pay scales for D1, D2, D3 and D4 ranks with increments of 3% as recognition of experience. In view of the traditional relativity between the directorate levels of the disciplined services and the general civil service, we considered that increments should be introduced to equivalent ranks in the disciplined services.

3.22 Having regard to these general considerations, the submissions from the disciplined services and the findings of the job evaluation, we considered it appropriate broadly to follow the median market line for directorate salaries. For the most junior directorate rank, that is, Chief Superintendent of Police and equivalent, present salaries were above the median market line which, in our view, required only minor adjustment to reflect more adequately the operational element and special factors in jobs at this level. We noted that the Ross Committee had recommended the pay for the Commissioner of Police should be higher than that of the heads of Group I departments. We considered it prudent to apply this differential, to a limited extent, to the Deputy Commissioners of Police and the Director, Commission Against Corruption. We concluded that the pay for Deputy Chief Fire Officers, Assistant Commissioners of Customs and Excise, Senior Assistant Commissioners of Police and Deputy Commissioners of Police and equivalent ranks should be revised from \$43,550, \$49,200, \$57,100 and \$64,850 per month to \$44,450, \$51,250, \$59,500 and \$69,650 per month

respectively. Details of the proposed levels of pay for directorate ranks in the disciplined services are at Appendix G.

3.23 Although we accepted that the special factors have some significance in the non-directorate Officer ranks, we considered that these factors would diminish the higher one rises. At the ranks of Senior Superintendent and Superintendent and equivalent, the most senior in the Officer cadre, we concluded that special factors are applicable only to a limited extent. We noted from the job evaluation results that the existing salaries of these ranks were already at about, or above, 75% of equivalent jobs in Hong Kong. We, therefore, were satisfied that this level of pay adequately recognised the special factors which apply to these ranks. Furthermore, the pay scales for the Senior Superintendent and Superintendent and equivalent ranks had already been reviewed by the Rennie Committee. We, therefore, saw no justification for granting any further increase in pay to these ranks.

3.24 At that time, the disciplined services had indicated to us that they would be submitting, at some time in the future, proposals for a pay review of their Inspectorate cadre and their rank and file. We noted that there was little headroom between the top salary point of the Inspectorate and the bottom salary point of the Superintendent rank and equivalent. We considered it prudent, therefore, to retain some flexibility. We decided that, in the context of these future pay reviews, if we concluded that the pay for the Inspectorate cadre should be increased, then we would re-examine the pay for Senior Superintendent and Superintendent ranks and equivalent. This would also enable us to consider the Officer cadre in the disciplined services as a whole.

3.25 The majority of the services requested that any pay adjustments arising from the job evaluation exercise should be backdated to 1 April, 1988, the date on which the Rennie Committee recommendations were implemented. They argued that this exercise should be regarded as a continuation of the Rennie Review, and that the pay increases recommended by the Rennie Committee for Senior Superintendent and Superintendent and equivalent ranks were interim adjustments only. We disagreed with this argument because -

(a) our job evaluation was a separate exercise from the Rennie Committee, which was established to meet the concerns of the disciplined services (which then excluded the RHKAAF and ICAC) arising from the 1986 Pay Level Survey for non-directorate staff. We saw no reason why pay adjustments for the directorate ranks should be linked to the Rennie Committee recommendations;

(b) the findings of, and pay comparisons made