

CHAPTER 6 : CONDITIONS OF SERVICE AND OTHER MATTERS

6.1 This chapter gives an account of proposals submitted to us concerning conditions of service for the disciplined services and other related issues. During the period under report, we have considered and given advice on submissions concerning proposed modifications to Dependant Pension Benefits and Service Pension arrangements; a new shift system for operational Firemen; holidays and leave arrangements for operational staff of the Fire Services Department; and sea passages and air passage arrangements.

Proposed Modifications to Dependant Pension Benefits and Service Pension Arrangements

6.2 In May 1991, the Administration sought our advice on a package of proposals for modifications to Dependant Pension Benefits and Service Pension arrangements. The Administration proposed, inter-alia, to -

- (a) change the Widows' and Children's Pension Scheme (WCPS) and the Widows and Orphans Pension Scheme (WOPS) into voluntary schemes and allow members to remain in or opt out of the schemes. The WCPS would be extended to allow Model Scale I staff and female officers to join if they so wish. Single officers choosing to opt out of either schemes would be paid their past contributions but married officers would not. Instead, married officers choosing to opt out would have their pension benefits preserved at the level when their contributions cease;
- (b) allow ex-gratia payment to dependants of officers who die with less than two years' service;
- (c) improve duty-related injury and death benefits by bringing the eligibility criteria for additional and dependant pensions in line with the Employees' Compensation Ordinance; allowing beneficiaries an option of full commutation of their dependant pensions; allowing payment of dependant pension to continue after a spouse's remarriage; and enhancing the service pension of officers who are forced to retire after a short service because of a duty-related injury;
- (d) make statutory provision for annual pension adjustments to be based on the movement of the Consumer Price Index (A);
- (e) allow all pensionable service, regardless of age of entry to the civil service to be counted towards a pension; and
- (f) allow acting allowance to be included as pensionable emoluments for retirement benefits.

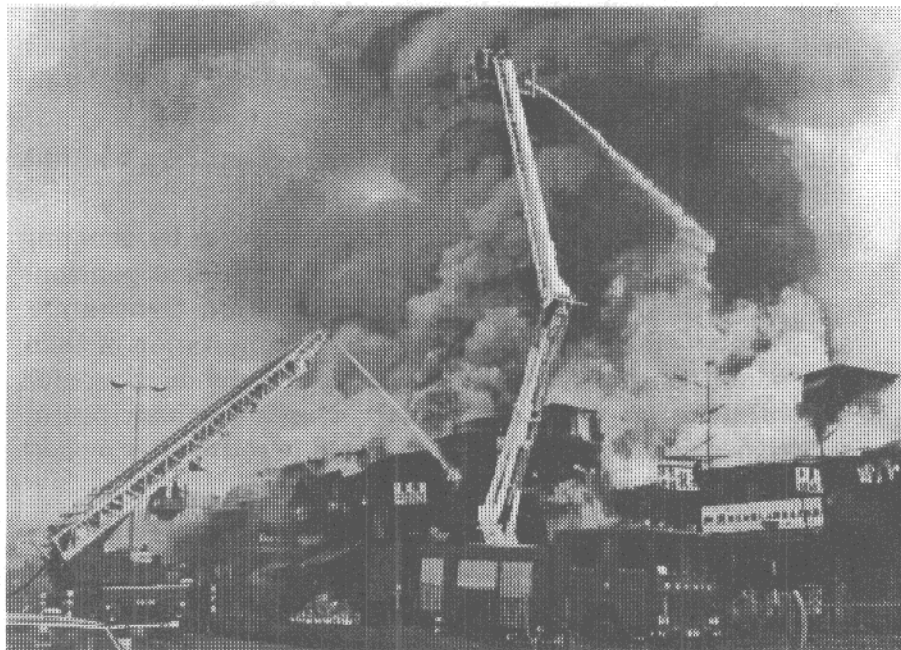
6.3. We were informed that the Disciplined Services Consultative Council and the Police Force Council had been consulted. In response to a proposal from the Disciplined Services Consultative Council, the Administration agreed to allow disciplined services staff who were not contributors of the WCPS on their first appointment but subsequently became contributors upon their promotion, to buy back their non-contributory service if they so wish.

6.4. We noted that the Administration's proposals are intended to improve in general pension benefits for staff, and we indicated our support for the Administration's package in June 1991.

New Shift System for Operational Firemen

6.5. In February 1992, the Administration sought our advice on the introduction of a new 24-hour shift system for operational firemen with effect from April 1992.

6.6. We were informed that in line with our advice in May 1990, the conditioned hours of work for operational firemen were reduced from 60 to 54 hours a week in August 1990 and their 24-hour on/24-hour off shift system was changed to a 12-hour shift system in order to reduce the number of inactive hours in a shift. However staff did not favour the new shift system. They complained that it was causing hardship and inconvenience, resulting in their having to spend more time and money on travelling to and from work and having less time to spend with their families and friends. They also complained that the more frequent shifts did not allow them sufficient time to recuperate, particularly after attending major incidents.



Fire Services officers battling a major fire

6.7. Following consultation between the Administration and the Director who had also consulted his staff, the Administration proposed that a new 24-hour shift system should be introduced. Under this new shift system, which would be calculated on the basis of a 12-week cycle, staff would go off duty for 48 hours after one 24-hour duty shift and one rota day off would be granted within the 12-week cycle. We were also informed that a new station routine would be introduced to enhance productivity and reduce inactive hours in the new 24-hour shift system.

6.8. We examined the Administration's proposal and noted that it would have the following advantages -

- (a) it was in line with the Standing Committee's advice that the amount of inactive hours in a duty shift should be reduced. The time spent on standby duties would be significantly reduced from 10.75 hours under the old 24-hour system to about 5.5 hours in the new system. On the other hand, the proportion of time spent on key activities such as training, visits and fire prevention inspections would be increased from 5.25 hours and 8 hours under the old 24-hour and 12-hour systems respectively, to 9 hours under the new system. As a result, the department would achieve higher operational efficiency and productivity under the new 24-hour shift system;
- (b) staff would be allowed a longer period to recuperate (48 hours of rest) after each duty shift (24 hours) thereby eliminating the hardship experienced by staff under the 12-hour shift system;
- (c) group training on new fire-fighting equipment and devices could be conducted more effectively and comprehensively. Under the old 24-hour shift system group training activities had to be repeated because on average 28% of staff were on rota leave each day. As only one rota leave would be granted under the new system to each fireman in a 12-week cycle, more staff could be taught to operate a new equipment at one time. This in effect would enhance the staff's cooperation;
- (d) productivity would be increased. Under the old 24-hour or 12-hour shift systems, key activities such as training, visits and fire protection inspections were curtailed on Saturdays, Sundays and public holidays. However, the station routine for the new 24-hour shift system would allot 9 hours for such activities on each day;
- (e) staff morale, which had been adversely affected following the introduction of the 12-hour shift system and the Administration's decision not to further reduce firemen's working hours, would be boosted because 92% of staff indicated acceptance of this proposal when they were consulted; and

(f) no additional resources would be required to implement the proposal. On the contrary, it would generate annual savings of about \$9 million in subsistence allowance which was paid for every continuous period of duty of 12 hours or more within a period of 24 hours.

6.9. We, therefore, supported the Administration's proposal and advised the Administration in March 1992 that the new 24-hour shift system should be introduced in place of the 12-hour shift system as from April 1992.

Holidays and Leave Arrangements for the Operational Staff of the Fire Services Department

6.10. In June 1990, the Director of Fire Services forwarded a submission to us proposing that his operational staff should be granted the 17 general holidays each year in the form of time-off-in-lieu, regardless of whether the general holidays fell on their working days and that the amount of time-off-in-lieu to be granted should be equivalent to the average daily conditioned hours. However, we could not process his submission until the Director's related issues concerning a further reduction of conditioned hours for operational firemen, including the new shift patterns, were resolved. These related issues were then under consideration by the Administration.

6.11. Following the Administration's decision in November 1991 to reject the Director's proposal for a further reduction in working hours, we were informed in February 1992 that the Administration and the Director had reached an agreement concerning a new shift pattern and revised holiday and leave arrangements for operational staff which were subsequently introduced in April 1992.

6.12. We were informed that under the new arrangements, operational staff on shift duty would be granted time-off for the 17 general holidays a year. Time-off for a general holiday would be based on the staff's average daily conditioned hours (i.e. nine hours for Fireman and eight hours for Ambulanceman calculated on the basis of a 6-day week). Time-off for general holidays would be incorporated into the shift-duty rosters to ensure that staff enjoy their full entitlement of general holidays by the end of the year.

6.13. We were also informed that leave taken by operational staff on shift duty would be based on the number of hours for which they are absent from duty. The hours would then be converted into leave days (or fractions of a leave day), on the basis that one day's leave is equivalent to the officer's average daily conditioned hours. Where the number of leave days so calculated is more than 12, then the whole stretch of absence (including days off and general holidays falling within the period) would be counted as leave on a calendar day basis, in line with civil service-wide practice.

6.14. We noted that implementation of the new holidays and leave arrangements would affect existing manning ratios and entail changes to the existing establishment, including the deletion of a number of sick leave and training reserve posts in the Ambulanceman grade. We understood that these changes would not compromise the level of services provided to the public.

6.15. We informed the Administration in March 1992 that we were content with the satisfactory resolution of the issue.



Committee Members' visit to Ship Search and Cargo Command, Customs and Excise Department

Sea Passages

6.16. In February 1992, the Administration sought our advice on a proposal to withdraw the provision of sea passages to overseas officers.

6.17. We understood that overseas officers are eligible for a homeward passage by sea when they leave the service in accordance with the following criteria -

- (a) pensionable officers appointed before 1 December 1984 who retire at the age of 50 or over; and
- (b) agreement officers appointed before 1 December 1984, aged 50 or over, on satisfactory completion of not less than 15 years' public service in Hong Kong or another dependent territory.

6.18. We were informed that as at February 1992, there were 1,539 overseas officers (including 634 officers in the disciplined services) who were appointed before 1 December 1984. We were further informed that sea passages to the United Kingdom are available only on the 'Canberra', which sails from Hong Kong once a year usually in March or April, and that sea passages between Hong Kong and other countries are not available. We were told that not all officers eligible for a homeward sea passage had been able to make use of their entitlement; that only about 30% of eligible officers had taken a sea passage in recent years; and that the rest had been provided with a single air passage to their country of origin or a non-standard passage allowance.

6.19. The Administration proposed to withdraw the provision of sea passages for the following reasons -

- (a) sea passages are outdated, given that regular and adequate air flights have been available for many years;
- (b) nowadays a sea passage is a luxury cruise. The cost of a sea passage on the Canberra in 1991 was \$74,725, compared with \$8,695 for a single Economy Class air passage to the United Kingdom;
- (c) if sea passages are viewed as a reward for long service rather than a home passage, they should also be provided to local officers. Rewarding overseas officers alone implies that the service of an overseas officer is more valuable than that of a local officer. Such a notion is objectionable and unacceptable; and
- (d) the provision of sea passages to overseas officers on retirement has been known to give rise to adverse publicity, with the media portraying it as a colonial anachronism.

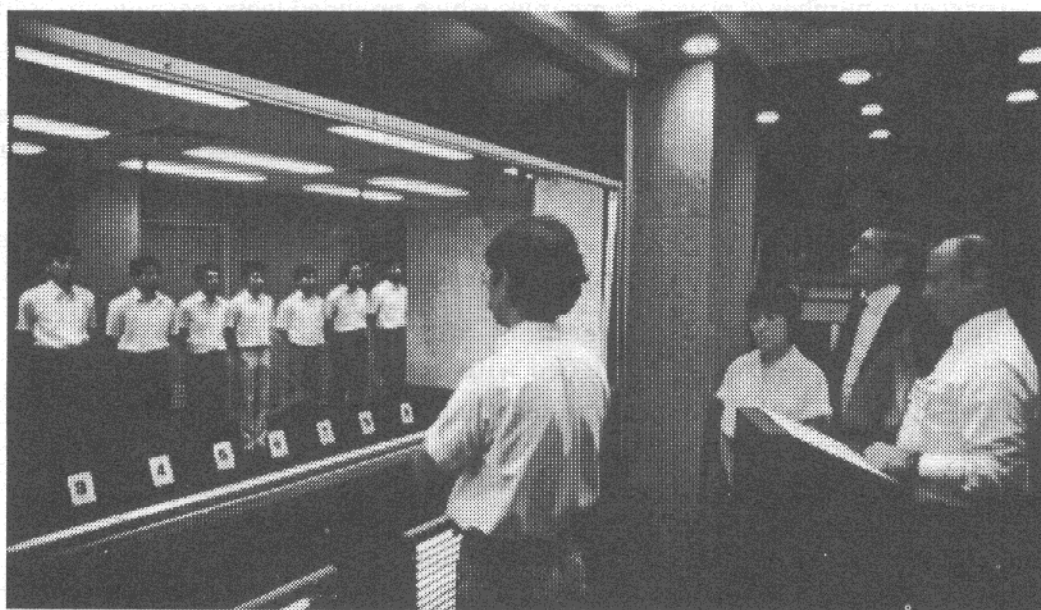
6.20. The Administration also proposed that, in order to be fair to those officers who would otherwise enjoy a sea passage, an ex-gratia payment could be made to officers eligible for sea passages if they can demonstrate that they have suffered the loss of this benefit at the time they leave the service. The ex-gratia payment would be non-accountable and would be paid on top of the homeward air passage to which the officer is entitled. The Administration intended that the total cost of providing air passages plus ex-gratia payments should not exceed the cost of maintaining the present scheme. Taking into account the level of actual expenditure at that time on sea passages and the projected number of claims for ex-gratia payment, the Administration proposed to link the ex-gratia payment to the prevailing Excursion return air-fare to the United Kingdom, the cost of which was then \$12,370. The Administration pointed out that the linkage would allow automatic adjustments to be made.

6.21. We were informed that the Administration had consulted the Superintendents' Association (SA) of the Police Force and the Association of Expatriate Civil Servants (AECS). The SA opposed any proposal to make unilateral changes in conditions of service. It saw no objection to staff eligible for a sea passage being offered the option of, for example, a First Class air passage or cash allowance as an alternative to a sea passage. However, it considered that the exercise of such an option must be voluntary. It also saw no need to make any further changes by withdrawing sea passages from serving officers, since sea passages are not available to officers appointed after 1 December 1984. The views of the SA were supported by the Expatriate Inspectors' Association of the Police Force. The AECS considered that the sea passage was in the nature of a contractual right that should not be changed without the consent of the persons who were entitled to it. It made the point that if the legality of the proposal depended to any extent on the fact that the AECS had been consulted, then the Administration should obtain a true expression of staff views by writing directly to all officers eligible for sea passages. The AECS stated that to proceed with termination of the sea passage entitlement would lead to litigation.

6.22. We were informed that, although legal advice indicated that Government has the right to make unilateral changes under a unilateral variation clause contained in Government's employment contract, the Administration had considered the points made by the staff associations before the abolition of sea passages was proposed. The Administration considered that legally it is not obliged to consult every eligible officer if the practice has been to consult staff through the central councils, and that while staff have a legitimate expectation to be consulted, it is not obliged to accept their views if what it proposes is reasonable.

6.23. We examined the Administration's proposal, giving very careful consideration to the various factors. Whilst the outcome could be a matter for the court, we felt that it would be morally wrong for an employer to unilaterally change an existing condition of service, and that the proposed change should be sought by way of negotiation with the staff or the provision of an option. We considered that, given staff sensitivities, any unilateral change in existing conditions of service could cause problems. We, therefore, concluded that the Administration's proposal as placed before us should not be introduced.

6.24. We advised the Administration along these lines in May 1992.



ICAC officers conducting an identification parade

Air Passage Arrangements

6.25. In March 1992, the Administration sought our advice on proposals to introduce more flexible leave and passage arrangements in line with private sector practice.

6.26. We were informed that the provision of air passages to civil servants was governed by an agreement with British Airways (BA), which allowed Cathay Pacific Airways (CPA) to participate in the carriage of Government-sponsored passengers between Hong Kong and London (the U.K. route). Travel on non-U.K. routes must be arranged through BA or one of their appointed travel agents.

6.27. Under the agreement, reduced fares (at a discount ranging from 12% to 40%) were charged for travel on the U.K. route and staff entitled to Economy Class leave passages were able to sit in Business Class if travelling direct to or from the U.K. However, full published fares were used for non-standard leave travel i.e. for trips to the U.K. by an indirect route or to a destination other than the U.K. This meant that staff were not allowed to buy the cheaper fares available to the general public, yet 80% of leave passages were non-standard. Another disadvantage of the agreement was that the contract student fare was high. Although the contract student fare was lower than the published student fare, most students not sponsored by the Government used cheaper fares.

6.28. We were informed that the restrictions relating to the use of cheaper fares were particularly unpopular with junior local staff who were recipients of the Long Service Travel Awards (LSTA). All LSTA passages in 1990 were non-standard, subject to the disadvantages of the BA agreement. The LSTA recipients also paid substantial sums on hotel and travel-related expenses in order to make use of the award.

6.29. We were told that in 1991, the Pay Survey and Research Unit of the Standing Commission on Civil Service Salaries and Conditions of Service conducted a fringe benefit survey on a number of private companies which provided leave passages to staff whose salaries were equivalent to those of the non-directorate officers in the civil service. The survey revealed that more flexible leave passage arrangements were adopted in the private sector. For example, employees were allowed to use their passage entitlement to meet travel-related expenses, to split their entitlement during the year and to carry forward passage balance from one year to the next.

6.30. In view of the disadvantages of the BA agreement and having regard to private sector practice, the Administration proposed that -

- (a) a new air passage agreement offering better terms to Government should be signed with BA and CPA;
- (b) staff should be permitted to use their passage entitlement to cover travel-related expenses;
- (c) split leave and passage arrangements should be extended, in two stages, to non-directorate overseas officers who are entitled to annual leave passages; and
- (d) passage accounts should be introduced for staff to enable them to carry forward their passage entitlement from one eligibility period to the next.

6.31. We examined the Administration's proposals and noted that under the proposed new arrangements, the staff concerned would enjoy considerable flexibility in planning their leave and passage arrangements, and they would also enjoy access to cheaper fares available to the public. We were informed that staff welcomed the new arrangements which would also result in savings to the Government.

6.32. We supported the proposals and informed the Administration of our views in May 1992.