

**For information on
19 May 2003**

LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE

Review of Job-related Allowances for Civilian Grades

Purpose

This paper briefs Members on the latest position of the review of the job-related allowances (JRAs) for civilian grades.

Background

2. A six-month moratorium on the JRAs payable to civilian grades started on 1 December 2002. The moratorium aims to facilitate the review of JRAs payable to civilian grades (except Shift Duty Allowance and Typhoon/Rainstorm Black Warning Allowances) in order to ensure that continued payment of the JRAs is justified. Departments have been required to review whether the relevant allowances under their purview should continue to be paid and the appropriateness of the allowance rates, having regard to the revised JRA governing principles, feedback from consultation with their staff and other relevant circumstances. During the moratorium, the rates of all JRAs payable to civilian grades have been frozen at the prevailing level. No new JRAs have been introduced.

Latest Position

3. There are a number of Hardship Allowances which are payable for performing duties such as cleansing, drainage/sewer cleaning, waste/blood/dead bodies handling etc. The annual expenditure of these allowances is around \$74M. With the recent Atypical Pneumonia crisis, front line staff engaged in these duties have been facing much more arduous situation. Moreover, the Government has committed to establishing and promoting a sustainable, cross-sectoral approach to improve environmental hygiene in Hong Kong. Whether and how the nature of work and workload involved for these staff concerned will be affected is uncertain at this stage. In the light of these circumstances, and taking into account views expressed by front-line staff, we intend to defer the review of these allowances in question by six months. These allowances will be reviewed critically before the end of the extension to ensure that only justified allowances will continue to be paid.

4. We have substantively completed the review of the remaining JRAs, which involves an annual expenditure of around \$46M. When the moratorium ends by the end of May 2003, a decision on all the allowances will have been made. Certain allowances which are considered no longer justified because of changing circumstances will be/have been ceased; and areas of improvements in terms of payment criteria and control mechanism; and the operational mode of the duties involved have been identified for some others. The latest estimate is that savings achievable are likely to be in the region of \$10 to \$13 million (21% to 28%) per annum when all the cessations/improvements in administration have taken effect.

Implementation

5. Part of the review results has been implemented during the moratorium period. We are finalising the implementation dates of the remaining review results with bureaux/departments concerned, with a view to implementing them as soon as possible. In making a decision, we will continue to have due regard to staff feedback and will be prepared to allow a transitional period before implementation, if appropriate.

Way Forward

6. In respect of allowances which are approved for continued payment in the current exercise, they are subject to review within a specified timeframe of not exceeding 2 years. This serves to ensure that payment of all JRAs is justifiable and appropriate in the prevailing circumstances.

Civil Service Bureau
May 2003