

**For information**

**LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE**

**Review of Job-related Allowances for Civilian Grades**

**Purpose**

This paper informs Members of the outcome of the second phase of the review of the job-related allowances (JRAs) payable to the civilian grades of the civil service, as well as our decision that some of the JRAs will be reviewed in the third phase, which will end on 30 November 2004.

**Background**

2. During the six-month period starting on 1 December 2002, departments were required to review 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 under their purview is justified.

3. We informed Members vide LC Paper No. CB(1)1688/02-03(01) for the Panel meeting held on 19 May 2003 that because of circumstances relating to SARS, we decided to defer for six months the review period of the Hardship Allowances payable for performing such duties as cleansing, drainage/sewer cleaning and waste/blood/dead bodies handling. Departments/organizations involved are Agriculture, Fisheries and Conservation Department (AFCD), Department of Health (DH), Drainage Services Department (DSD), Electrical and Mechanical Services Department (EMSD), Environmental Protection Department (EPD), Food and Environmental Hygiene Department (FEHD), Hospital Authority (HA), Housing Department (HD), and Marine Department (MD). In making the decision, we had taken account that with the SARS crisis, front-line staff engaged in those duties had been facing much more arduous situation; that the Government had committed to establishing and

promoting a sustainable, cross-sectoral approach to improve environmental hygiene in Hong Kong and whether and how the nature of work and workload involved for these staff concerned would be affected was uncertain at that stage. We had also taken into account views expressed by front-line staff.

4. We informed Members at the Panel meeting held on 16 June 2003 (LC Paper No. CB(1)1909/02-03(04)) that we had completed the review of the remaining JRAs with an estimated annual expenditure of about \$46 million. The estimated annual savings are about \$17 million (37%).

### **Second phase of the review**

5. In November 2003, we completed the review of the Hardship Allowances in respect of AFCD, DSD, EMSD, EPD, HD and MD, with an estimated annual expenditure of about \$16M. In reviewing the allowances in question, we have had regard to relevant factors, including the governing principles of JRAs, the original justifications for the allowances, present day circumstances, prudence in the use of public funds, recommendations arising from review by departmental management and feedback obtained from the staff consultation conducted by departmental management.

6. Duties that are justified to continue to attract JRAs mainly concern direct handling of very obnoxious and filthy matters. Examples include handling and cleaning of animals and their waste; handling of dead animals carcasses; testing secretion and excretion from poultry; operation, maintenance, and repair of various drainage and sewage treatment plant/facilities/systems; repair and maintenance of wastewater treatment facilities, filtration tanks, combustion chambers, refuse collection vehicles, cremation facilities, incinerators, etc; waste disposal related activities at chemical waste treatment facilities, landfills, etc; collection of waste samples from waste treatment plants, drainage/sewage system, livestock farms etc.; taking measurement of sewage and waste water discharge; harbour cleansing, and refuse collection and cleaning up of oil discharges at sea.

7. In this phase of the review, various improvement measures have been put in place to ensure a more rationalized payment of the allowances. Examples include the rationalization of the specific duties that should attract the allowance; re-arrangement of operation resulting in a more optimal number of staff required to carry out duties that attract the allowance; setting out more clearly the appropriate frequency and duration for the performance of the duties in question for the purpose of payment of the allowance; consolidation of allowances which are payable for different elements of the same duty; introducing a reduced rate for cases involving a lesser degree of hardship compared with others etc. Departments have also critically reviewed the number of staff that should continue to receive the allowance following contracting out of certain work.

8. The estimated annual savings to be achieved following the implementation of the review outcome is about \$3.5M. Taking account of both the first phase review ended on 31 May 2003 and the second phase, the estimated annual expenditure of the JRAs reviewed is about \$62M, **and the full-year estimated savings is about \$20.5M (33%).**

9. Similar to the JRAs reviewed in the first phase of the review, JRAs that are approved in the second phase for continued payment are subject to review again in two years. This serves to ensure that all JRAs will be subject to regular reviews and their payment is justified and appropriate in the prevailing circumstances.

### **Phase three of the review**

10. Due to the unique circumstances faced by DH, HA and FEHD at this point in time and the changing circumstances envisaged in the coming months, we have decided that the Hardship Allowances payable by these departments/organisations would be reviewed in the third phase, due on 30 November 2004. These allowances are closely related to health and hygiene-related measures performed by frontline staff. Main duties involved are handling of blood, clinical waste, soiled dressings, specimens, etc. of patients, some of whom are suffering from infectious disease; cleaning of soiled laboratory wares/ surgical instruments, specimen containers etc; handling of dead bodies and contaminated materials such as infected animals,

bacterial culture plate; public cleansing duties such as refuse/nightsoil collection, street sweeping and washing, cleaning of litter containers, aqua privy cleansing; market cleansing and related work; pest control duties and insecticide application at obnoxious environment; food surveillance, collection of specimens, blood and urine samples of imported animals; dead body removal; cremation and exhumation duties; and slaughtering duties. The estimated annual expenditure is about \$59M.

11. During the SARS outbreak early last year, frontline staff of DH, HA and FEHD had taken on certain potentially hazardous tasks. Since then, the Government has introduced a series of measures to improve public health and hygiene and to prepare for possible reoccurrence of the SARS. Examples include enhanced cleansing and washing of hygiene blackspots, rear lanes and markets; cleansing and washing of common parts of old tenement buildings; enhanced rodent and pest control work; enhanced infectious control measures and facilities in hospitals/clinics; enhanced role of hospitals/clinics in disease surveillance; enhanced precautionary measures in conducting laboratory investigations and testings; the provision of more isolation facilities for hospitals designated to receive SARS patients; the setting up of designated consultation room/waiting area in clinics for fever patients; the drawing up of staff and hospital deployment plans in case of an infectious disease outbreak; and the drawing up of quarantine measures of home/camp confinement.

12. The above measures have resulted in significant changes to the operation mode and workload of the staff concerned. It is necessary to allow some time for the management concerned to gain sufficient experience from the implementation of the new initiatives before deciding whether there should be any changes to the payment of the Hardship Allowance.

13. In the coming months, DH, HA and FEHD need to remain on high alert for any possible recurrence of SARS and to have sufficient flexibility in deploying their staff to deal with any crisis. The experience in these months will help them develop a long-term response and staff deployment plan, which may impact on the review of the JRAs in question.

14. Moreover, with the on-going re-organisation (e.g. reduction in manning scales and number of working tiers in FEHD; re-engineering of operation for various medical services and clustering of hospitals in the HA) and/or contracting out measures being adopted, the management needs more time to review the situation in the light of changing circumstances. Specifically, HA has recently taken over the management and operation of the General Out-Patient Clinics from DH. It will take some time for the new management to consider whether any changes to procedures and operation are needed. Whether and how it would affect the work of the staff needs to be ascertained.

15. Notwithstanding the above, it should be noted that with the on-going re-organisation and re-engineering of services and departures under the Voluntary Retirement Scheme and natural wastage etc, the annual expenditure of the Hardship Allowances payable in DH, HA and FEHD have decreased. It is expected that the decreasing trend will continue.

### **Way Forward**

16. We shall report to Members the outcome of the third phase of the review ending on 30 November 2004.

Civil Service Bureau  
January 2004