

立法會 *Legislative Council*

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Panel on Public Service Meeting on 21 June 2010

Background brief on grade structure reviews

Purpose

This paper provides background information on grade structure reviews (GSRs) and summarizes the views and concerns expressed by the Panel on Public Service (the Panel) at previous discussions on the subject.

Background

Civil service pay policy

2. The Government's civil service pay policy is to offer sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with an efficient and effective service; and such remuneration is to be regarded as fair by both civil servants and by the public they serve through broad comparability between civil service and private sector pay. To ensure that, it is the Government's policy to conduct a Pay Level Survey (PLS) every six years using the broadly-defined job family and job level method. The last PLS was conducted in 2006. In addition, the Government conducts a Pay Trend Survey on a yearly basis, and a Starting Salaries Survey at three-yearly intervals.

Grade structure reviews in 2007

3. The 2006 PLS did not cover the directorate and the disciplined services grades because the methodology adopted for the PLS was not appropriate for the directorate grades¹ and there was a lack of market comparators for the disciplined service grades. After consultation with the relevant advisory bodies on civil service salaries and conditions of service, the Chief Executive-in-Council decided that the results of the 2006 PLS should be applied to these grades using the existing set of internal relativities. The Administration considers that the validity and

¹ According to the Administration, the survey methodology used in the 2006 PLS, which emphasized on "broad comparability" rather than specific responsibilities of the jobs, was not suitable for application to the directorate grades.

propriety of this set of internal relativities should be ascertained through the conduct of GSRs for the disciplined services and the directorate grades².

4. While the broad comparability of the pay level of non-directorate civilian grades have been established in the 2006 PLS, the Administration was aware that some grades and ranks were facing recruitment and retention difficulties, and such problems had not been and could not be addressed through the service-wide PLS. The Administration therefore considered it also necessary to conduct GSRs for selected non-directorate civilian grades with proven serious recruitment and retention difficulties.

5. In end 2007, the Administration invited –

- (a) the Standing Committee on Directorate Salaries and Conditions of Service (the Directorate Committee) to conduct a GSR for the directorate grades;
- (b) the Standing Committee on Disciplined Services Salaries and Conditions of Services (SCDS) to conduct a GSR for the disciplined service grades; and
- (c) the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission) to conduct a GSR for selected non-directorate civilian grades facing recruitment and retention difficulties, namely the Government Counsel grade³ and the Veterinary Officer grade⁴.

6. The Directorate Committee, SCDS and the Standing Commission submitted their respective GSR reports to the Chief Executive on 27 November 2008. The Civil Service Bureau (CSB) was tasked to study the findings and recommendations of the three GSR reports and consult relevant parties. CSB conducted extensive consultations with the stakeholders from December 2008 to June 2009.

² Similar reviews were conducted in the past. The last comprehensive review for disciplined services grades was conducted in 1988 by a Review Committee on Disciplined Services Pay and Conditions of Service. The Standing Committee on Disciplined Services Salaries and Conditions of Service has also conducted a number of reviews on a much smaller scale on particular disciplined services grades and ranks since its establishment in 1989. The last comprehensive grade structure review for the directorate grades was conducted in 1989.

³ The Government Counsel grade comprises two ranks at the non-directorate level, namely the Government Counsel rank and the Senior Government Counsel rank, serving mainly in the Department of Justice. As the Government Counsel grade has identical rank structure with the Legal Aid Counsel grade and the Solicitor grade, the Standing Commission, at the invitation of the Administration, has also included the two latter grades in the course of conducting GSR for the Government Counsel grade.

⁴ The Veterinary Officer grade comprises two ranks, namely the Veterinary Officer rank and the Senior Veterinary Officer rank, working mainly in the Agricultural, Fisheries and Conservation Department and the Food and Environmental Hygiene Department.

7. On 20 October 2009, the Chief Executive-in-Council announced its decision taken on the GSR reports on the directorate, the seven disciplined services and specific civilian grades. In gist, the Chief Executive-in-Council decided that -

- (a) the recommendations of the Directorate Committee in its GSR report on the civilian directorate should be accepted, subject to a refinement of the recommendation on the frequency of future reviews;
- (b) the recommendations of SCDS in its GSR report on the disciplined services should be accepted, subject to refinement of the recommendations on the frequency of future reviews and the maximum pay point of the Sergeant rank of the Police Force and comparable ranks in the other disciplined services;
- (c) the recommendations of the Standing Commission in its GSR report on the Veterinary Officer grade and the non-directorate ranks of the legal grades should be accepted in full;
- (d) subject to the approval of the Finance Committee (FC), the recommendations relating to salary and increment should be implemented with retrospective effect from 1 April 2009. The other recommendations on job-related allowances and conditioned hours of work should be implemented from a prospective date when the necessary arrangements were put in place; and
- (e) subject to the approval of FC, a special arrangement should be put in place for calculating the pension benefits of those civil servants covered by the three GSR reports who retired/resigned/passed away during the period between 27 November 2008 and 31 March 2009, or who were injured/died on duty with additional/dependant pension during the aforesaid period of time.

The above salary and increment-related recommendations and refinement were recommended by the Establishment Subcommittee and approved by FC on 4 December 2009.

Major views and concerns expressed by the Panel

8. The Administration briefed the Panel on the proposed GSRs for the directorate, disciplined services and selected non-directorate civilian grades at the meetings on 19 November 2007 and 21 January 2008. After the three GSR reports were submitted to the Chief Executive in November 2008, the Panel discussed the three GSR reports on 15 December 2008 and 19 January 2009, including receiving views from representatives of civil service bodies. The major views and concerns expressed by Panel members during these meetings are summarized below: -

(a) Purpose and implications of GSRs

- Members considered that the Administration should not use GSRs as a means to make way for upward pay adjustments. GSRs must be conducted with thorough consultation with the staff concerned and with safeguards against possible implications detrimental to civil service stability, as some civil servants were concerned that the reviews might result in the deletion of certain grades or ranks and hence affecting the promotion opportunities of the officers concerned.
- The Administration advised that it was undesirable and inappropriate to speculate or pre-empt the outcome of the reviews, such as an upward pay adjustment, as GSRs would be conducted independently by the relevant advisory committees based on their self-determined methodology.

(b) GSRs for directorate grades

- Some members were of the view that as the directorate grades posts were mainly filled by internal promotions, and currently there were no recruitment and retention difficulties, GSRs for the directorate grades were not necessary. In this connection, the Panel noted the Administration's advice that as all the three pay surveys (i.e. PLS, the Starting Salaries Survey and the Pay Trend Survey) did not cover the directorate grades, a GSR was considered necessary to keep the grade structure and the terms and conditions of service for directorate officers abreast of the market situation.
- Some members doubted whether it was appropriate to compare civil service directorate posts with the supervisory or managerial posts in the private sector, in view of the difference in job security and income stability.

(c) GSRs for selected non-directorate civilian grades

- Some members were concerned about the objectivity in the selection of non-directorate civilian grades for review, since Heads of Grade / Heads of Department had the discretion to recommend grades for review. The Administration advised that the Standing Commission, being an independent body, could on its own volition conduct a review on the structure of any civil service grade.
- Some members queried the propriety of proposing a GSR purely based on the unnatural wastage rate of a civil service grade. The Administration advised that in proposing a GSR

for a civil service grade, the Government had taken into consideration not only the unnatural wastage rate, but also the recruitment situation.

9. After a decision was taken by the Chief Executive-in-Council on the three GSR reports on 20 October 2009, the Panel held a further meeting on 2 November 2009 to discuss the decision and received views from deputations. Regarding the frequency of future reviews for the disciplined services, some members noted with concern that, while SCDS recommended that "the grade structure and pay levels of the disciplined services should be reviewed on a regular basis, say, on a six-yearly basis", the Chief Executive-in-Council had decided that, for greater flexibility, GSRs should be conducted as and when necessary in the light of significant changes in the job nature, responsibilities, proven recruitment and retention problems, etc. of the disciplined services. The Chief Executive-in-Council further decided that the Administration, or departmental management concerned, or the staff side of each disciplined services could request the conduct of a GSR with justifications. The request should be put to SCDS for advice and then submitted to the Chief Executive-in-Council for decision.

10. Some members opined that the Administration and the staff sides might have different interpretation of what constituted "significant changes in the job nature, responsibilities". These members also considered that the new requirement of submitting requests for the conduct of a GSR to SCDS for advice and then to the Chief Executive-in-Council for decision was too harsh. The Administration, however, considered it fair to place the decision to conduct a GSR in the hands of the Chief Executive-in-Council, as GSR reports were all subject to the approval of the Chief Executive-in-Council in the end. The Administration also considered it appropriate to seek SCDS's advice because any GSRs on the disciplined services were to be conducted by SCDS.

11. The Panel Chairman suggested that SCDS, instead of the Executive Council, should be authorized to consider and approve requests for the conduct of a GSR from the disciplined services. The Administration advised that the Chief Executive-in-Council would also decide whether to accede to a request for the conduct of GSRs for the disciplined services in the light of SCDS's advice.

12. At the meeting on 2 November 2009, the Administration undertook to follow up the request from the Hong Kong Fire Services Department (FSD) Ambulancemen's Union for incorporating the paramedic allowance into the pay scale of the Ambulancemen grade, which had not been adopted by SCDS in its GSR report on the disciplined services. Some members also called on the Administration to attend to the unresolved requests from the disciplined services grades, i.e. standardizing the pay and grade structures across the disciplined services, reducing the conditioned hours of work for the five general disciplined services and extending the "through scale arrangement" to the officer grades in the Correctional Services Department, the Customs and Excise Department, the Immigration Department, the Government Flying Service and the Ambulance Officer grade in FSD.

13. The Administration advised that SCDS had considered all the requests from the disciplined services thoroughly and had made clear its position with justifications in its GSR report. The Administration undertook that it would continue to discuss with the staff associations concerned under the existing staff consultation mechanism.

Recent development

14. Hon Mrs Regina IP wrote to the Panel Chairman on 16 October 2009 proposing to discuss a request from the Hong Kong Government Lifeguards General Union for the conduct of a GSR for the Lifeguard grade. Instead of discussing requests for conducting GSRs from individual civil service grades, the Panel decided to discuss the GSR triggering mechanism, particularly the criteria for assessing and determining whether to accede to requests from non-directorate civilian grades for the conduct of GSRs. The Panel will discuss the GSR triggering mechanism and the relevant consideration criteria at the meeting on 21 June 2010.

Relevant papers

15. A list of relevant papers is in the **Appendix**.

Council Business Division 1
Legislative Council Secretariat
14 June 2010

Panel on Public Service (PS Panel)

Grade structure reviews

List of relevant papers

Date of PS Panel meeting	Paper	LC Paper No.
19.11.2007	<p>Administration's paper on grade structure reviews</p> <p>Minutes of meeting (paragraphs 4 to 19)</p> <p>Administration's response to the question raised by the Panel at the meeting held on 19 November 2007 on reforms introduced since 1999 to the management of the civil service</p>	<p>CB(1)206/07-08 (03)</p> <p>http://www.legco.gov.hk/yr07-08/english/panels/ps/papers/ps1119cb1-206-3-e.pdf</p> <p>CB(1)375/07-08</p> <p>http://www.legco.gov.hk/yr07-08/english/panels/ps/minutes/ps071119.pdf</p> <p>CB(1)444/07-08 (01)</p> <p>http://www.legco.gov.hk/yr07-08/english/panels/ps/papers/ps1119cb1-444-1-e.pdf</p>
21.1.2008	<p>Administration's paper on grade structure reviews for non-directorate civilian grades</p> <p>Minutes of meeting (paragraphs 6 to 22)</p> <p>Administration's response to the question raised at the meeting of the Panel held on 21 January 2008 on the retention and recruitment situations of civil service grades selected for non-directorate civilian grade structure reviews</p>	<p>CB(1)567/07-08 (03)</p> <p>http://www.legco.gov.hk/yr07-08/english/panels/ps/papers/ps0121cb1-567-3-e.pdf</p> <p>CB(1)792/07-08</p> <p>http://www.legco.gov.hk/yr07-08/english/panels/ps/minutes/ps080121.pdf</p> <p>CB(1)795/07-08 (01)</p> <p>http://www.legco.gov.hk/yr07-08/english/panels/ps/papers/ps0121cb1-795-1-e.pdf</p>

Date of PS Panel meeting	Paper	LC Paper No.
<p>15.12.2008</p>	<p>Administration's paper attaching the following:</p> <ul style="list-style-type: none"> - a copy each of the reports from the three advisory bodies on civil service salaries and conditions of service on their respective reviews on the directorate grades, the disciplined services, and selected non-directorate civilian grades; and - a copy of the statement by the Secretary for the Civil Service when meeting the media on the above grade structure review reports on 27 November 2008 	<p>CB(1)310/08-09(01)</p> <p>http://www.legco.gov.hk/yr08-09/english/papers/ps/papers/ps1215cb1-310-1-e.pdf</p>
	<p>Administration's paper on grade structure reviews for directorate, disciplined services and selected non-directorate civilian grades</p>	<p>CB(1)351/08-09(03)</p> <p>http://www.legco.gov.hk/yr08-09/english/papers/ps/papers/ps1215cb1-351-3-e.pdf</p>
	<p>Minutes of meeting (Paragraphs 6 to 26)</p>	<p>CB(1)745/08-09</p> <p>http://www.legco.gov.hk/yr08-09/english/papers/minutes/ps20081215.pdf</p>
	<p>Administration's response to issues raised at the meeting on 15 December 2008</p>	<p>CB(1)606/08-09(01)</p> <p>http://www.legco.gov.hk/yr08-09/english/papers/ps/papers/ps0119cb1-606-1-e.pdf</p>

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19.1.2009	<p>Administration's paper attaching the following:</p> <ul style="list-style-type: none"> - a copy each of the reports from the three advisory bodies on civil service salaries and conditions of service on their respective reviews on the directorate grades, the disciplined services, and selected non-directorate civilian grades; and - a copy of the statement by the Secretary for the Civil Service when meeting the media on the above grade structure review reports on 27 November 2008 <p>Minutes of meeting (Paragraphs 7 to 44)</p>	<p>CB(1)310/08-09(01)</p> <p>http://www.legco.gov.hk/yr08-09/english/papers/ps/papers/ps1215cb1-310-1-e.pdf</p> <p>CB(1)1140/08-09</p> <p>http://www.legco.gov.hk/yr08-09/english/papers/minutes/ps20090119.pdf</p>
7.7.2009	Minutes of meeting	<p>CB(1)148/09-10</p> <p>http://www.legco.gov.hk/yr08-09/english/papers/minutes/ps20090707.pdf</p>
2.11.2009	<p>Administration's paper on grade structure review of the disciplined services: job-related allowances</p> <p>Administration's paper on the two grade structure review reports on the civilian directorate and the disciplined services (Legislative Council Brief)</p> <p>Administration's paper on the grade structure review report on specific civilian grades (Legislative Council Brief)</p>	<p>CB(1)189/09-10(03)</p> <p>http://www.legco.gov.hk/yr09-10/english/papers/ps/papers/ps1102cb1-189-3-e.pdf</p> <p>File Ref: CSBCR/PG4-085-001/57-58</p> <p>http://www.legco.gov.hk/yr09-10/english/papers/ps/papers/ps1102-csbcprg40850015758-e.pdf</p> <p>File Ref: CSBCR/PG4-085-001/59</p> <p>http://www.legco.gov.hk/yr09-10/english/papers/ps/papers/ps1102-csbcprg408500159-e.pdf</p>

Date of PS Panel meeting	Paper	LC Paper No.
	Minutes of meeting	CB(1)1132/09-10 http://www.legco.gov.hk/yr09-10/english/panels/ps/minutes/ps20091102.pdf

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