

## **ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE**

### **GRADE STRUCTURE REVIEW FOR THE DISCIPLINED SERVICES GRADES – INDEPENDENT COMMISSION AGAINST CORRUPTION**

Members are invited to recommend to the Finance Committee to approve –

- (a) the revised Independent Commission Against Corruption Pay Scale;
- (b) the revised pay scales of all non-directorate ranks in the disciplined services grades of the Independent Commission Against Corruption; and
- (c) the normal conversion arrangement for serving staff in the affected ranks,

with effect from the first day of the month of approval by the Finance Committee.

### **PROBLEM**

To implement the decision of the Chief Executive-in-Council (CE-in-Council) on the Report of the Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) on the Grade Structure Review (GSR) for the Disciplined Services Grades (the Report), we need to make changes to the Independent Commission Against Corruption Pay Scale (IPS) and the pay scales of all non-directorate ranks in the disciplined services grades of the Independent Commission Against Corruption (ICAC), and put in place normal conversion arrangement for serving staff in the affected ranks.

**/PROPOSAL .....**

**PROPOSAL**

2. We propose, with effect from the first day of the month of approval by the Finance Committee (FC), to –

***Pay Scales***

- (a) revise the IPS by creating a new pay point IPS 44b with a dollar value set at about 2% above IPS 44a and equivalent to the newly created General Disciplined Services (Officer) Pay Scale point 40 as the new scale maxima of the top tier of non-directorate ranks of the Commission Against Corruption Officer (CACO) and Forensic Accountant (FA) grades;
- (b) revise the pay scales of all non-directorate ranks in the disciplined services grades of ICAC as follows –
  - (i) for all non-directorate ranks, raising the scale minima and scale maxima by one pay point, except for the Commission Against Corruption Controller (CACC) rank, the proposed adjustment for which is set out in (ii) below, and the Assistant Commission Against Corruption Officer (ACACO) and Commission Against Corruption Investigator (Main Stream) ranks (both presently remunerated at IPS 4 to 14) whose scale minima and scale maxima are proposed to be raised by one and two pay points respectively (i.e. their new pay scales should be pitched at IPS 5 to 17<sup>1</sup>); and
  - (ii) for the CACC rank, raising the scale minimum by three pay points and introducing an additional pay point at IPS 23 as the scale maximum to plug the existing one-point pay gap between the CACC rank and the Senior Commission Against Corruption Controller (SCACC) rank;

***Increment***

- (c) grant one additional incremental jump (IJ) to the ACACO rank upon commencement of the second agreement; and

***Conversion arrangement***

- (d) adopt the normal rules of conversion as the basic principle in implementing the salary and increment-related recommendations above.

**/JUSTIFICATION .....**

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<sup>1</sup> IPS 15 is not a point for progression.

## JUSTIFICATION

### *Overview of the Disciplined Services Grades*

3. The disciplined services comprise six departments (namely the Hong Kong Police Force, Immigration Department, Government Flying Service, Fire Services Department, Customs and Excise Department, and Correctional Services Department) and ICAC. As at 30 June 2020, there were 1 131 disciplined services posts in ICAC consisting of the directorate rank and 12 non-directorate ranks which belonged to the “investigator”, “officer” and “FA” grades.

### *The SCDS’s Recommendations and CE-in-Council’s Decision*

4. In conducting the GSR, the SCDS recognised that there were high expectations from both the management and the staff sides given that the last GSR was conducted over ten years ago. The SCDS also recognised that over the past decade, the great changes and unprecedented challenges in the social, economic, political and technological landscapes, in particular the spate of public order and violence events in 2019 and the Coronavirus Disease 2019 pandemic, have all added stress and complexity to the jobs of the disciplined services. Besides, the SCDS took into account the Government’s civil service pay policy and a host of relevant principles and considerations to ensure fairness and consistency. These principles and considerations are reproduced at Enclosure 1.

Encl. 1

5. The SCDS conducted a thorough fact-finding exercise, carefully examined all of the written submissions received and sought additional information, statistics and clarifications as necessary, visited all disciplined services departments and ICAC, and met with their management and staff sides. The SCDS made a series of recommendations, with the objective of striking a fine balance in mind, after taking into account all the aforesaid principles and considerations, as well as diverse and sometimes conflicting views. The recommendations cover areas including pay scales, increments, non-fringe benefit types of allowances, grade structure and manpower support, and conditions of service of the disciplined services.

6. The CE-in-Council has decided that the recommendations in the Report should be accepted in full, which include –

/(a) .....

- (a) maintaining the prevailing pay level and increment granting interval of the disciplined services directorate grades and ranks, while creating a new pay point IPS 44b as the new scale maxima of the top tier of non-directorate ranks of the CACO and FA grades, i.e. Senior Commission Against Corruption Officer and Senior Forensic Accountant ranks;
- (b) enhancements to pay scales which have holistically balanced applicable factors such as established relativities, changes in the work nature, job duties, responsibilities and workload of each of the disciplined services since the last GSR and their impact on the job factors and special factors, as well as the recruitment, retention and career progression of each of the grades;
- (c) adopting a case-by-case approach in examining proposals for IJ<sup>2</sup> as a monetary incentive to help alleviate recruitment and retention problems, minimise early career wastage, retain experienced hands and give recognition to the staff in achieving a significant milestone in the career, and recommending an additional IJ for the ACACO rank; and
- (d) adopting normal rules of conversion as the basic principle in implementing salary and increment-related recommendations.

7. To implement the salary and increment-related recommendations of the SCDS as accepted by the CE-in-Council, changes have to be made to the IPS and the pay scales of all non-directorate ranks in the disciplined services grades of ICAC. The existing and proposed IPS are set out at Enclosure 2; and the proposed pay scales specific to all the disciplined services ranks in ICAC are set out in Enclosure 3.

Encl. 2

Encl. 3

### ***Effective Date of Implementation***

8. The CE-in-Council has decided that the recommendations on salary and increment in the Report should be implemented with effect from the first day of the month of approval by FC.

*/Conversion .....*

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<sup>2</sup> IJs are special increments provided to specific ranks in the disciplined services in a way that the points in the pay scales of these ranks are jumped or omitted, i.e. officers in these ranks, subject to their putting up a satisfactory performance, may receive more than one increment within a year, at certain times or upon the occurrence of specified events.

***Conversion Arrangement***

Encl. 4 9. The CE-in-Council has decided that for serving staff in ICAC, the normal conversion arrangement set out in Enclosure 4 should be adopted. If the recommendations of the Report are implemented in full under the normal conversion arrangement, no serving staff will lose out on conversion.

**ALTERNATIVES CONSIDERED**

10. As it is difficult to identify comparable posts and jobs in the private sector for the disciplined services, and individual disciplined services grades are facing recruitment or retention difficulties, there is no alternative but to conduct the GSR and to implement the recommendations to improve the grade structure and remuneration of the disciplined services grades and ranks.

**FINANCIAL IMPLICATIONS**

11. The financial implications of the proposal (including the recommendations on salary and increment) in the form of additional payroll cost to the ICAC staff are estimated to be around \$45 million<sup>3</sup> per year.

**PUBLIC CONSULTATION**

12. The Government consulted the Legislative Council Panel on Public Service on 12 July 2021. Members present supported in principle the Report's recommendations.

13. The management and staff sides of ICAC are in general satisfied with the Report's recommendations. They consider that the recommendations would have a significant, positive impact on the recruitment and retention of our disciplined services grades.

**BACKGROUND**

14. The Government devised the Improved Civil Service Pay Adjustment Mechanism in 2007, under which civil service pay was compared with private sector pay through different pay surveys. However, as it was difficult to identify comparable posts and jobs in the private sector for the disciplined services,

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<sup>3</sup> This estimate has not included the increase in payments for Mandatory Provident Fund and allowances pegged with monthly salary.

and individual disciplined services grades also faced recruitment or retention difficulties, the CE-in-Council decided to conduct a GSR for the disciplined services in October 2018, and once every 10 years in future, to ensure that the grade structure and remuneration of the disciplined services could effectively attract and retain talents. Subsequently, the Government invited the SCDS to conduct the GSR and also invited the Standing Committee on Directorate Salaries and Conditions of Service (SDCS) to advise on the pay and conditions of service of the heads of the six disciplined services departments and ICAC.

15. Having considered the proposals and views received, the SCDS submitted the Report to the CE on 23 June 2021 (copy available at [https://www.jsscs.gov.hk/reports/en/scds\\_gsr\\_2021\\_eng.pdf](https://www.jsscs.gov.hk/reports/en/scds_gsr_2021_eng.pdf)).

#### **CIVIL SERVICE BUREAU (CSB) COMMENTS**

16. The CSB supports the proposed IPS; the revised pay scales of all non-directorate ranks in the disciplined services grades of ICAC; and the adoption of normal conversion arrangement for serving staff in the affected ranks. The proposed pay scales are considered appropriate having regard to the level and scope of the responsibilities required.

#### **ADVICE OF THE ADVISORY BODIES ON DISCIPLINED SERVICES SALARIES AND CONDITIONS OF SERVICE**

17. The proposals follow the respective recommendations of SCDS and SDCS.

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## Guiding Principles and Considerations

### *Guiding Principles*

To ensure fairness and consistency, the Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) has adopted the following common set of guiding principles for application across the disciplined services as set out in paragraph 1.15 of the Report on the Grade Structure Review (GSR) for the Disciplined Services Grades (the Report) –

- (a) it is the Government's civil service pay policy to offer sufficient remuneration to attract, retain and motivate staff of suitable calibre to provide the public with an effective and efficient service; and such remuneration should be regarded as fair by both civil servants and the public they serve, through broad comparability if possible with the private sector;
- (b) the disciplined services (other than the Independent Commission Against Corruption (ICAC) whose staff are public officers but not civil servants) are an integral part of the civil service; the ICAC, whose staff are public officers but not civil servants, are also considered as an integral part in terms of whole Government;
- (c) the existing pay and conditions of service as well as the grade and rank structures of the disciplined services reflect the outcome of detailed deliberation in previous reviews, notably the 1988 Rennie Review<sup>1</sup>, the subsequent reviews conducted by the SCDS in the 1990s and 2008. It is prudent and pragmatic to use the established pay principles, the existing pay structure and broad parameters developed over the years as the starting point for the GSR, and then identify areas for improvement and recommend targeted solutions;
- (d) any changes in the work nature, job duties, responsibilities and workload of each disciplined service since the last GSR, as well as in the public's expectation toward the disciplined services grades amidst the changing social, economic and political landscapes, should be taken into account;

/(e) .....

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<sup>1</sup> In February 1988, the Government invited the Standing Commission on Civil Service Salaries and Conditions of Service to commission an independent review on the pay and conditions of service of the disciplined services (i.e. the Hong Kong Police Force, Immigration Department, Fire Services Department, Customs and Excise Department and Correctional Services Department). A committee chaired by Mr A.L.Rennie (commonly known as the Rennie Committee) was commissioned in April 1988 to conduct the review (commonly known as the Rennie Review).

- (e) the recruitment, retention, career progression situation of each grade and rank in the disciplined services should be duly taken into account;
- (f) any impact on staff management and morale considerations of each disciplined service should be fully recognised; and
- (g) any relevant wider community interests, including financial and economic considerations, should be taken into consideration as well.

*Relevant Considerations*

2. The SCDS has also taken into account a host of other relevant considerations as highlighted in paragraphs 1.17 to 1.23 of the Report. We have extracted some salient consideration as follows –

- (a) direct comparison among the disciplined services or with the civilian counterparts is neither possible nor appropriate, the prevailing relativities among the disciplined services should only be changed when supported by strong justifications;
- (b) the six job factors and 11 special factors<sup>2</sup> of disciplined services should continue to be adopted as the basis to inform the decision on the remuneration of the disciplined services;
- (c) the changes since the last GSR in the work nature, job duties, responsibilities and workload of the services amid the changing social-economic, legal, and political landscapes in Hong Kong as well as the rapid development of technology and innovations over the past decade;
- (d) the latest situations of recruitment, retention, career progression, staff management and morale in the disciplined services; and
- (e) human resource management are equally pivotal.

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<sup>2</sup> The job factors are: qualifications, skills and knowledge, physical requirements, individual responsibilities, scope and complexities of work, and discretion/freedom to act. The special job factors are: stress, hardship, danger, discipline, restriction on freedom, social segregation, hours of work, unpredictable calls, shift patterns, intensity of efforts and problems related to the future.



**Enclosure 2 to EC(2021-22)17**

**Existing and Proposed Independent Commission Against Corruption Pay Scale (IPS)**

Existing Scale		Proposed Scale	
Pay Point	\$	Pay Point	\$
	(258,800)		(258,800)
	(251,250)		(251,250)
48	243,800	48	243,800
	(227,600)		(227,600)
	(220,900)		(220,900)
	(214,650)		(214,650)
47	208,500	47	208,500
	(196,050)		(196,050)
	(190,300)		(190,300)
	(184,850)		(184,850)
46	179,350	46	179,350
	(170,200)		(170,200)
	(165,400)		(165,400)
	(160,300)		(160,300)
45	155,450	45	155,450
		<b>44b*</b>	<b>150,180</b>
44a	147,235	44a	147,235
44	142,510	44	142,510
43	136,985	43	136,985
42	131,475	42	131,475
41	126,565	41	126,565
40	121,880	40	121,880
39	117,425	39	117,425
38	110,045	38	110,045
37	106,060	37	106,060
36	102,210	36	102,210
35	98,215	35	98,215
34	94,555	34	94,555
33	90,865	33	90,865
32	87,215	32	87,215
31	83,515	31	83,515
30	79,855	30	79,855
29	76,225	29	76,225
28	74,110	28	74,110
27	73,375	27	73,375
26	71,145	26	71,145
25	67,905	25	67,905
24	64,520	24	64,520
23	61,225	23	61,225
22	57,920	22	57,920
21	54,585	21	54,585
20	52,035	20	52,035
19	49,505	19	49,505
18	47,405	18	47,405
17	45,315	17	45,315
16	43,205	16	43,205
15	41,625	15	41,625
14	41,100	14	41,100
13	40,025	13	40,025
12	38,945	12	38,945
11	36,850	11	36,850
10	34,785	10	34,785
9	32,845	9	32,845
8	30,955	8	30,955
7	29,035	7	29,035
6	27,025	6	27,025
5	25,000	5	25,000
4	23,045	4	23,045
3	22,210	3	22,210
2	21,360	2	21,360
1	20,595	1	20,595

Notes

- (1) Based on the pay scale as at 1 April 2021.
- (2) \* denotes new pay point proposed to be created.
- (3) IPS 3 and IPS 15 serve as starting pay points only. They are not points for progression.
- (4) IPS 45 to 48 are pay points for officers at the directorate level. The figures in brackets represent an increment on completion of every two years of service in the rank.

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**Recommended Pay Scales for  
Non-directorate Disciplined Services Ranks  
Independent Commission Against Corruption (ICAC)**

Grade/Rank	Existing Pay Scale	Recommended Pay Scale
<b><i>Commission Against Corruption Officer Grade</i></b>		
Senior Commission Against Corruption Officer	ICAC Pay Scale (IPS) 43 – 44a	IPS 44 – 44b*
Commission Against Corruption Officer (CACO) (Upper)	IPS 36 – 42	IPS 37 – 43
CACO(Middle)	IPS 29 – 35	IPS 30 – 36
CACO(Lower)	IPS 12 – 28	IPS 13 – 29
Assistant Commission Against Corruption Officer	IPS 4 – 14	IPS 5 – 17
<b><i>Commission Against Corruption Investigator Grade</i></b>		
Chief Commission Against Corruption Controller	IPS 29 – 35	IPS 30 – 36
Senior Commission Against Corruption Controller	IPS 23 – 28	IPS 24 – 29
Commission Against Corruption Controller	IPS 12 – 21	IPS 15 – 23
Commission Against Corruption Investigator (Main Stream)	IPS 4 – 14	IPS 5 – 17
Commission Against Corruption Investigator (Attendant Stream)	IPS 2 – 8	IPS 3 – 9
<b><i>Forensic Accountant Grade</i></b>		
Senior Forensic Accountant	IPS 41 – 44a	IPS 42 – 44b*
Forensic Accountant	IPS 26 – 40	IPS 27 – 41

## Notes

- (1) \* denotes new pay point proposed to be created.
- (2) The CACO(Middle) and CACO(Lower) are two segments of the CACO(Middle/Lower) rank with the through scale arrangement. After the implementation of the recommended pay scale, new recruits joining the CACO(Lower) segment of the rank from 1 January 2010 and onwards will only advance to IPS 30 and beyond after passing the qualifying examination for advancement.
- (3) IPS 3 and IPS 15 serve as starting pay points only. They are not points for progression.
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**Conversion Arrangement for Serving Staff  
in the Disciplined Services Grades**

The normal rules of conversion recommended by the Standing Committee on Disciplined Services Salaries and Conditions of Service for adoption in the Report on the Grade Structure Review for the Disciplined Services Grades in implementing salary and increment-related recommendations on the effective date (i.e. the first day of the month of approval by the Finance Committee) for serving staff in the affected ranks are as follows –

- (a) where a civil servant's pay is less than the minimum of the revised scale he should receive the new minimum;
- (b) where a civil servant's pay is equivalent to or above the new minimum he should advance to the next point on the scale; and
- (c) where the revised scale has a maximum which is two or more points higher than the old maximum, a civil servant who has served for one or more years on the old maximum should convert to two points above his existing pay point.

2. When new increments/incremental jumps (IJs) are introduced for the disciplined services directorate ranks and for disciplined services staff below the directorate level from the effective date, serving staff should be converted to the relevant increment point applicable to the rank on which they serve as if the new incremental arrangement had been in force from the first day of their appointment to the present rank. In other words, all years of in-rank satisfactory service should be taken into account for the purpose of determining the increment/IJ entitlement.

3. For the avoidance of doubt, where the pay scale of a rank is revised and new IJs are introduced at the same time, the conversion arrangement set out above should take place concurrently, subject to the new maximum pay point of the rank concerned.

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