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27 November 2008

The Hon. LEE Cheuk-yan
Chairman
Panel on Public Service
Legislative Council
Legislative Council Building
8 Jackson Road
Hong Kong

Dear Chairman,

Grade Structure Reviews

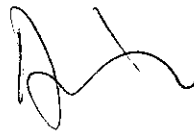
I write to inform you that the three advisory bodies on civil service salaries and conditions of service have completed their respective reviews on the directorate grades, the disciplined services, and selected non-directorate civilian grades; and submitted their reports to the Chief Executive earlier today. I attach an advance copy of each report, in English and Chinese, for your reference. Electronic version of the reports will be available later today from <http://www.jsscs.gov.hk>.

The Chief Executive has tasked the Civil Service Bureau to study and examine the grade structure review reports in consultation with all the parties concerned. In this connection, my colleagues and I will attend the Public Service Panel's meeting scheduled for 15 December 2008 to seek Members' views on these reports. Separately, you may wish to note that we have already invited the departmental management and staff sides concerned to let us have their views on the reports on or before end February 2009.

Later this afternoon, I will speak to the media on the grade structure review reports. I attach a copy of my statement, in both languages, for your advance information please.

Thank you for your attention.

Yours sincerely,



(Miss Denise YUE)
Secretary for the Civil Service

c.c. The Hon. Mrs. Regina IP, GBS, JP,
Deputy Chairman, Panel on Public Service

Clerk to Panel on Public Service (Attn: Ms. Rosalind MA) /

Grade Structure Reviews:
Statement by the Secretary for the Civil Service when Meeting the Media

Earlier today (27 November), the Chief Executive received from the relevant advisory bodies on civil service salaries and conditions of service three review reports, one on the directorate grades, one on the disciplined services grades, and one on a few selected civilian grades. These reports have already been released for public information.

The Chief Executive has tasked the Civil Service Bureau to study the findings and recommendations of the three reports and consult with the concerned parties. We will do so in the coming few months. We will consult relevant departmental management, staff representatives, civil servants and the Legislative Council. We will then formulate the Administration's position and seek a decision from the Chief Executive-in-Council, hopefully within the first half of 2009.

Each of the three reports has made a number of recommendations with additional financial implications. We have an open mind on these recommendations at this stage, as we have yet to study the reports and consult with the concerned parties.

We are keenly aware that the global economy is being hit hard by the worldwide financial crisis. Hong Kong's economy is also worsening rapidly. For some time to come, Hong Kong will have to confront some unprecedented challenges. In view of the gravity of what is happening, when the Administration submits its position formulated after study and consultation to the Executive Council, we will propose to defer the implementation of those recommendations involving additional financial implications until the local economy has returned to a steady state.

The aim of the "deferral" proposal is to enable the Government to concentrate its resources on tackling the problems and challenges brought about by the global financial crisis, together with all the people and businesses in Hong Kong. We know civil servants have expectations over the grade structure reviews. We also believe they have the bigger picture in mind, and accept that the top priority must be the safeguarding of the overall interests of Hong Kong and the fostering of unity and solidarity in our society.

Finally, I would like to take the opportunity to express our gratitude to the Chairmen and members of the three advisory bodies, and the departmental management and staff sides concerned, for the efforts and contributions they have made in the past year in the conduct of the grade structure reviews. Their commitment and full co-operation have helped to bring about the timely completion of these reviews.



ELEVENTH REPORT

STANDING COMMITTEE ON
DIRECTORATE SALARIES AND
CONDITIONS OF SERVICE

NOVEMBER 2008

首長級薪俸及服務條件常務委員會
Standing Committee on Directorate Salaries and Conditions of Service

本會檔號 Our Ref. : JS/DJ/5(C)

尊函檔號 Your Ref. :

電 話 Tel. :

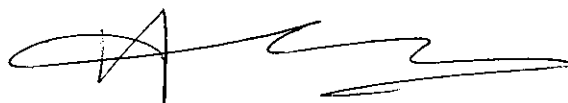
27 November 2008

The Honourable Donald Tsang, GBM
The Chief Executive
Hong Kong Special Administrative Region
People's Republic of China
Government House
Hong Kong

Dear Sir,

On behalf of the Standing Committee on Directorate Salaries and Conditions of Service, I have the honour to submit our Eleventh Report, which contains our recommendations on the grade structure review of the directorate grade.

Yours faithfully,



(Vincent CHENG Hoi-chuen)
Chairman

Standing Committee on Directorate
Salaries and Conditions of Service

Encl.

**STANDING COMMITTEE ON DIRECTORATE
SALARIES AND CONDITIONS OF SERVICE**

ELEVENTH REPORT

NOVEMBER 2008

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I. INTRODUCTION

Background

The Standing Committee on Directorate Salaries and Conditions of Service (the Directorate Committee) is appointed by the Chief Executive to advise on the structure, salaries and conditions of service of the civil service directorate grades. Its terms of reference and membership are at **Appendix A** and **Appendix B** respectively.

2. Under its terms of reference, the Directorate Committee may conduct an overall review at such time as it determines. The Directorate Committee last conducted an overall review in 1989 during which the structure of the directorate, the grouping of departments, directorate salaries and conditions of service were examined. Since then, the directorate structure has remained largely unchanged. As for directorate pay, adjustments have been made generally in line with the rest of the civil service having regard to annual pay trend survey results and other relevant considerations.

3. In 2006, the Administration conducted a Pay Level Survey (PLS) for the civil service, which confirmed the broad comparability of the pay level of non-directorate civilian grades with private sector pay. Primarily because of the chosen methodology, the PLS did not cover the directorate grades. The results of the PLS were applied to the directorate grades on the basis of the existing set of pay relativities between the directorate grades and non-directorate civilian grades, which dates back to 1989. Having considered the Administration's invitation, the Directorate Committee decided in 2007 to conduct a grade structure review (GSR) to examine whether this set of relativities is still valid and appropriate.

Approach

4. As on previous occasions, we invited written submissions from Heads of Departments and Grades and all directorate officers. We received a total of 21 submissions including 11 from departments or grade management, four from staff associations and six from individual officers. We considered all the submissions in their entirety. A list of the submissions is at **Appendix C**. In addition, we held an open forum for directorate officers, and about 90 officers attended. We also formed a focus group (comprising 28 directorate officers) and conducted two discussion sessions.

5. As in past reviews, we commissioned an independent consultant to conduct a study on pay practices and the remuneration of senior management in the private sector with responsibilities comparable to the directorate grades. Hay Group Limited (the Consultant) conducted the study on our behalf from February to July 2008, using 1 April 2008 as the reference date.

6. A total of 111 benchmark posts in 60 benchmark ranks representing 69% of the total directorate establishment were selected to determine the job size using well-established human resource management tools. The evaluation was conducted by the Consultant and reviewed by the Directorate Committee with the assistance of an external human resource expert. The Consultant then invited participating companies to identify comparable positions in their companies, and compared the remuneration of civil service directorate with that of comparable positions in the private sector. All non-cash benefits were excluded for the purpose of this study. The basis for comparison was not position-by-position comparison, but rather on broad bands defined by job size. A total of 170 companies were invited and 61 took part in the survey. The profile of the participating companies by their size and economic sector are at **Appendix D**. The names of those companies who

agreed to be acknowledged are at **Appendix E**. The Consultant's report on the pay comparison study will be published separately¹.

7. The Directorate Committee held seven meetings. In our deliberations, we took full account of the views as expressed in written submissions, open forum and focus group meetings, the findings of the pay comparison study as well as other relevant considerations.

Scope

8. The GSR focused primarily on the structure and pay scales of civilian directorate grades and the salary of the heads of the disciplined services. The review did not cover conditions of service matters, since the Administration had recently completed a comprehensive review in this regard. Nevertheless, in the course of conducting the GSR, we came across certain benefits and management issues. We consider it appropriate to bring them to the attention of the Administration. These are covered in paragraphs 45 to 49.

9. In the ensuing sections, we will present our recommendations covering four aspects –

- (a) directorate structure (paragraphs 13 to 22);
- (b) heads of disciplined services (paragraphs 23 to 26);
- (c) directorate salaries (paragraphs 27 to 44); and
- (d) other related issues (paragraphs 45 to 49).

¹ The Consultant's report on the pay comparison study can be found in the website of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service (<http://www.jsscs.gov.hk>).

General Principles and Considerations

10. In conducting the GSR, we took account of Government's pay policy for the civil service which is to offer sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with an effective and efficient service and to ensure that the remuneration is regarded as fair by both civil servants and the public they serve.

11. During the review process, we had due regard to the following key considerations –

- (a) the directorate grades are an integral part of the civil service of the Hong Kong Special Administrative Region;
- (b) changes, since the last review in 1989, in the work nature, job duties, responsibilities and workload of the directorate grades, and in the public's expectation of the directorate grades consequential upon the changing social, economic and political landscape;
- (c) the market pay practices for the private sector counterparts to the directorate grades;
- (d) the morale, retention and career progression situation of the directorate grades; and
- (e) any relevant wider community interest, including financial and economic considerations.

12. In considering the broad comparability between civil service directorate pay and private sector executive pay, we took heed from the conclusions of previous reviews that there are fundamental differences in the pay framework and pay policy between the two sectors. Whilst private sector pay information can serve as useful reference, it would neither be appropriate nor

pragmatic to have any mechanical link between the two sectors in pay determination. The considerations, as cogently presented in our First Review Report and reaffirmed in subsequent reviews, remain valid today –

“There are many other factors and conditions of service to be considered, and we have fully in mind the differences of security of employment and other considerations of service. Moreover, commercial systems of promotion and payment in the highest ranks are much more flexible than those of the public service. In the Government service, promotion is based on qualifications, experience and merit. Although it is not unusual for an officer to be promoted out of turn, officers of normal ability can reasonably expect to rise steadily in the service, although naturally not all can reach the top ranks. The salary of posts is fixed; Government pays the same salary to the holders of a post whether or not he makes a success out of it. The rewards in commerce are more unevenly distributed. The exceptionally able may rise rapidly to senior posts, while the person of average ability may remain at a relatively low level. There is no ‘pay for the job’ for these senior posts, and salaries may vary greatly accordingly to the merits of the occupant. But despite these differences of method, any reasonable assessment of fair remuneration for Government servants must take into account the range of corresponding commercial salaries.”²

² For details, please refer to the Report of the Standing Committee on Superscale/Upperscale Salaries, Report No. 1 (1964), which is available at the website of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service (<http://www.jsscs.gov.hk>).

II. DIRECTORATE STRUCTURE

Existing Structure

13. As at 1 April 2008, there were 1 311 directorate posts, including 1 091 civilian directorate officers remunerated on the Directorate Pay Scale (DPS), 107 legal directorate officers remunerated on the Directorate (Legal) Pay Scale (DLPS) and 113 disciplined services directorate remunerated on separate scales for the disciplined services. As far as the disciplined services were concerned, only the service heads were covered by this GSR.

14. The DPS consists of ten levels (D1 to D10) whilst the DLPS comprises seven levels (DL1 to DL7). These two scales and the separate scales for the disciplined services have close relativity among them. The existing directorate structure and the relevant directorate pay scales are at **Appendix F** and **Appendix G** respectively. The directorate establishment as at 1 April 2008 is at **Appendix H**.

Directorate Pay Scale (DPS)

D10, D9 and DL7 ranks

15. After the introduction of the Accountability System in July 2002, the Chief Secretary (D10), the Financial Secretary (D9) and the Secretary for Justice (DL7) posts were deleted from the civil service establishment. At present, there are no posts at these three levels, and we do not see the need for retaining them. Accordingly, we **recommend** that they be removed from the directorate structure.

D7 rank

16. The D7 rank was created in the 1989 review specifically to accommodate Heads of Group I Departments, which were the bigger departments. In 2003, the Housing Department and the Education Department were merged with their respective policy Bureau, and the two Head of Department posts ranked at D7 were deleted. While there is currently no post at D7 level, there may be a case to regroup some of the existing departments to Group I in future. For this reason, we **recommend** that the D7 pay point be retained for the time being.

D1 and D2 ranks

17. Some professional grade directorate officers noted that some grades were promoted directly to D2 on entering the directorate, while they had to go through the D1 rank and often had to stay in the rank for years before they gained promotion to D2. They also felt that the unprecedented social and political changes in Hong Kong since the last overall review had resulted in increased responsibilities for D1 officers. They therefore proposed that the D1 level be deleted and be put on par with D2 officers.

18. We have examined the duties and responsibilities of current D1 and D2 jobs, and are satisfied that there are distinct functional differences between the two levels. We consider it necessary to retain the D1 level, which is predominantly a rank for chief professionals and chief staff officers. As for the difference in the grade structure among different grades, it would be up to the management of individual grades and departments to keep their grade structure under constant review to see whether refinements would be necessary based on functional grounds. We will examine the requests separately when a case has been made to us.

Directorate (Legal) Pay Scale (DLPS)

Pay scale

19. Directorate posts in legal services departments are paid from the DLPS. We note that this pay scale followed from the previous Directorate (Judicial/Legal) Pay Scale and took its present form after a separate pay scale was established for the judicial officers in November 1988. In the last review, we recommended that the relativity between DLPS and DPS be preserved.

20. The Department of Justice (DoJ) proposed that the DLPS should be delinked from the DPS, and that a separate study be conducted to compare the pay of the legal directorate with that of lawyers in the private sector. There was a similar proposal to introduce a separate pay scale for the legal directorate grades in the Intellectual Property Department (IPD).

21. We have carefully examined the proposals. We note that an independent pay scale was established for the judicial officers because of the Judiciary's special constitutional position originated from the separation of powers of the executive, the legislature and the judiciary. Unlike judicial officers, legal grades are an integral part of the civil service and we remain of the view that the existing relativity with the rest of the civil service should be preserved. For the same reason, we do not consider it appropriate to introduce a separate pay scale for the legal directorate grades in IPD. We reaffirm our recommendation in our last review that the relativity between DLPS and DPS be preserved.

Rank structure

22. As mentioned in paragraph 15, we recommend the deletion of DL7, which is the pay point for the former Secretary for Justice. If the proposed deletion of DL7 is approved, the

pay points of DPS and DLPS will be aligned at D1 to D6 levels. We note DoJ's view that the ranking of Law Officer (DL6), Principal Government Counsel (DL3) and Deputy Principal Government Counsel (DL2) posts in different divisions of the Department needs to be reviewed. There was also a suggestion to upgrade certain posts in IPD to DL1 level. We will examine the requests separately when a case has been made to us.

III. HEADS OF DISCIPLINED SERVICES

23. In the course of our last overall review in 1989, the Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) was established. The salaries and conditions of service of the directorate officers in the seven disciplined services departments, namely the Correctional Services Department (CSD), Customs and Excise Department (C&ED), Fire Services Department (FSD), the Government Flying Service (GFS), Immigration Department (ImmD), the Hong Kong Police Force (HKPF) and the Independent Commission Against Corruption (ICAC), were no longer under the purview of the Directorate Committee except for the service heads, as the Government accepted that their salaries should bear a defined relationship with other very senior posts in the civil service. The defined relationship has been maintained since then.

24. At present, the salary of the head of HKPF is equivalent to D8, which is the pay point for a Permanent Secretary. The Commissioner, ICAC, is appointed by the Chief Executive, and the salary has been set at equivalent to D8 since the establishment of the Commission in 1974. The salary of the heads of CSD, C&ED, FSD and ImmD is equivalent to D6, which is the pay point for the head of a Group II department. The head of GFS has been kept at equivalent to D3 since the establishment of the agency in 1993.

25. The Controller, Government Flying Service (C, GFS) proposed to upgrade his post from D3 equivalent to D5 equivalent to recognise the department's increased role in the local community and in the international scene. We have examined the department's development since 1993 when the post of C, GFS was upgraded to its present level, and have not found evidence to support the proposed upgrading. We consider the present ranking at D3 equivalent to be appropriate.

26. Having considered the submissions and the role and responsibilities of the seven heads of disciplined services, we consider their present salary levels appropriate and **recommend** no change.

IV. DIRECTORATE SALARIES

Changes Since the Last Review

27. As stated in paragraph 11, we have taken into account changes in the work nature, job duties and responsibilities of the directorate grades and in the public's expectation of the directorate grades consequential upon the changing social, economic and political landscape. It is evident from the written submissions, the open forum and focus group discussions that civil service directorate officers have encountered many new challenges since our last review in 1989. The role and responsibilities of directorate officers have increased in scope and complexity as a result of the changes in the social, political and economic scenes.

28. The closer links with the Mainland and international authorities, the rising public expectations, the constitutional and political developments, the greater and more active participation of Legislative and District Council Members and other external stakeholders are among those recent developments that have

increased the responsibilities of the directorate grade. The process of drawing up and implementing policies has become longer and more complicated whilst the Government is subject to close media and public scrutiny. Moreover, budgetary constraints, the restrictions on civil service growth, the emergence of mixed staff workforce, and decentralisation of various human resource and financial management functions have resulted in greater and more complex responsibilities on all fronts. Directorate officers not only have to cope with the additional responsibilities and stress, they are also expected to lead their departments and bureaux to rise to the new challenges while maintaining quality services and enhancing productivity.

29. Moreover, we also recognise that there are certain features of directorate jobs, such as restrictions on personal activities like investment, participation in political activities and post-retirement employment, and the very high standard of personal integrity required, which are distinctive in the civil service.

30. We note that the differential between the top point of the Master Pay Scale (MPS 49) and the bottom point of the Directorate Pay Scale (D1) is currently 11.5% of MPS 49. This falls short of the 15% we recommended in our last review. Many directorate officers had represented to us that 11.5% is too small a gap to recognise the increase in responsibilities on moving into the directorate. We accept that there should be a reasonable differential between the top of MPS and the bottom of DPS in view of the substantial increase in responsibilities and special features of directorate jobs. We will examine the present pay level of D1 in the context of the pay comparison study and other relevant considerations as detailed in paragraphs 31 to 41.

Pay Comparison Study

31. Based on the private sector pay comparison study as mentioned in paragraphs 5 and 6, there are distinct differences between the private sector and civil service in the rank and remuneration structure. In the private sector, there are “big jumps” between jobs at successive levels especially at the senior levels whereas in the civil service, the gap from one directorate level to the next is “step-by-step”. The other notable difference is that there is no variable pay in the civil service whereas in the private sector, it is a significant component of total cash. Variable pay is often performance-tied and non-guaranteed.

32. As regards measures of market comparison, the Consultant has identified three common choices, namely Base Salary, Guaranteed Cash and Total Cash. Base Salary represents basic salary plus fixed bonus; Guaranteed Cash covers Base Salary plus fixed cash allowance; and Total Cash means Guaranteed Cash plus variable pay and other non-fixed cash benefits. For those organisations that place heavier emphasis on stability of their workforce and where performance or deliverables are difficult to measure or assess, they tend to adopt Base Salary or Guaranteed Cash as the basis for comparison in determining their executive remuneration. Having regard to the characteristics of the civil service directorate, the Consultant recommended that Guaranteed Cash be adopted as a reference for civil service directorate. We agree and **recommend** that comparison with private sector pay be based on Guaranteed Cash.

33. In terms of target market positioning, the Consultant advised that it was common for companies to adopt market median (P50) for benchmarking purposes. In this connection, the Consultant recommended a tiered approach for the civil service in setting its target market position, i.e. a more aggressive target of third quartile (P75) for the directorate entry ranks of D1 and D2, progressing to below market median for the top ranks.

In making this recommendation, the Consultant considered it appropriate to entice and reward D1/D2 officers in “making the grade”, and to send clear signals to officers aspiring to the directorate in order to retain talent in an increasingly competitive environment. At the most senior levels, the Consultant considered that they carry a larger civic role of serving the community, for which there is no close comparison in the private sector. Other intangible factors such as honour, power and contribution to society become more significant.

34. We agree with the Consultant that a tiered approach is appropriate, and **recommend** a target market position of third quartile for D1 and D2, and median for D3 and D4. However, we do not consider it appropriate to set a target market position for D5 and above as private sector pay at these levels is more volatile, heavily affected by the state of the economy and more closely tied to performance of the individuals and companies. At these levels, we accept that civil service salaries cannot match those of some top executives in the private sector. We **recommend** that their salary should primarily be set with regard to internal relativity with the lower levels. However, we consider it appropriate to keep track of changes in private sector executive remuneration to see whether adjustments should be made in the future.

35. In terms of pay adjustment, the Consultant advised that the private sector normally regarded a variance of more than 15% (and more at the higher levels) as a concern that required attention or action as appropriate. Given the volatility of remuneration levels for senior executives in the private sector, we consider it reasonable to have a margin of 15% before action should be taken.

36. Based on the findings of the pay comparison survey using 1 April 2008 as the reference date, the analysis is as follows –

- (a) Base Salary – the civil service directorate is close to the third quartile of the market for D1 and D2 officers and median for D3 and D4 officers, but is paid below market median at the senior levels;
- (b) Guaranteed Cash Compensation – the civil service directorate is close to the median of the market for D1 to D4 officers but is paid below market median at the senior levels, pay for D1 and D2 is below the third quartile, although the variance is within 15%; and
- (c) Total Cash Compensation – the civil service directorate is below median of the market across all levels, and the gaps are significant at the senior levels.

37. Using Guaranteed Cash as the basis for comparison and the tiered approach for target market positioning as set out in paragraph 33, the above findings indicate that directorate salaries at D1 to D4 are within the 15% variance, and no immediate action is called for. At D5 and above, the gap with the market is significant. This would normally call for a pay adjustment. However, there are other factors that we need to consider and we will examine these in the following paragraphs.

Other Relevant Considerations

38. At the moment, civil servants enjoy job security, a progressive pay scale, a steady career progression and a stable work environment. Directorate officers are generally promoted from non-directorate grades and direct recruitment is rare and far between. Apart from retirement and completion of agreement, the wastage at the directorate levels is very low (around 1% in the year ending 31 March 2008). We also note that almost all directorate officers are on pensionable terms. We have

examined retirement benefits in the private sector, although they are not part of the comparison survey. We are satisfied that the retirement benefits for directorate officers generally compare favourably with those in the private sector.

39. As stated in paragraph 12, while private sector practice is a useful reference in order to recruit and retain staff of the right calibre and to uphold staff morale, it would neither be appropriate nor pragmatic to have any mechanical link between the two sectors in pay determination, given the fundamental differences in the pay framework and pay policy between the two sectors. Other factors must also be considered. These include the economic situation, Government's financial position, public reaction and wider community interest. The survey was conducted in April 2008, which reflected the market situation in the previous 12 months. Since then, the economy has deteriorated rapidly and private sector employees could face pay cuts or even job loss in the near future. It is clear that the survey had captured private sector pay data in a very good year, and that the same may not be repeated in the coming few years.

40. Against this background and taking into account the factors in paragraphs 38 and 39, we are of the view that a prudent approach needs to be taken in determining directorate salaries. We recognise that there is a pay gap with the private sector, particularly at the senior levels, and that in normal situations, some pay adjustments would be reasonable. However, a balance has to be struck. In view of the current economic climate, we consider it more appropriate to keep the existing pay points whilst improving the existing incremental scales.

41. In our last review, we recommended the award of increments to directorate officers on D1 to D4, as we considered that an officer who had been in a particular rank for several years generally would do the job better than an officer who had just been promoted to that rank. Directorate officers on D5 to D8, who are Heads of Departments or Permanent Secretaries, do not

enjoy any increments. Staff had put to us that the incremental scale should be improved, by increasing the number of increments and awarding the increments annually rather than every two or three years, in line with the practice for non-directorate staff. There were also requests for extending the award of increments to all ranks.

Recommended Directorate Pay Scales

42. Balancing the survey findings and the factors set out in paragraphs 38 to 41, we consider it appropriate to improve the incremental scales and **recommend** introducing one additional increment for D1 to D4, and a new increment for D5 to D8. We also **recommend** the increments be awarded on a biennial basis. We do not however recommend any salary adjustment to the existing pay points of the Directorate Pay Scale.

43. Accordingly, we **recommend** at **Appendix I** a revised Directorate Pay Scale, which incorporates the structural changes and the new increments, and a recommended Directorate (Legal) Pay Scale where the existing relativity with the Directorate Pay Scale would be preserved. The salaries for the heads of the disciplined services are shown alongside the two pay scales. We also **recommend** that the revised pay scales should take effect from a future date.

44. The prevailing macro environment necessitates that a prudent approach should be adopted, and we appreciate that the situation may evolve over time. We note that officers appointed in and after June 2000 are not on pensionable terms and some in this batch would make it to the directorate in a few years' time. This significant change in the pay package might affect Government's ability to retain and motivate officers. In this connection, we consider it appropriate to revisit directorate salaries in the not too distant future, say in two to four years' time, to see whether the directorate remuneration is sufficient to retain

and motivate officers, particularly those who are not eligible for civil service pension. We would then have an opportunity to re-examine this issue, taking into account all relevant considerations including the changing economic situation at that time.

V. OTHER RELATED ISSUES

45. The Consultant has identified the absence of variable pay, often performance-tied, as one of the key reasons for the pay gap with the private sector. We note that there were mixed views on the proposal to introduce performance pay in the civil service. During our focus group discussions, some directorate officers expressed support for more cash incentives to reward performance. Others were concerned about the practical implications. We remain of the view that while performance pay could be considered for the civil service as a longer-term objective, it must be supported by a robust and transparent performance management system. The Administration may wish to examine this issue having regard to the experience of other jurisdictions and the local conditions.

46. Another reason for the pay gap is housing allowance, which is a fixed allowance in the private sector without restrictions while civil service directorate officers are subject to certain rules including the ten-year rule. Statistics indicate that over 60% of directorate officers have exhausted their entitlement to any housing benefits (primarily because of the ten-year rule) and another 3% or so are not claiming because of the rules that prevent double benefits. A number of submissions had asked for the rules to be relaxed. As these rules are applicable to the whole civil service, it might not be appropriate to introduce changes to directorate officers alone. However, the situation should be monitored to see whether adjustments should be made in the future.

47. Many staff criticised the inadequacies of medical and dental services provided to civil servants, with some proposing encashment of the benefit. Some officers requested extending the provision of free medical examination to D1 and D2 officers. The latter request echoed our recommendation made in the last overall review in 1989. The Administration may wish to revisit the matter at an appropriate time.

48. There were quite a few proposals to improve staff management and career development. Suggested measures include stepping up training and development, open directorate to maximise manpower resource, secondment to statutory bodies, merger of small grades, and more flexible retirement age to facilitate staff succession. Others requested a more flexible use of acting allowance or other forms of monetary incentive to give recognition to additional duties shouldered or exceptional jobs performed.

49. Another concern is the restrictions in directorate growth and in civil service growth overall, which have resulted in increased workload and work pressure, stress and frustration. Consideration could be given to improving the overall manpower position where appropriate.

VI. SUMMARY OF RECOMMENDATIONS

50. In summary, we **recommend** –

- (a) the Directorate Pay Scale to be revised from ten to eight levels, with the obsolete levels of D9 and D10 removed and the D7 level retained for the time being to cater for any possible regrouping of departments in future (paragraphs 15 and 16);

- (b) the Directorate (Legal) Pay Scale to be revised to six levels, with the obsolete level of DL7 removed and the existing relativity with the Directorate Pay Scale preserved (paragraphs 15 and 21);
- (c) the salaries of the heads of HKPF and ICAC to continue to be equivalent to D8; the salaries of the heads of CSD, C&ED, FSD and ImmD to continue to be equivalent to D6 and the salary of C, GFS to continue to be equivalent to D3 (paragraph 26);
- (d) comparison with private sector pay to be based on Guaranteed Cash (paragraph 32), with a target market position of the third quartile for D1 and D2, and median for D3 and D4. No target market position to be set for officers on D5 and above (paragraph 34);
- (e) one additional increment at the top of the pay scales for D1 to D4 officers, and an increment to be introduced to D5 to D8 officers, with corresponding changes to the Directorate (Legal) Pay Scale and the salaries of the heads of disciplined services (paragraph 42);
- (f) all increments to be awarded on a biennial basis (paragraph 42); and
- (g) the revised directorate pay scales and revised salaries of the disciplined services heads at Appendix I to take effect from a future date (paragraph 43).

51. We also consider that pay comparison surveys should be conducted at more frequent intervals and that the next review on directorate salaries could be conducted in say, two to four years' time, as stated in paragraph 44.

VII. ACKNOWLEDGEMENTS

52. We would like to record our appreciation to those who have contributed to this review through written submissions, participation in the open forum, focus group, pay comparison survey, and to all the participating companies for their co-operation and support in the private sector pay comparison study. We also thank the Secretary General of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service, and her staff for their invaluable support throughout the review.

APPENDICES

Appendix A

Standing Committee on Directorate Salaries and Conditions of Service

Terms of Reference

- (a) The Committee will keep under review the structure, i.e. the number of levels and the pay rates appropriate to each post of the Directorate, including the grouping of departments for salary purposes, together with the other conditions of service of directorate officers, and will make recommendations to the Chief Executive, Hong Kong Special Administrative Region.
- (b) The Committee will also, when it so determines, conduct an overall review. In the course of this, the Committee should accept the existing internal structure of departments and not consider the creation of new Directorate posts. If, however, the Committee in an overall review discovers anomalies, it may comment upon and refer such matters to the Chief Secretary for Administration.

Appendix B

Standing Committee on Directorate Salaries and Conditions of Service

Membership

Chairman

Mr Vincent Cheng Hoi-chuen, GBS, JP

Members

Ms Chiang Lai-yuen (from 1 April 2008)

Mr Chow Chung-kong

Ms Teresa Ko Yuk-yin, JP

Dr Thomas Leung Kwok-fai, BBS, JP (up to 31 March 2008)

Mr Nicky Lo Kar-chun, JP

Mr Tim Lui Tim-leung, BBS, JP

Appendix C

List of Submissions Received

Government Departments / Grade Management

Civil Aviation Department
Administrative Service Division, Civil Service Bureau
Department of Justice
Electrical and Mechanical Services Department
Government Flying Service
Government Logistics Department
Hong Kong Police Force
Inland Revenue Department
Labour Department
Planning Department
Treasury

Staff Associations

Administrative Service Association
HKSAR Government Civil Engineers Association
HKSAR Government Executive Grade Association
Hong Kong Senior Government Officers Association

Directorate Officers

Six individual officers

Appendix D

Pay Comparison Study: Company Profile

Number of participating companies **61**

Distribution of companies by size:

<u>No. of employees</u>	<u>No. of Companies</u>
100 – 1 000 staff	25
1 001 – 5 000 staff	26
More than 5 000 staff	10
<i>Total</i>	61

Distribution of companies by sector:

<u>Sector</u>	<u>No. of Companies</u>	<u>% of Total</u>
Community, social and personal services	11	18
Construction	4	7
Financing, insurance, real estate and business	18	29
Hotels and restaurants	1	2
Manufacturing	5	8
Transport, storage, communication and utility	7	11
Wholesale, retail and import/export	15	25
<i>Total</i>	61	100

Appendix E

Pay Comparison Study: Participating Companies

1. Airport Authority
2. Bank of China (Hong Kong) Limited
3. Bossini Enterprises Limited
4. Carlsberg Brewery Hong Kong Limited
5. Cathay Pacific Airways Limited
6. Centaline (Holdings) Company Limited
7. Chen Hsong Holdings Limited
8. Chevron Companies (Greater China) Limited
9. China Construction Bank (Asia) Corporation Limited
10. Citic Pacific Limited
11. CLP Holdings Limited
12. Dah Chong Hong Holdings Limited
13. The Dairy Farm Company Limited
14. DBS Bank (HK) Limited
15. DKSH Hong Kong Limited
16. Du Point China Limited
17. Esquel Enterprises Limited
18. Hang Seng Bank Limited
19. Hasbro Far East Limited
20. HKR International Limited
21. Hong Kong Aero Engine Services Limited
22. Hong Kong and China Gas Company Limited
23. Hong Kong Convention & Exhibition Centre (Management)
Limited
24. Hong Kong Exchanges and Clearing Limited
25. Hong Kong Housing Society
26. Hong Kong Trade Development Council
27. Hopewell Holdings Limited
28. The Hong Kong and Shanghai Banking Corporation Limited
29. HSBC Insurance (Asia) Limited
30. Hsin Chong Construction Group Limited

31. InterContinental Hong Kong
32. Jardine Matheson Limited
33. Johnson Electric Industrial Manufactory Limited
34. K. Wah International Holdings Limited
35. Kerry Properties Limited
36. KPMG
37. Lai Sun Group
38. Lane Crawford (Hong Kong) Limited
39. Li & Fung Group
40. Modern Terminal Limited
41. Motorola Asia Pacific Limited
42. Mandatory Provident Fund Authority
43. MTR Corporation Limited
44. Ocean Park Hong Kong
45. Otis Elevator Company (Hong Kong) Limited
46. PricewaterhouseCoopers
47. Sa Sa International Holdings Limited
48. SAE Magnetics (Hong Kong) Limited
49. San Miguel Brewery Hong Kong Limited
50. Schindler Lifts (Hong Kong) Limited
51. Securities and Futures Commission
52. Shell Hong Kong Limited
53. Shui On Construction and Materials Limited
54. Shun Tak Holdings Limited
55. Sing Tao News Corporation Limited
56. Standard Chartered Bank (Hong Kong) Limited
57. Union Medical Centre Limited
58. Whirlpool Hong Kong Limited

Plus three companies which do not wish to have their names disclosed.

Appendix F

Existing Directorate Structure and Legal Directorate Structure

Directorate Level	Typical Posts	Legal Directorate Level	Typical Posts
D10	Former Chief Secretary ^(Note 1)		
D9	Former Financial Secretary ^(Note 1)		
		DL7	Former Secretary for Justice ^(Note 1)
D8	Permanent Secretary of a Bureau		
D7	Head of a Group I department ^(Note 2)		
D6	Head of a Group II department (e.g. Director of Highways)	DL60	• Law Officer • Director of Legal Aid
D5	Head of a Group III department (e.g. Director of Accounting Services)	DL5	Director of Intellectual Property
D4	• Deputy Director of a Group I department • (Senior) Deputy Secretary of a Bureau	DL4	Official Receiver
D3	• Deputy Director of a Group II or Group III department • Senior Assistant Director of a Group I department • Deputy Secretary of a Bureau	DL3	• Deputy Director of Intellectual Property • Deputy Director of Legal Aid • Principal Government Counsel • Principal Solicitor
D2	• Assistant Director of a department • Principal Assistant Secretary of a Bureau	DL2	• Assistant Director of Intellectual Property • Deputy Principal Legal Aid Counsel • Deputy Principal Government Counsel • Deputy Principal Solicitor
D1	Chief professional (e.g. Chief Engineer)	DL1	• Assistant Principal Legal Aid Counsel • Assistant Principal Solicitor

Notes

- (1) D10, D9 and DL7, which corresponded to the pay for the Chief Secretary, the Financial Secretary and the Secretary for Justice before the introduction of the Accountability System, have become vacant since July 2002.
- (2) There is no post holder at D7 after the merger of the two Group I departments (i.e. Education Department and Housing Department) with their respective Bureau in January 2003.

Appendix G

Existing Directorate Pay Scale, Directorate (Legal) Pay Scale and Salaries of Heads of Disciplined Services

Directorate Pay Scale		Directorate (Legal) Pay Scale		Salaries of Heads of Disciplined Services	
Point	\$	Point	\$	Department	\$
D10	241,750				
D9	228,500				
		DL7	215,400		
D8	202,000			HKPF, ICAC	202,000
D7	195,900				
D6	181,450	DL6	181,450	CSD, C&ED, FSD, ImmD	181,450
D5	172,000	DL5	172,000		
D4	(166,900) 161,950	DL4	(166,900) 161,950		
D3	(151,200) (146,950) 142,700	DL3	(151,200) (146,950) 142,700	GFS	(151,200) (146,950) 142,700
D2	(130,300) (126,500) 122,700	DL2	(130,300) (126,500) 122,700		
D1	(109,700) (106,400) 103,400	DL1	(109,700) (106,400) 103,400		

() Figures in brackets represent increments.

Legend

<i>CSD</i>	Correctional Services Department	<i>HKPF</i>	Hong Kong Police Force
<i>C&ED</i>	Customs and Excise Department	<i>ImmD</i>	Immigration Department
<i>FSD</i>	Fire Services Department	<i>ICAC</i>	Independent Commission
<i>GFS</i>	Government Flying Service		Against Corruption

Appendix H

Directorate Establishment as at 1 April 2008

<u>Directorate Levels</u>	<u>Permanent Establishment</u>
Directorate Pay Scale	
D10	0
D9	0
D8	18
D7	0
D6	27
D5	13
D4	70
D3	98
D2	406
D1	459
<i>Sub-total</i>	<i>1 091</i>
Directorate (Legal) Pay Scale	
DL7	0
DL6	6
DL5	1
DL4	1
DL3	21
DL2	63
DL1	15
<i>Sub-total</i>	<i>107</i>
Disciplined Services Directorate	113
<i>Sub-total</i>	<i>113</i>
Total	1 311

Notes

- (1) Supernumerary directorate posts are excluded.
- (2) The figures exclude directorate posts in the Independent Commission Against Corruption and the Judiciary.

Appendix I

Recommended Directorate Pay Scale, Directorate (Legal) Pay Scale and Salaries of Heads of Disciplined Services

Directorate Pay Scale		Directorate (Legal) Pay Scale		Salaries of Heads of Disciplined Services	
Point	\$	Point	\$	Department	\$
D8	(208,050) 202,000			HKPF & ICAC	(208,050) 202,000
D7	(201,800) 195,900				
D6	(186,900) 181,450	DL6	(186,900) 181,450	CSD, C&ED, FSD & ImmD	(186,900) 181,450
D5	(177,150) 172,000	DL5	(177,150) 172,000		
D4	(171,900) (166,900) 161,950	DL4	(171,900) (166,900) 161,950		
D3	(155,750) (151,200) (146,950) 142,700	DL3	(155,750) (151,200) (146,950) 142,700	GFS	(155,750) (151,200) (146,950) 142,700
D2	(134,200) (130,300) (126,500) 122,700	DL2	(134,200) (130,300) (126,500) 122,700		
D1	(113,000) (109,700) (106,400) 103,400	DL1	(113,000) (109,700) (106,400) 103,400		

() Figures in brackets represent increments. Figures in bold indicate new increments.

Legend

<i>CSD</i>	Correctional Services Department	<i>HKPF</i>	Hong Kong Police Force
<i>C&ED</i>	Customs and Excise Department	<i>ImmD</i>	Immigration Department
<i>FSD</i>	Fire Services Department	<i>ICAC</i>	Independent Commission
<i>GFS</i>	Government Flying Service		Against Corruption

Standing Committee on Disciplined Services Salaries and Conditions of Service

Report on the Grade Structure Review of the Disciplined Services

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November 2008

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紀律人員薪俸及服務條件常務委員會
Standing Committee on Disciplined Services Salaries and Conditions of Service

本會檔號 Our Ref. : JS/SCDS/COM/1

尊函檔號 Your Ref. :

電 話 Tel. :

27 November 2008

The Honourable Donald Tsang, GBM
The Chief Executive
Hong Kong Special Administrative Region
People's Republic of China
Government House
Hong Kong

Dear Sir,

On behalf of the Standing Committee on Disciplined Services Salaries and Conditions of Service, I have the honour to submit our Report, which contains our recommendations on the grade structure review of the disciplined services.

Yours faithfully,



(Barry CHEUNG Chun-yuen)
Acting Chairman
Standing Committee on Disciplined Services
Salaries and Conditions of Service

Encl.

Standing Committee on Disciplined Services Salaries and Conditions of Service

**Report on the Grade Structure Review
of the Disciplined Services**

November 2008

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Executive Summary

1. In November 2007, the Standing Committee on Disciplined Services Salaries and Conditions of Service (the Standing Committee) accepted the Administration's invitation to conduct a grade structure review (GSR) of the Disciplined Services, covering the Correctional Services Department, the Customs and Excise Department, the Fire Services Department, the Government Flying Service, the Hong Kong Police Force, the Immigration Department and the Independent Commission Against Corruption. The Disciplined Services altogether involve some 53 000 disciplined services staff comprising 29 grades and over 100 ranks.

2. Having considered the Administration's invitation, the Standing Committee has focused its attention on examining the pay scale of each of the grades and ranks in the Disciplined Services (including the Rank and File, the Officer cadre and the directorate ranks below the Heads of Disciplined Services) and the structure of individual grades. The Committee has also examined some issues not directly related to the ambit of the GSR but are of relevance to the efficient and effective management of the Disciplined Services, and referred to the Administration for attention or follow-up.

3. As stated in our terms of reference, we have endeavoured to provide adequate opportunities for the management and staff to express their views, whether in writing or during informal sessions. During the GSR, we have invited the management and staff of the Disciplined Services to make submissions and exchange views. We have received 441 written submissions (including some containing signatures from groups of staff and a submission enclosing 19 220 letters from staff members of the Police Force). We have also conducted 16 visits to the seven Departments and held 37 informal meetings with the management as well as staff bodies. All submissions received and views expressed were considered in their entirety by the Standing Committee.

4. In conducting the GSR, we are guided by our terms of reference. We are also mindful that the Disciplined Services are an integral part of the civil service of the Hong Kong Special Administrative Region, and the Government's pay policy for the civil service is to offer

sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with efficient and effective public services for the community; and to ensure that civil service remuneration is regarded as fair by both civil servants and the public they serve. We have adopted a common set of guiding principles and parameters in examining the issues, deliberating views and formulating recommendations, having due regard to all relevant considerations and factors.

5. During the GSR, we have looked into the uniqueness and characteristics of each of the Disciplined Services, with particular regard to the changes and challenges in their operating environment, as well as the recruitment, retention, career progression and morale situation of disciplined services grades and ranks. We have taken into account all relevant information and considerations, and make our best judgement after balancing all factors. We have now set out our key findings, considerations and recommendations in this Report. If these recommendations are endorsed, about 80% of the disciplined services staff would have pay improvement in the short term, to varying degrees, and all would benefit in the longer term.

6. We would like to express our profound respect and heartfelt appreciation to the Disciplined Services for their commitment and dedication. Their professionalism and exemplary services have made tremendous contribution to the stability and prosperity of Hong Kong.

Summary of Recommendations

7. A summary list of the GSR's recommendations is set out below –

	<u>Paragraph</u>
Common Issues	Chapter 3
<u>Entry Pay and Qualifications</u>	
R3.1: We recommend maintaining entry pay in the Disciplined Services grades at the current level.	3.4
R3.2: In response to requests for upgrading of benchmark entry qualifications, we recommend maintaining the current	3.14

Paragraph

entry qualification arrangements of the Disciplined Services at this juncture, pending an overall review by the Administration on the Qualification Group system.

- | | | |
|-------|--|------|
| R3.3: | We are open to requests for removing sub-entry level(s) below five passes in HKCEE in Rank and File grades. | 3.17 |
| R3.4: | We do not support requests for adding multiple entry points for higher qualifications in Rank and File grades. | 3.20 |

Special Increments

- | | | |
|-------|--|------|
| R3.5: | We recommend enhancing the existing Long Service Increments in the Rank and File basic ranks from two increments to a total of four increments, one each to be awarded upon completion of 12, 18, 24 and 30 years of satisfactory service in the rank. | 3.24 |
| R3.6: | In line with similar recommendation of the Rennie Review, we recommend granting one incremental jump to the recruitment ranks of Customs Officer and Senior Fireman (Control) on completion of not less than five years of service in the rank and having passed the qualifying examination for promotion. | 3.27 |

Through Scale

- | | | |
|-------|---|------|
| R3.7: | We do not support extending the through scale arrangement beyond the existing scope. | 3.35 |
| R3.8: | On the existing through scale arrangements, we recommend re-structuring the pay scales of the concerned first tier ranks by capping their maximum pay point below the rank scale of their second tier ranks, such that only officers who have passed the qualifying examination and fulfilled the requisite in-rank service requirement can advance to the pay scale of the second tier ranks. We also recommend grandfathering arrangement for serving officers in implementation. | 3.37 |
| R3.9: | We recommend granting two additional incremental jumps to those Officer grades without through scale arrangement such that staff in these first tier ranks who | 3.38 |

have passed the qualifying examination for promotion will be eligible for one incremental jump upon completion of five years and eight years of service in the rank respectively.

Job-Related Allowances

- R3.10: We recommend enhancing the rates of Level 1 Diving Allowance from 5% (\$674) to 6% (\$809) of General Disciplined Services (Rank and File) (GDS(R)) Point 1 and the Level 2 Diving Allowance from 10% (\$1,348) to 15% (\$2,022) of GDS(R)1. 3.41
- R3.11: We recommend introducing a new Job-related Allowance at the rate of 18% of Police Pay Scale (PPS) Point 1 (\$2,824) for undercover duties performed by staff up to the rank of Chief Inspector of Police or equivalent ranks for a period of not less than 30 days. 3.42
- R3.12: We recommend improving the frequency of rate adjustment of the Detective Allowance from once every two years to annual basis and that the name of the Allowance be suitably revised to better reflect its nature. 3.43

General Disciplined Services Pay Scales

- R3.13: We recommend maintaining the current arrangement of having three separate pay scales in the General Disciplined Services to cover the Commander, Officer and Rank and File cadres respectively. 3.49

Medical Benefits

- R3.14: We strongly urge the Administration to consider making special provisions to enhance medical services for officers injured on duty, and introducing practicable measures in the interim for prompt enhancement. 3.51 & 3.52

Regular Grade Structure Reviews

- R3.15: We consider it reasonable to put in place a system for reviewing the grade structure and pay levels of the Disciplined Services on a regular basis to ensure that their remuneration continues to be sufficient to attract, recruit, retain and motivate people of suitable calibre. 3.60

Correctional Services Department

Chapter 4

Assistant Officer Grade

- R4.1: We recommend enhancing the Long Service Increments in the Assistant Officer II rank to a total of four increments in accordance with R3.5. 4.19
- R4.2: We recommend raising the scale maximum of the Assistant Officer II rank by one pay point, and raising the scale minimum and maximum of the Assistant Officer I rank by one pay point and two pay points respectively. 4.20

Officer/Superintendent of Correctional Services Grade

- R4.3: We recommend introducing two additional incremental jumps to the Officer rank in accordance with R3.9. 4.22
- R4.4: We recommend raising the scale maximum of the Officer rank by one pay point; and raising the scale minima and maxima of the Principal Officer, Chief Officer, Superintendent and Senior Superintendent ranks by one pay point each. 4.23

Instructor (Correctional Services) Grade

- R4.5: We recommend raising the scale maximum of the Instructor (Correctional Services) rank by one pay point. 4.26

Technical Instructor (Correctional Services) Grade

- R4.6: We recommend raising the scale maximum of the Technical Instructor (Correctional Services) rank by one pay point. 4.27

Industrial Officer Grade

- R4.7: We recommend raising the scale maximum of the Industrial Officer rank by one pay point; and raising the scale minima and maxima of the Principal Industrial Officer, Chief Industrial Officer and Superintendent of Correctional Services Industries ranks by one pay point each. 4.29
- R4.8: We recommend introducing two additional incremental jumps to the Industrial Officer (Correctional Services) rank in accordance with R3.9. 4.30

The Directorate

- R4.9: We recommend retaining the existing grade structure of the Senior Superintendent and Chief Superintendent of Correctional Services ranks. 4.32

Customs and Excise Department

Chapter 5

Customs Officer Grade

- R5.1: In accordance with R3.1 to R3.4, we recommend maintaining the current entry qualification arrangements and pay for the Customs Officer rank. We have no objection to the request for removing the sub-entry levels below five passes in HKCEE. 5.15
- R5.2: In accordance with R3.6, we recommend that one incremental jump be granted to the Customs Officer rank on completion of five years of service and having passed the promotion examination. 5.16

Paragraph

- R5.3: We recommend enhancing the Long Service Increments in the Customs Officer rank to a total of four increments in accordance with R3.5. 5.17
- R5.4: We recommend raising the scale maximum of the Customs Officer rank by one pay point; raising the scale minimum and maximum of the Senior Customs Officer rank by one pay point each; and raising the scale minimum and maximum of the Chief Customs Officer rank by one and two pay points. 5.18

Inspector/Superintendent of Customs and Excise Grade

- R5.5: In accordance with R3.1 and R3.2, we recommend maintaining the current entry qualifications and entry pay for the Inspector of Customs and Excise rank. 5.21
- R5.6: We recommend introducing two additional incremental jumps to the Inspector of Customs and Excise rank in accordance with R3.9. 5.22
- R5.7: We recommend raising the scale maximum of the Inspector rank by one pay point; and raising the scale minima and maxima of the Senior Inspector, Assistant Superintendent, Superintendent and Senior Superintendent of Customs and Excise ranks by one pay point each. 5.23

Conditioned Hours of Work

- R5.8: We support the request of the Customs and Excise Department to revise its conditioned hours of work from 51 to 48 per week, on the clear understanding that the three pre-requisites of being cost neutral, not involving additional manpower and maintaining the same level of service to the public could be achieved. 5.32

Fire Services Department

Chapter 6

Entry Qualifications

- R6.1: In accordance with R3.1 to R3.4, we recommend maintaining the current entry qualification arrangements of the Fireman, Senior Fireman (Control), Station Officer, Ambulanceman and Ambulance Officer ranks. We have no objection to the requests for removing the sub-entry levels below five passes in the HKCEE for the Fireman and Ambulanceman ranks. 6.18

Fire Stream

- R6.2: We recommend enhancing the Long Service Increments in the Fireman rank to a total of four increments in accordance with R3.5. 6.20
- R6.3: We recommend raising the scale maximum of the Fireman rank by one pay point; raising the scale minimum and maximum of the Senior Fireman rank by one pay point each; and raising the scale minimum and maximum of the Principal Fireman rank by one and two pay points respectively. 6.21
- R6.4: For the through scale of Station Officer/Senior Station Officer (Fire), we recommend re-structuring the pay scale of the Station Officer rank in accordance with R3.8. 6.22
- R6.5: We recommend raising the scale maximum of the Station Officer rank by one pay point; and raising the scale minima and maxima of the Senior Station Officer, Assistant Divisional Officer, Divisional Officer and Senior Divisional Officer ranks by one pay point each. 6.24

Ambulance Stream

- R6.6: We recommend enhancing the Long Service Increments in the Ambulanceman rank to a total of four increments in accordance with R3.5. 6.27

Paragraph

- R6.7: We recommend raising the scale maximum of the Ambulanceman rank by one pay point; raising the scale minimum and maximum of the Senior Ambulanceman rank by one pay point each; and raising the scale minimum and maximum of the Principal Ambulanceman rank by one and two pay points respectively. 6.28
- R6.8: We recommend introducing two additional incremental jumps to the Ambulance Officer rank in accordance with R3.9. 6.31
- R6.9: We recommend raising the scale maximum of the Ambulance Officer rank by one pay point; and raising the scale minima and maxima of the Senior Ambulance Officer, Superintendent (Ambulance), Assistant Chief Ambulance Officer and Senior Assistant Chief Ambulance Officer ranks by one pay point each. 6.32

Mobilising and Communication (MC) Stream

- R6.10: In accordance with R3.6, we recommend that one incremental jump be granted to Senior Fireman (Control) rank on completion of five years of service and obtaining the necessary qualifications for promotion to Principal Fireman (Control). 6.35
- R6.11: We recommend raising the scale minimum and maximum of the Senior Fireman (Control) rank by one pay point each; and raising the scale minimum and maximum of the Principal Fireman (Control) rank by one and two pay points respectively. 6.36
- R6.12: For the through scale of Station Officer/Senior Station Officer (Control), we recommend re-structuring the pay scale of the Station Officer (Control) rank in accordance with R3.8. 6.37
- R6.13: We recommend raising the scale maximum of the Station Officer (Control) rank by one pay point and raising the scale minimum and maximum of the Senior Station Officer (Control) rank by one pay point each. 6.38

The Directorate

- R6.14: We recommend maintaining the current directorate structure in the Fire Services Department. 6.41

Conditioned Hours of Work

- R6.15: We urge the Department to explore further with the staff and the Administration on the feasibility of reducing the conditioned hours of staff working in the Fire Stream under the three pre-requisites of being cost neutral, not involving additional manpower and maintaining the same level of service to the public, using an incremental approach and starting with a pilot scheme where appropriate. 6.46

Job-Related Allowances

- R6.16: We recommend continuing the Paramedic Allowance for the time being, pending further review on an appropriate continuous professional development framework with a robust accreditation system, having regard to the interface of various providers of pre-hospital care and other paramedic services in Hong Kong. 6.50
- R6.17: We consider there is a prima facie case for introducing a new two-tier allowance to recognise the special competence, specialist training, extra duties, coupled with the exceptional danger, risk and hardship associated with certain higher level responsibilities of the Fireman grade evolved over the years. We encourage the Fire Services Department to explore further with the Administration and the staff on details of the proposal. 6.54

Government Flying Service**Chapter 7**Pilot Grade

- R7.1: We recommend maintaining the existing pay scale of the Cadet Pilot rank. 7.17
- R7.2: We recommend raising the scale maximum of the Pilot II rank by one pay point; and raising the scale minima and maxima of the Pilot I and Senior Pilot ranks by one pay point each. 7.21
- R7.3: We recommend introducing to the Pilot II rank two additional incremental jumps for obtaining dual licences for both helicopter and fixed-wing aircraft, and another two incremental jumps for obtaining an Instrument Rating and becoming qualified to operate as Captain in coastal and day offshore search and rescue in accordance with the GFS Operations Manual approved by the Civil Aviation Department; all being subject to the condition that the staff is required to perform Pilot I flying duties frequently. 7.22

Air Crewman Officer Grade

- R7.4: We recommend maintaining the current entry pay of the Air Crewman Officer III rank. 7.28
- R7.5: We recommend that one incremental jump each be awarded to the Air Crewman Officer III rank upon passing the qualifying examination at Levels 1, 2 and 4 of the crewman training. 7.31
- R7.6: We recommend raising the scale maximum of the Air Crewman Officer III rank by one pay point; and raising the scale minima and maxima of the Air Crewman Officer II, Air Crewman Officer I, and Senior Air Crewman Officer ranks by one pay point each. 7.32

Aircraft Engineer Grade

- R7.7: We recommend maintaining the current level of entry pay of the Aircraft Engineer rank. 7.34
- R7.8: We recommend raising the scale maximum of the Aircraft Engineer rank by one pay point; and raising the scale minimum and maximum of the Senior Aircraft Engineer rank by one pay point each. 7.35

Aircraft Technician Grade

- R7.9: We recommend raising the scale maximum of the Aircraft Technician rank by one pay point; and raising the scale minima and maxima of the Senior Aircraft Technician and Chief Aircraft Technician ranks by one pay point each. 7.36

The Directorate

- R7.10: We recommend maintaining the current directorate structure in the Government Flying Service. 7.43

Hong Kong Police Force

Chapter 8

Police Pay Scale

- R8.1: We recommend maintaining the pay point of PPS 1 and have no objection to abolishing the pay point of PPS 1a, which is no longer in use. 8.30

Entry Qualifications

- R8.2: In accordance with R3.1 to R3.4, we recommend maintaining the current entry qualification arrangements and pay for the Inspector of Police and Police Constable ranks. We have no objection to the request for removing the sub-entry level below five passes in the HKCEE for the Police Constable rank. 8.31

Junior Police Officer Grade

- | | | |
|-------|---|------|
| R8.3: | We recommend enhancing the Long Service Increments in the Police Constable rank to a total of four increments in accordance with R3.5. | 8.33 |
| R8.4: | We recommend raising the scale maximum of the Police Constable rank by one pay point; raising the scale minimum and maximum of the Police Sergeant rank by one pay point each, and raising the scale minimum and maximum of the Station Sergeant rank by one and two pay points respectively. | 8.35 |

Police Inspector/Superintendent Grade

- | | | |
|-------|--|------|
| R8.5: | On the through scale of the Inspector/Senior Inspector of Police ranks, we recommend re-structuring the pay scale of the Inspector rank in accordance with R3.8. | 8.37 |
| R8.6: | We recommend raising the scale maximum of the Inspector of Police rank by one pay point, and raising the scale minima and maxima of the Senior Inspector, Chief Inspector, Superintendent and Senior Superintendent of Police ranks by one pay point each. | 8.38 |
| R8.7: | We recommend the two incremental jumps introduced to the Inspector of Police rank in 1999 be retained, pending further review in the context of the application of the results of the coming Starting Salaries Survey. | 8.40 |

Immigration Department

Chapter 9

Immigration Assistant Grade

- | | | |
|-------|---|------|
| R9.1: | In accordance with R3.4, we recommend maintaining the current entry pay for the Immigration Assistant rank. | 9.17 |
| R9.2: | We recommend enhancing the Long Service Increments in the Immigration Assistant rank to a total of four increments in accordance with R3.5. | 9.18 |

Paragraph

- R9.3: We recommend raising the scale maximum of the Immigration Assistant rank by one pay point; raising the scale minimum and maximum of the Senior Immigration Assistant rank by one pay point each; and raising the scale minimum and maximum of the Chief Immigration Assistant rank by one and two pay points respectively. 9.19
- R9.4: We strongly encourage the Immigration Department to review whether there are opportunities for further devolution of duties to the Immigration Assistant rank, with a view to optimising effective deployment of manpower resources and maximising efficiency whilst not compromising service standards and quality. 9.22

Immigration Officer Grade

- R9.5: In accordance with R3.2, we recommend maintaining the current entry qualification requirements in the Immigration Officer rank. 9.24
- R9.6: We recommend maintaining the current entry pay in the Immigration Officer rank. 9.32
- R9.7: We recommend raising the scale maximum of the Immigration Officer rank by one pay point; and raising the scale minima and maxima of the Senior Immigration Officer, Chief Immigration Officer, Assistant Principal Immigration Officer and Principal Immigration Officer ranks by one pay point each. 9.33
- R9.8: We recommend introducing two additional incremental jumps to the Immigration Officer rank in accordance with R3.9. 9.34
- R9.9: We encourage the Department to review its manpower resources and deployment, and if justified, seek additional provision from the Administration, to enhance its capacity to meet increasing workload. 9.38

Independent Commission Against Corruption**Chapter 10**Commission Against Corruption Officer Grade

- R10.1: In accordance with R3.1 to R3.3, we recommend maintaining the current entry qualification arrangements and pay for the Commission Against Corruption Officer (Lower) and the Assistant Commission Against Corruption Officer ranks. We have no objection to the request for removing the sub-entry level below five passes in HKCEE for the Assistant Commission Against Corruption Officer rank. 10.22
- R10.2: We support the proposal to tighten advancement from the Assistant Commission Against Corruption Officer rank to the Commission Against Corruption Officer (Lower) rank by using an internal channel for appointment in place of direct promotion. 10.23
- R10.3: On the Commission Against Corruption Officer (Middle/Lower) through scale, we recommend re-structuring the pay scale of the Commission Against Corruption Officer (Lower) rank in accordance with R3.8. 10.24
- R10.4: We recommend introducing one incremental jump in the second agreement in the Assistant Commission Against Corruption Officer rank and the Commission Against Corruption Officer (Lower) rank respectively. 10.28
- R10.5: We recommend raising the scale maximum of the Assistant Commission Against Corruption Officer rank by two pay points; raising the scale maximum of the Commission Against Corruption Officer (Lower) rank by one pay point; and raising the scale minima and maxima of the Commission Against Corruption Officer (Middle), Commission Against Corruption Officer (Upper) and Senior Commission Against Corruption Officer ranks by one pay point each. 10.29

Commission Against Corruption Investigator Grade

- | | | |
|--------|--|-------|
| R10.6: | In accordance with R3.2, we have no objection to the request for removing the sub-entry level below five passes in HKCEE for the rank of Commission Against Corruption Investigator (Main Stream). | 10.30 |
| R10.7: | We recommend introducing one incremental jump in the second agreement in the Commission Against Corruption Investigator (Main Stream) rank. | 10.32 |
| R10.8: | We recommend raising the scale maximum of the Commission Against Corruption Investigator (Attendant Stream) by one pay point; raising the scale maximum of the Commission Against Corruption Investigator (Main Stream) by two pay points; raising the scale maximum of the Commission Against Corruption Controller rank by one pay point; and raising the scale minima and maxima of the Senior Commission Against Corruption Controller and Chief Commission Against Corruption Controller ranks by one pay point each. | 10.33 |

New Grade/Rank

- | | | |
|---------|---|-------|
| R10.9: | We support in principle the creation of a new Chief Commission Against Corruption Officer rank at the directorate level of ICAC Pay Scale (IPS) Point 45. | 10.34 |
| R10.10: | We support in principle the creation of a new Forensic Accountant grade on a three-rank structure headed by a directorate rank on IPS 45. | 10.41 |

Medical and Dental Benefits

- | | | |
|---------|--|-------|
| R10.11: | We do not support the proposal of extending civil service medical and dental benefits to agreement officers on retirement from the ICAC. | 10.44 |
|---------|--|-------|

Directorate Grades and Pay Scales of Disciplined Services Chapter 11

- | | | |
|--------|---|-------|
| R11.1: | We recommend that the existing relativity between the pay of the disciplined services directorate with that of the civilian directorate be maintained. | 11.6 |
| R11.2: | We recommend maintaining the current pay level of the disciplined services directorate grades and ranks, and adding one increment of about 3% at the end of each pay level. | 11.7 |
| R11.3: | We recommend standardising the grant of all increments in the disciplined services directorate ranks to biennial basis. | 11.7 |
| R11.4: | Having regard to the recommendations of the GSR, we recommend revising the disciplined services pay scales accordingly. | 11.10 |



Correctional Services Department



◀ Security check in a prison cell

Instructing young inmates on foot drill ▶



▲ Anti-riot training



Customs & Excise Department

Conducting raid on illicit fueling station



Cargo examination at the Airport for customs clearance

Enforcement action against infringement of intellectual property rights





Fire Services Department



◀ Fire fighting



Ambulance services ▶

▼ Fire Services Communication Centre





Government Flying Service

Winching a casualty onboard ►



▼ Controlling hill fire



Aircraft maintenance work ►





Hong Kong Police Force



◀ Responding to emergency call

▼ Maintaining public order during the Sixth WTO Ministerial Conference



◀ Policing the Hong Kong waters



Immigration Department

Immigration control ►



◄ Search operation on cross-boundary vehicles

Issue of HKSAR passport ►





Independent Commission Against Corruption

Interviewing a
suspect with
video-recording



A roving exhibition on
Hong Kong's achievements
in anti-corruption work

Conducting a site visit in a
corruption prevention study



Chapter 1

Introduction

The Standing Committee

1.1 The Standing Committee on Disciplined Services Salaries and Conditions of Service (the Standing Committee) is an independent advisory body appointed by the Chief Executive to advise on the pay and conditions of service as well as the grade, rank and salary structures of the Disciplined Services. The Standing Committee's terms of reference and membership are at **Appendices 1 and 2**.

1.2 The Disciplined Services cover seven departments or agencies namely, the Correctional Services Department (CSD), the Customs and Excise Department (C&ED), the Fire Services Department (FSD), the Government Flying Service (GFS), the Hong Kong Police Force (HKPF), the Immigration Department (ImmD) and the Independent Commission Against Corruption (ICAC).

Grade Structure Review

1.3 In 2006, the Administration conducted a Pay Level Survey (PLS) for the civil service. The disciplined services grades were not covered in view of the absence of market comparators. The results of the PLS were applied to the Disciplined Services on the basis of their prevailing pay relativities with the civilian grades. In November 2007, the Standing Committee accepted the Administration's invitation to conduct a grade structure review (GSR) for the Disciplined Services to examine whether this set of relativities is still valid and appropriate.

Scope of the Grade Structure Review

1.4 Having accepted the invitation from the Administration, the Standing Committee has decided that the GSR would focus primarily on the appropriate pay scale for each of the grades and ranks in the Disciplined Services, including the Rank and File, the Officer cadre and the directorate ranks below the Heads of Disciplined Services. Where relevant, the Committee has also examined the structure for individual disciplined services grades, such as whether the existing grades and/or the number of ranks in a grade are appropriate.

1.5 Allowances and benefits are outside the scope of the GSR as the Administration has recently completed a comprehensive review on Job-related Allowances (e.g. Extra Duties Allowance) and implemented a revised package on fringe benefit type of allowances (e.g. education allowance and passage allowance). During the GSR, we have come across some issues that are not within the ambit of the Review but are nonetheless of relevance to the effective and efficient management of the Disciplined Services. We have also examined these issues to offer our comments to the Administration for attention or follow up, where appropriate.

Approach

1.6 The GSR was conducted through a combination of historical review, fact-finding, examination of written submissions, visits to and briefings by the Disciplined Services, discussions and informal meetings with the departmental management and staff representatives, and a series of Standing Committee and Sub-Committee meetings.

1.7 As stipulated in its terms of reference, the Standing Committee operates through three Sub-Committees, namely the General Disciplined Services Sub-Committee (covering the CSD, C&ED, FSD, GFS and ImmD), the Police Sub-Committee and the ICAC Sub-Committee. We follow this established practice in the GSR, with the Standing Committee providing overall steer and moderation for the Sub-Committees in examining the respective Disciplined Services.

1.8 During the GSR, the management and staff are given ample opportunities to express their views in writing or during informal meetings. As with previous reviews, we invited submissions from the Disciplined Services' management and staff. As at 15 November 2008, we received 441 submissions from different parties, a list of which is set out at **Appendix 3**. Among them, there are a submission containing 3 615 signatures of staff members of the FSD, a submission containing 11 373 signatures of members of the five General Disciplined Services, and a submission enclosing 19 220 letters from staff members of the Police Force. All submissions were considered in their entirety, and where appropriate, additional information and clarification were sought.

1.9 During the GSR, the three Sub-Committees conducted a total of 16 visits to the seven Disciplined Services (**Appendix 4**). The visits facilitated us in understanding more about their challenges at work and provided opportunities for us to meet with the frontline staff to listen to their views.

1.10 We conducted 37 informal meetings with the management of the seven Disciplined Services and staff representatives, including the Police Force Council Staff Side, the Disciplined Services Consultative Council Staff Side and the ICAC Departmental Grades Staff Committee; as well as other major service-wide unions such as the Government Disciplined Services General Union and departmental staff unions.

Guiding Principles and Considerations

1.11 We are conscious that the GSR is a long-awaited exercise. Expectations are high; interests and views, diverse and often conflicting. Some expect no less than a fundamental overhaul of the pay and grade structure. Others are inclined to maintain the status quo with minimal changes. All of them expect some improvements in various forms and to varying degrees. It becomes apparent to us from the very beginning that the GSR is a challenging exercise, and the issues are many and varied. We are committed to conducting the GSR in an open, fair and independent manner. Our objective is to strike a fine balance, after taking into account all relevant facts, views and considerations.

1.12 In conducting the GSR, we are guided by our terms of reference and have adopted a common set of guiding principles and parameters for consistent application across the Disciplined Services. We have given due regard to all relevant considerations, including the following factors as suggested in the invitation from the Administration –

- (a) it is the Government's pay policy for the civil service to offer sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with effective and efficient services; and to ensure the civil service remuneration is regarded as fair by both civil servants and the public they serve; and
- (b) the Disciplined Services are an integral part of the civil service of the Hong Kong Special Administrative Region.

1.13 We have also paid special attention to the following considerations –

- (a) changes in the work nature, job duties, responsibilities and workload of each Disciplined Service and public expectation, consequential upon the evolving social, economic and political landscapes since the 1988 Rennie Review and the subsequent reviews conducted by the Standing Committee in the 1990s;
- (b) the recruitment, retention and career progression situation of each grade and rank in the Disciplined Services;
- (c) staff management and morale considerations of each Disciplined Service; and
- (d) any wider community interests, including financial and economic considerations, which in the Standing Committee's views are relevant.

1.14 In addition to the above, we have taken into account a host of other relevant considerations, some of which are highlighted in the following paragraphs.

Established Principles and Structure

1.15 The Disciplined Services have a long history dating back to the birth of Hong Kong. Their existing grade and rank structures and pay and conditions of service reflect the outcomes of detailed deliberations of previous reviews, notably the 1988 Rennie Review and the subsequent reviews conducted by the Standing Committee in the 1990s. The exemplary achievements of the Disciplined Services over the past decades demonstrated that the current system have generally functioned smoothly. To enable the Disciplined Services to build on their success, we consider it appropriate and pragmatic to use the existing pay and grade structures as the starting point, then identify areas for improvement and recommend targeted solutions.

Relativities and Comparison

1.16 During the review process, a recurring theme in the written submissions and discussions is the issue of internal relativities or comparisons within the Disciplined Services and between the Disciplined Services and the civilian grades.

1.17 We are conscious that a key mandate of the GSR is to examine whether the existing set of relativities between the civilian grades and the Disciplined Services is still valid and appropriate. In this connection, we have sought the Administration's clarifications on the concept of "internal relativities". We are advised that –

- (a) "Internal relativities" is a factual description of the relationship (expressed in terms of difference in pay points, dollar value or percentages, as the case may be) among the benchmark pay for the different Qualification Groups¹ (QGs), or among the pay of grades in the same QG, or among various pay scales

¹ Civil service salaries at the entry level are set having regard primarily to academic qualifications and to the entry pay for comparable academic qualifications in the private sector. Different entry ranks in the civilian grades are grouped into various academic QGs. There are currently twelve QGs. This issue is discussed in greater detail in Chapter 3.

(e.g. Master Pay Scale versus the Directorate Pay Scale). The phrase is neutral and carries no policy intention.

- (b) “Internal relativities” takes on meaning in policy terms only in the context of the implementation of the relevant pay policies, such as the broadbanding policy; the conduct of Starting Salaries Surveys (SSS) and implementation of the results to the civilian and disciplined services grades; and the conduct of grade structure reviews and implementation of grade-specific or sector-specific pay recommendations (such as pay improvements recommended for the Disciplined Services as a result of the 1988 Rennie Review).

1.18 It is clear to us at the outset that the Disciplined Services are unique without any private sector comparators. The Disciplined Services are very distinct from the civilian grades and have very different operating environment despite commonalities facing the civil service as a whole. Having taken a closer look at individual departments, we are also convinced that each Disciplined Service is unique in its own right. Against this background, we have the following general views –

- (a) Subject to (b) below, direct comparison among the Disciplined Services, or between the Disciplined Services and the civilian counterparts, is neither possible nor appropriate. We should instead focus on individual grades and ranks, having regard to all relevant considerations, particularly their recruitment, retention and career progression. We should not prescribe pay relativity between different grades, whether in terms of pay points, dollar value or percentage. Leaving aside the policy perspective, it is practically difficult to have a uniform relativity, given the differences in rank structure, career progression, pay scales and availability of non-pay-related benefits (e.g. housing).

- (b) During the Standing Committee's review in 1991, the Officer ranks of the Disciplined Services, except the entry ranks, were considered broadly comparable. Henceforth, these ranks are broadbanded in their pay and rank structure. The same practice also applies to the directorate ranks. This is consistent with the "broadbanding" principle as currently applied to the civil service as a whole. Under this principle, senior ranks in different grades are broadbanded because their command and managerial responsibilities are the most important aspects of their duties and they tend to outweigh other features of individual grades. Having examined the duties and responsibilities of the Officer grades in the Disciplined Services, we observe that the job weights of the Officer and directorate grades among the Disciplined Services beyond the entry ranks are, taken overall, broadly comparable. We therefore consider it appropriate to continue to adopt the broadbanding principle in determining the pay and rank structure of the Officer and directorate grades beyond the entry rank. Differences that have already existed due to uniqueness of individual grades should however be respected.
- (c) Whilst we do not consider it appropriate to prescribe pay relativity between grades, it is apparent to us throughout the exercise that the prevailing relativities among the Disciplined Services represent a fine balance after thorough deliberations over the years and are respected by the stakeholders. They should only be changed when supported by strong justifications.

1.19 We appreciate that the Disciplined Services would be concerned as to whether, and if so how, the relationship (or internal relativities) between the Disciplined Services and the civilian grades should be taken into account in applying the results of civil service-wide surveys, such as the SSS scheduled for 2009. As in the case of the 1999 Review on Civil Service Starting Salaries and the 2006 SSS, the Standing Committee would be pleased to consider this issue in the appropriate context, if our advice is sought in this regard.

Job Factors, Special Factors and Changes since Last Reviews

1.20 At the last reviews, the Rennie Committee and the Standing Committee had a comprehensive assessment of the individual grades and ranks of the Disciplined Services, having regard to their job factors and special factors prevailing at that time. These factors were –

Six job factors

- (a) qualifications;
- (b) skills and knowledge;
- (c) physical requirements;
- (d) individual responsibilities;
- (e) scope and complexity of work; and
- (f) discretion/freedom to act.

Eleven special factors

- (a) stress;
- (b) hardship;
- (c) danger;
- (d) discipline;
- (e) restriction on freedom;
- (f) social segregation;
- (g) hours of work;
- (h) unpredictable calls;
- (i) shift patterns;
- (j) intensity of effort; and
- (k) problems related to the future (referring to staff's perception at that time on uncertainties concerning Reunification in 1997).

1.21 The pay level of individual ranks of the Disciplined Services was adjusted and certain allowances revised or subsumed in pay in previous reviews, having taken into account the above factors. Building on these past reviews, we have focused on the changes since the last reviews in work nature, job duties, responsibilities and workload upon the changing social, economic and political landscapes. We have also paid attention to recruitment, retention, career progression, staff management and morale situation in the Disciplined Services. The job factors and special factors were examined using an averaging approach. The remuneration of the Disciplined Services would continue to be determined in the light of all relevant considerations, including the job factors and special factors.

Human Resource Management

1.22 As evident in past reviews, we cannot maintain an effective and efficient civil service solely by pursuing an appropriate remuneration policy. Other aspects of human resource management are pivotal. These include staff recognition, sufficient manpower resources, positive staff relations, robust performance management system, progressive and systematic staff training, proper career development and effective management system and practices. As we will highlight later in this Report, our recommendations on pay and grade structure are but one part of the package that enables the management and staff to face their challenges.

Chapter 2

Overview

Overview of the Disciplined Services

2.1 The disciplined services grades constitute some 32% of the total establishment in the civil service. As at 1 January 2008, the seven disciplined services departments together had an establishment of 62 144, of which 53 005 were disciplined services posts belonging to 29 grades and over 100 ranks. Details are set out in *Table 2.1*.

Table 2.1: Establishment of the disciplined services departments as at 1 January 2008

Disciplined Services Department	Disciplined Services Staff			Civilian Staff	Total Establishment
	No. of Posts	No. of Grades	No. of Ranks		
CSD	5 940	7	18	682	6 622
C&ED	4 536	3	12	1 066	5 602
FSD	8 720	5	22	594	9 314
GFS	166	5	16	57	223
HKPF	27 551	3	13	4 847	32 398
ImmD	5 035	3	12	1 596	6 631
ICAC	1 057 ²	3	16	297	1 354
Total	53 005	29	109	9 139	62 144

2.2 Staff of the Disciplined Services are remunerated according to the five pay scales (*Table 2.2*) as detailed in **Appendix 5**.

² The total number of disciplined services posts of the ICAC in Table 2.1 (1 057) includes 15 frozen/reserve posts.

Table 2.2: The Disciplined Services Pay Scales

Pay Scale	Pay Point	Ambit
General Disciplined Services (Commander) Pay Scale (GDS(C))	1 to 4	Directorate officers in General Disciplined Services
General Disciplined Services (Officer) Pay Scale (GDS(O))	1d to 38	Non-directorate officers in General Disciplined Services
General Disciplined Services (Rank and File) Pay Scale (GDS(R))	1a to 27	Rank and File in General Disciplined Services
ICAC Pay Scale (IPS)	1 to 48	All disciplined services staff in ICAC
Police Pay Scale (PPS)	1a to 59	All police officers

2.3 Similar to their civilian counterparts, the Disciplined Services are eligible for a range of allowances and benefits, including –

- (a) *Job-related Allowances (JRAs)* : JRAs are additional payments to staff to compensate them for aspects of their work which are not normally expected of their grade or rank, and which have not been taken into account in the determination of their pay scale. At present, there are 16 JRAs relevant to the Disciplined Services.
- (b) *Other allowances and benefits* : Key benefits include medical and dental benefits, leave, education allowances, housing benefits and retirement benefits as conditions of service. The levels of allowances vary depending on the staff's rank, length of service, terms of appointment and other rules.

2.4 Disciplined Services also enjoy the following special benefits, including some which are not conditions of service as such –

- (a) departmental quarters³ (DQ);

³ Under the prevailing policy, DQ in the Disciplined Services are provided for married disciplined services staff of the Rank and File, local married officers in the ranks of Inspector and Superintendent of the Police Force, and comparable ranks in other Disciplined Services, subject to availability of resources. As at 1 October 2007, the Disciplined Services together provided some 22 300 DQ, accounting for over 98% of the total number of DQ in the civil service. As at 1 January 2008, about 23% to 47% of the Rank and File cadre and 23% to 57% of the Officer cadre in the Disciplined Services were allocated with DQ (the ICAC was not included in these allocation statistics).

- (b) special quota in the Civil Service Public Housing Quota and related assistance;
- (c) special enhancement⁴ in retirement benefits under the Pension Benefits Ordinance and the Civil Service Provident Fund (CSPF) Scheme; and
- (d) welfare benefits (e.g. welfare funds)⁵.

2.5 The above benefits provide additional non-pay-related incentives in the total remuneration package to attract, retain and motivate staff in the Disciplined Services.

2.6 It is also evident from our visits and meetings that many disciplined services staff have a strong sense of mission. They have highlighted that intangible factors such as sense of achievement, the privilege and honour to serve, training and development opportunities, caring and supportive management, the staff's esprit de corps and stability of employment are also important in attracting them to the service and motivating them to deliver quality service with professionalism.

Previous Reviews

2.7 The last overall pay reviews of the Disciplined Services were conducted by the Rennie Committee in 1988, followed by subsequent reviews in 1990 by the then newly established Standing Committee. Since then, reviews on specific issues have been conducted by the Standing Committee from time to time. The Standing Committee also advised on the application of the results of

⁴ For pensionable disciplined services staff whose prescribed retirement age is 55 or 57 (i.e. earlier than age 60 of their civilian counterparts), their pensionable service shall be deemed to increase at specified enhancement factor of 1.25 to 0.25 months for every year of completed service. This is subject to the resultant total length of pensionable service not exceeding the maximum period that the officer would have completed under normal circumstances of retiring at the age of 60. Similarly, for officers under the CSPF (i.e. those appointed to the civil service on or after 1 June 2000), there will be a Special Disciplined Services Contribution (SDSC) at 2.5% of the basic salary on top of the Government's regular mandatory contribution and voluntary contributions applicable to the civil service as a whole. This SDSC will not be granted if the officer leaves the service earlier than the prescribed retirement age.

⁵ Welfare benefits include statutory welfare funds, education funds, sports and recreation clubs, holiday homes, etc.

the 1999 Review on Civil Service Starting Salaries, the 2006 Pay Level Survey and the 2006 Starting Salaries Survey to the Disciplined Services.

2.8 In between major pay reviews, pay adjustments in the Disciplined Services generally follow those for the rest of the civil service, which are determined by the Chief Executive-in-Council having regard to the Pay Trend Survey results and other relevant factors⁶.

The Operating Environment

2.9 As highlighted by the Rennie Review in 1988, the Disciplined Services as a group carries a unique position in the public service because of their role in maintaining the security, stability and well-being of Hong Kong. In this section, we highlight some of the more prominent inherent features of the duties of the Disciplined Services, and outline some major changes in their operating environment since the last reviews. We will then set out some common issues on the Disciplined Services in Chapter 3, followed by major aspects and issues concerning each of the Disciplined Services respectively in Chapters 4 to 10.

Inherent Characteristics of the Discipline Services

2.10 Generally speaking, the duties of the Disciplined Services have the following features –

- (a) *Stress* (physical and mental stress) arising from the responsibilities carried, decisions to be taken, complexity of tasks, exposure to danger in discharging statutory, enforcement and rescue functions whilst being subject to time constraints, media and public scrutiny, and legal and other implications;

⁶ These civil service pay adjustments include three downward adjustments between 2002 and 2005 (reduction of 1.58% to 4.42% in October 2002 and 3% each in January 2004 and January 2005 which resulted in bringing the dollar value of all civil service pay scales to the position as of 30 June 1997), an increase of 4.62% to 4.96% in April 2007 and an increase of 5.29% to 6.3% in April 2008.

- (b) *Hardship* due to the requirement to work in distasteful or unpleasant conditions, exposure to all weather conditions, irregular meal times, etc.;
- (c) *Danger* arising from work-related health hazards, injuries and fatalities, and carrying firearms, etc.;
- (d) *Discipline* due to the requirement to observe strict disciplinary codes and exposure to public complaints, formal investigation and disciplinary proceedings;
- (e) *Restrictions on freedom* arising from on-call requirements, explicit restrictions on the right to join trade unions or take industrial action, restrictions on personal activities, etc.;
- (f) *Social segregation* because of their hours of work, shift pattern and in some cases, remoteness of the offices;
- (g) *Hours of work* in terms of conditioned hours of work and requirement to standby at or near their place of work;
- (h) *Unpredictable calls* related to on-call requirement, the liability to be called out when off-duty, and obligation to accept cancellation of leave at short notice; and
- (i) *Shift duty* for most of the disciplined services staff with many involving night shift and long periods of continuous duty.

Macro Changes Since Last Reviews

2.11 In this GSR, we have received a wealth of submissions from the Disciplined Services and gained a better understanding of their changing operating environment through the series of visits, informal discussions and exchanges. The management and staff have pointed out that the work of the Disciplined Services has become more complex and wider in scope over the years, resulting in heavier responsibilities and greater hardship and stress for the staff, and that such should be duly recognised and reflected in their pay and conditions of service. Some key developments are highlighted below –

- (a) *Political* : The past two decades marked important milestones for Hong Kong. Our Reunification with the Mainland charted a new constitutional order for Hong Kong. With the political development, increased openness and accountability, the development of civil society and the introduction of new legislation to protect and enhance civil and political rights, the political and social landscapes in Hong Kong have undergone significant changes. Public awareness and expectations are higher. The public is more ready to resort to complaint and redress mechanisms. Public order events have increased in scale and frequency. The whole Government, including the Disciplined Services, is subject to close media and public scrutiny, resulting in increase in workload and stress.
- (b) *Legal* : Since 1990, a considerable volume of new legislation and amendments to existing legislation have been introduced, resulting in substantial growth in law enforcement duties. The new legislation and amendments necessitate introduction of new procedures and training, or amendments to existing procedures, which in turn bear upon individual officers to adapt to new modes of operation and to acquire new knowledge and skills. By way of example, it has been highlighted to us that the Interception of Communications and Surveillance Ordinance (Cap. 589) has significant impact on investigative functions, particularly undercover work and covert surveillance, resulting in new procedures, longer processes and heavier responsibilities for the Disciplined Services.
- (c) *Socio-economic* : Hong Kong's population has substantially grown from 5.7 million in 1988 to over 6.9 million in 2007, and we have moved to a knowledge-based, service-oriented economy. Hong Kong is a gateway to the Mainland, and acclaimed as "Asia's World City". With the signing of the Closer Economic Partnership Arrangement (CEPA) with the Mainland, the

introduction of the Individual Visit Scheme, the hosting of an increasing number of major international events in Hong Kong (such as the 2008 Olympic and Paralympic Equestrian Events and the Sixth Ministerial Conference of the World Trade Organisation (WTO)), regional and international flows of people, goods, trade and finances are continuing to surge in volume and complexity, resulting in heavier responsibilities and greater challenges for the Disciplined Services. Along with globalisation, cross-border crimes have increased, requests for mutual legal assistance process are more prevalent, and better co-ordination with international authorities is necessary. Changing family structure, evolving demographic profile and advance in technology have brought new challenges to the areas of child abuse, money laundering, domestic violence and technology and computer crime.

- (d) *Civil service* : The civil service as a whole has encountered major challenges. Cost savings exercises such as the Enhanced Productivity Programme, containing the size of the civil service and the recruitment freeze had an impact on manpower resources, succession planning and morale. The Disciplined Services have to cope with rising service demands with more stringent resources through process re-engineering, re-organisation and other new initiatives. Apart from resource management, the Government has launched public sector reforms to modernise and improve administration, including the Serving the Community Programme, the Performance Pledge Programme, the Code on Access to Information and the codes of practice on protection of personal data privacy. Frontline staff have to bear the brunt of a series of changes.

2.12 To cope with these new challenges, the disciplined services staff have to constantly upgrade their skills and undertake new and expanded functions, sometimes with no corresponding

increase in resources. Their success in rising to these challenges has won them the recognition of the local community and acclaim on the international arena. Credit should go to the unfailing hard work, dedication and professionalism of the staff and the exemplary leadership of their management.

2.13 It should, however, be noted that many of the changes and challenges facing the Disciplined Services have emerged in step with globalisation and the transformation of Hong Kong into an international metropolitan city and financial centre. The Disciplined Services are not alone in experiencing the changes. These developments also impact on the work of different grades and ranks, Disciplined Services and civilians alike, to varying degrees. Whilst wider use of technology and more efficient deployment of resources have helped in coping with these challenges, these new developments have undeniably added to the scope, complexity and stress of the work of the Disciplined Services.

Chapter 3

Common Issues

3.1 Before we go to the detailed analysis on the seven Disciplined Services in Chapters 4 to 10, we set out in this Chapter our views and recommendations on a few common issues that concern all or most of the Disciplined Services.

Entry Pay and Qualifications

Entry Pay

3.2 During the GSR, we have received many requests for increasing the entry pay of disciplined services grades. Different arguments have been put forward to support these requests: to improve recruitment and retention, to achieve pay parity with similar ranks and to maintain a specified pay lead over certain grades. Our starting point is to focus on the Government's pay policy to offer sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with an effective and efficient service. Having examined the recruitment situation of the entry ranks of the Disciplined Services, we notice that none of these entry ranks has recruitment difficulties. The number of applications far exceeds the number of vacancies, and the Disciplined Services are all able to identify sufficient candidates for appointment. A closer look at the profile of the new recruits reveals that the Disciplined Services are able to attract recruits with qualifications above the entry requirements.

3.3 We appreciate that the recruitment and retention situation may vary, depending on the overall economic performance and employment market of Hong Kong at different times. However, statistics from the Departments consistently show that there has been no recruitment difficulty in the disciplined services grades in recent years.

3.4 We note arguments in some quarters that the level of entry pay (and the pay for all ranks) of the Disciplined Services should be set on a par with, or at a certain relativity above, ranks with comparable entry qualifications so as to recognise the job factors and special factors of the Disciplined Services. As mentioned in Chapter 1, the pay of the Disciplined Services should be determined taking into account all relevant considerations, including the job factors and special factors in their totality using an averaging approach. The current levels of entry pay basically reflect the job nature of the Disciplined Services. As the Disciplined Services are able to attract people of suitable calibre at the current entry pay, we do not see any need for adjustment and we recommend that the entry pay should be maintained at the current level. (**Recommendation 3.1**)

Entry Qualifications

3.5 Another common request from the Disciplined Services is to raise the entry qualifications of certain grades. These proposals are in three main forms: to raise the benchmark entry qualifications; to remove current sub-entry points below the benchmark entry qualifications; and to introduce multiple entry points for higher qualifications in the Rank and File grades. Their major arguments are that the scope and complexity of jobs in the Disciplined Services have grown tremendously in the last two decades. Raising the qualifications would attract candidates with higher qualifications and recognise the higher intellectual capacity and academic ability required of new recruits to undertake the heavier responsibilities.

Qualification Benchmarks

3.6 The concept of qualification benchmark system has its origin dating back to the 1970s, and has formed an important basis of the civil service pay system. At present, civil service salaries at the entry level are set having regard primarily to academic qualifications and the entry pay for comparable academic qualifications in the private sector. The different entry ranks in the civilian grades are grouped into 12 broadbanded academic Qualification Groups (QGs). For each QG, there is one (or two) benchmark pay, which is set having regard to the entry pay in the private sector for similar academic qualification as determined through a Starting Salaries Survey (SSS). When the benchmark pay of a QG is determined, the

starting salaries of the civil service grades in that particular QG are set on a par with, one or more points higher than (where justified for reasons of special job requirements or recruitment difficulties), or one or more points lower than (for example in the case of assistant ranks for professional grades), the said benchmark.

3.7 Whilst the QG system is the cornerstone of the current civil service pay system, it has always been recognised that academic qualifications could not be the only factor in setting pay levels. This is particularly evident in the case of the Disciplined Services, as “...formal educational qualifications, while important for ensuring a satisfactory standard of recruits both to the Rank and File and to the Officer ranks, are nevertheless a secondary consideration in setting the overall pay scales for the Disciplined Services”⁷. Indeed, determination of pay for the Disciplined Services is based on best judgment having regard to all relevant factors, including entry qualifications. Because of the uniqueness of the Disciplined Services, the Officer grades allow multiple entry arrangements and are open to candidates with different academic qualifications. Strictly speaking, the QG system is not directly applicable to the Disciplined Services. It is in the context of the application of an SSS that reference is made against specific QGs. The SSS is conducted for non-directorate civilian grades, and their starting salaries are adjusted based on the SSS results according to their QGs. As it is necessary to devise a practical formula for applying the SSS results to the recruitment ranks in the Disciplined Services, reference is made to a QG so that a link can be established for this purpose.

3.8 For the purpose of applying the results of the SSS in 1999 and 2006, QG7 (matriculation or 2A3O) and QG2 (five passes in the Hong Kong Certificate of Education Examination (HKCEE)) were adopted as the reference benchmarks for the Officer grades and Rank and File grades of the Disciplined Services respectively.

Raising Entry Qualifications

3.9 We have received proposals to raise the present reference qualification benchmarks of six grades in the Officer cadre from matriculation to degree level, namely the ranks of Ambulance Officer,

⁷ Paragraph 6.10, Standing Commission on Civil Service Salaries and Conditions of Service Report No. 2 (1979); First Report on Civil Service Pay.

Commission Against Corruption Officer (Lower), Immigration Officer, Inspector of Customs and Excise, Inspector of Police and Station Officer. In addition, the FSD has also proposed to raise the entry qualification of the recruitment rank of Senior Fireman (Control) (SFn(C)) from school certificate to matriculation level.

3.10 In considering entry requirements, we are guided by the following considerations –

- (a) The minimum entry qualification should not be raised above the level necessary for the competent performance of the job concerned.
- (b) We should be mindful not to debar suitable people from joining the grades as a direct recruit by unnecessarily raising the academic qualification requirements, particularly because the job nature in the Disciplined Services is such that personal qualities like physical fitness, maturity and integrity are no less important than academic qualification.
- (c) As a matter of principle, the entry qualifications for in-service recruits should be on a par with that for open recruitment. This is particularly relevant in the case of the Disciplined Services, which have well-established schemes to identify capable and aspiring officers from the Rank and File grades for appointment to the Officer grades.

3.11 Having examined the situation of each of the Disciplined Services, we note that their recruitment statistics in recent years reflect rising percentages of new recruits with higher qualifications. In some cases, 90% to 100% of the recruits joining the Officer grades through open recruitment are degree-holders. The encouraging response is partly the fruit of the dedicated efforts of the Disciplined Services in promoting their services and corporate image over the years. This trend is also facilitated by an abundant supply of better-qualified candidates, as a result of the continuous development of the education system in Hong Kong. This might also be a reflection of the less favourable employment situation due to the economic downturn and the general recruitment freeze in the civil service a few years ago. It also demonstrates that the current entry

pay levels, coupled with the multiple entry arrangements, have been working well in attracting suitable staff to replenish the disciplined services workforce.

3.12 The profile of the in-service appointees to the Officer ranks presents a different picture. We note that a significant number of those Rank and File officers selected for appointment to the Officer grades do not possess a degree qualification.

3.13 At the macro level, the imminent implementation of the 3-3-4 education system by 2012 would render the matriculation and HKCEE qualifications obsolete for new graduates. We also notice the emergence of many different post-secondary qualifications (e.g. associate degree) and education opportunities beyond matriculation level, as well as the recent implementation of a new Qualification Framework⁸. There are more avenues for continuing education at the post-secondary (including degree) level, resulting in a significant increase in the number and ratio of people with higher qualifications. With the above developments, both the education system and the overall profile of the working population are undergoing fundamental changes with far-reaching implications. This calls for a careful and comprehensive re-assessment of the qualification benchmark system as a whole.

3.14 Balancing various factors, we consider it prudent not to introduce any changes to the present entry qualification arrangements of the Disciplined Services at this juncture. Instead of pursuing changes for the Disciplined Services in a piece-meal manner, we urge the Administration to conduct an overall review of the QG system in the coming years, taking into account all new developments and implications on the civil service and the society as a whole.
(Recommendation 3.2)

3.15 In making the above recommendation, we would also like to put down a marker here. We echo the views of the management and staff that the responsibilities of the Officer grades in the Disciplined Services have grown tremendously in terms of scope and complexity. The Officer cadre is expected to have higher intellectual capacity, leadership, and breadth and depth of knowledge to face the

⁸ The Qualification Framework is a cross-sectoral hierarchy launched in May 2008, covering both academic and vocational qualifications required by various industries.

greater challenges in enforcement duties and to lead the Disciplined Services to deliver world-class services in the years to come. We trust that these factors will be taken into account in considering the appropriate reference benchmark entry qualifications for the ranks in the Disciplined Services.

3.16 We appreciate that the Disciplined Services would be concerned about the implications of the above recommendation on the application of the results of the next SSS scheduled for 2009-10. As in the case of the 1999 and 2006 SSS, the Standing Committee would be pleased to consider this issue in the appropriate context when our advice is sought in this regard.

Removing Sub-entry Level(s)

3.17 We have received proposals to remove sub-entry level(s) below five passes in the HKCEE for six Rank and File grades namely, Ambulanceman (Ambn), Assistant Commission Against Corruption Officer (ACACO), Commission Against Corruption Investigator (Main Stream) (CACI(M)), Customs Officer (CO), Fireman (Fn) and Police Constable (PC). Sub-entry is a special arrangement to allow more flexibility for the Disciplined Services to widen the pool of candidates for recruitment. Since academic qualification is not considered an overriding consideration for recruitment in the Disciplined Services, sub-entry enables the department to recruit candidates whose maturity, aptitude, skills, etc. render them suitable for appointment despite their marginally lower academic qualification. Information on recruitment exercises in the Rank and File grades in recent years show very few intakes of this category. Furthermore, new programmes such as Project Yi Jin have emerged to provide ready avenues for able and aspiring people to obtain qualifications equivalent to five passes in the HKCEE. The usefulness of sub-entry levels has therefore diminished. Indeed, these proposals are consistent with similar initiatives to delete lower entry qualifications during the past two decades. As this proposal has no bearing on, or interface with, the macro developments mentioned in paragraph 3.13, we are open to the requests for removing sub-entry level(s) for the six Rank and File grades. **(Recommendation 3.3)**

Multiple Entry Points for Higher Qualifications

3.18 We have also received requests for introducing multiple entry points for higher qualifications (e.g. matriculation and degree levels) for six Rank and File grades, namely Ambn, CO, Fn, Immigration Assistant (IA), PC and SFn(C). We note that recruitment statistics for these Rank and File grades in recent years reflect rising percentages of new recruits with higher qualifications, for similar reasons highlighted in paragraph 3.11.

3.19 For the Rank and File grades, we would like to put down words of concern. As a matter of principle, the rate for a job should be set on the basis of the job weight, working conditions and other relevant factors. The salary should not be set above the level necessary for the competent performance of the job concerned, purely to recognise higher qualification of the job-holder. The arrangement of multiple entry above reference entry qualifications for the Officer grades was designed to widen the pool of candidates for appointment. At the Rank and File level, recruitment statistics show that there is no lack of supply of candidates based on the prevailing entry requirements and pay. Furthermore, the Disciplined Services are generally content with the current demarcation between the Officer cadre and the Rank and File cadre. The two groups have distinct roles and are expected to have different competencies and skill sets. The proposal to introduce multiple entry points for matriculation and degree levels for the Rank and File grades would render the two groups less distinct. From human resource management perspectives, it is also prudent to resist the temptation to recruit over-qualified candidates whose expectations might be higher than what their grades can offer in terms of job satisfaction and career progression, as this might have negative impact on staff morale and retention in the medium to long term. This risk is reflected in recent statistics which show that early wastage in the Disciplined Services, particularly for the Rank and File grades, are predominantly those recruits with qualifications above the entry requirements.

3.20 In addition to the above considerations, we are also mindful of the macro developments as mentioned in paragraph 3.13, which would render the HKCEE and matriculation qualifications obsolescent. Having considered all factors, we are unable to support the proposals to add multiple entry points for higher qualifications for the Rank and File grades. **(Recommendation 3.4)**

Special Increments

Long Service Increments

3.21 Long Service Increments (LSI) are increments added beyond the top of a rank scale and payable after a specified long period of service. First introduced in 1959, they are a unique feature in the Disciplined Services, designed to recognise the service of capable, loyal and long serving officers who have to remain at the first ranks of the Rank and File grades. The latter phenomenon is largely rooted in the special command structures in the Disciplined Services, which render a significant portion of these officers unlikely to have promotion beyond the first rank despite long and meritorious service. At present, two LSI, one each payable upon completion of 18 years and 25 years of satisfactory service are available to six basic ranks of the Rank and File grades in the Disciplined Services, namely the Assistant Officer II (AO II), Ambn, CO, Fn, IA and PC ranks.

3.22 We have received submissions proposing additional LSI or extension to other grades/ranks, to tackle retention and career progression issues as well as to provide recognition and motivation for long serving officers.

3.23 In the GSR, we have reviewed the retention, morale and career progression of all the grades and ranks. As evident in the written submissions and exchanges with frontline staff and the management, there is a universal concern on the less-than-satisfactory career progression in the Rank and File grades. Because of the command structure, most Rank and File officers have to retire at the basic ranks for want of promotion opportunities. At present, they reach the maximum of the pay scale after seven to eight years given the existing incremental jumps in the ranks (paragraph 3.25 below). They have to complete 18 years of service to receive the first LSI and 25 years of service to receive the other one, subject to satisfactory performance. There is also the concern that, with the replacement of pension benefits by the Civil Service Provident Fund for officers appointed after June 2000, more officers with ten or more years of service might choose to explore employment opportunities elsewhere after taking the portable retirement benefits, resulting in potential retention problems.

3.24 Having revisited the objectives and rationale of awarding LSI, we agree that LSI is an effective motivation tool in sustaining morale. Taking into account the training investment involved and the staff's valuable solid experience, we consider it justified and important to provide timed incentives, through the award of LSI, to recognise the continued satisfactory service of the Rank and File frontline staff and motivate these experienced officers to continue to offer their best in their long careers at the base of the disciplined services hierarchies. We recommend that an LSI be added upon completion of 12 years of service, around half way between the time when an officer reaches the maximum pay point and the current LSI after year 18. We further propose to advance the existing LSI from year 25 to year 24 and add another one in year 30. With these proposals, the number of LSI will be increased from two to four for the six Rank and File basic ranks, one each to be awarded upon satisfactory completion of 12, 18, 24 and 30 years of service. As with current practices, the grant of LSI will continue to be based on merit as represented by the satisfactory completion of the specified years of service and other relevant criteria. (**Recommendation 3.5**)

Incremental Jumps

3.25 Another unique type of special increments in the Disciplined Services is incremental jumps. Incremental jumps aim to alleviate recruitment and retention problems, minimise early career wastage, retain experienced hands and recognise the staff in achieving a significant milestone in the career. At present, incremental jumps are available in specific ranks in most of the Disciplined Services. They include incremental jumps awarded on passing out⁹, completion of the first/second year of service¹⁰, passing relevant qualifying examination for promotion in the Rank and File first tier ranks with

⁹ PC will receive one incremental jump on passing out from the Police College.

¹⁰ For the Rank and File (first tier), PC will receive one incremental jump after completion of 12 months of service and another incremental jump after a further 12 months of service, whereas AO II, Fn, Ambn, CO, IA will receive one incremental jump on completion of 12 months of service. For the Officer grades (first tier), Police Inspectors at present receive two incremental jumps after completion of 12 month of service followed by one incremental jump at the end of second year of service, whereas Correctional Services Officers and Industrial Officers, Customs and Excise Inspectors, Station Officers, Ambulance Officers and Immigration Officers receive one incremental jump on completion of 12 months of service.

not less than five years of service¹¹, or attaining specific technical qualifications.

3.26 In examining the proposals for introducing additional incremental jumps, we are mindful that incremental jumps are awarded for specific reasons and are not generally available to all recruitment ranks in the Disciplined Services. Hence, they cannot be claimed as a matter of right. Indeed, the continued existence of the incremental jumps should be kept under review to see whether the circumstances have changed such that the original reasons for their introduction are no longer valid. We are also conscious that while incremental jumps may relieve wastage in early years, they will accelerate the time taken for officers to reach the maximum point of the pay scale and hence generate morale issues later. A fine balance has to be struck.

3.27 For the Rank and File grades, we support granting one incremental jump to the recruitment ranks of CO and SFn(C) on completion of not less than five years of service in the rank and having passed the qualifying examination for promotion. This is in line with the same arrangement for Ambn, AO II, Fn and PC ranks as recommended by the Rennie Review back in 1988 (**Recommendation 3.6**). In the case of the IA rank which currently does not have promotion examination, we are open to extending the same arrangement and would revisit this when a case is made to us in the future.

3.28 Other recommendations on incremental jumps in respect of the Officer grades or specific ranks in the Government Flying Service and the ICAC are covered in Chapters 7 and 10 respectively.

Through Scale

3.29 Through scale is one of the most widely discussed issues in the GSR. Under through scale arrangements, officers in a junior rank will immediately advance to the next higher rank upon passing the qualifying examination for promotion and having completed a

¹¹ Ambn, AO II, Fn and PC in the Rank and File grades will receive one incremental jump on completion of five years of service and passing the relevant qualifying examination for promotion.

specified period of in-rank service. As the establishment of the two ranks is combined and inter-changeable, advancement is not subject to availability of established posts or vacancies in the higher rank. Furthermore, the rank scale of the junior rank is structured in such a way to cover the whole rank scale of the senior rank. In other words, those officers in the junior rank not having passed the promotion examination can still progress along the long pay scale and reach the same maximum pay point for the senior rank, although at a slower pace when compared to those who enjoy immediate advancement after passing the examination.

3.30 In the civil service, through scale arrangement is an exception rather than the rule. In the civilian grades, it mostly exists in grades with Student, Trainee and assistant professional ranks where there is a conscious policy and practical need to attract people at an early stage, with a view to retaining them when they have acquired the technical or professional qualifications to deliver the full range of duties at the higher level. The junior rank is normally a transitional stage, and their continued stay in the grade will hinge on the officers' ability to pass/obtain the requisite training or qualifications. Furthermore, it is common to have direct recruitment to the second rank.

3.31 In the case of the Disciplined Services, through scale arrangement was introduced, for unique historical reasons, to the Senior Inspector/Inspector (SIP/IP) ranks of the Police Force in 1971, having regard to the staff profile and prevailing circumstances at the time. It was later extended to two other Officer grades, namely the Senior Station Officer/Station Officer (SStnO/StnO) ranks of the FSD and the Commission Against Corruption Officer (Middle/Lower) (CACO(M/L)) ranks of the ICAC.

3.32 We appreciate the sentiments behind the strong requests in seeking extension of through scale to the Correctional Services, the Customs and Excise, the Immigration and the Fire Services' Ambulance Stream, primarily on claims of parity and arguments that such would bring benefits to staff morale and succession in the long run.

3.33 Whilst noting these sentiments, the through scale arrangements for the three disciplined services grades were introduced for historical reasons which were no longer relevant nowadays with the lapse of time and changed circumstances. As a matter of principle, the roles and responsibilities of each rank should be clearly defined, and the posts for each rank should be established based on functional justifications. Advancement or promotion from one rank to another rank should be founded on merit and functional needs. The remuneration level of the two ranks should be commensurate with their different levels of responsibilities.

3.34 We have carefully examined the command structure as well as the roles and responsibilities of the first two ranks of the Officer grades and observe distinct functional differences between the two levels. The second tier officers are required to deliver a wider range of complex functions. Indeed, the voluminous training materials and rigorous examinations of the Disciplined Services point to the fact that the second tier officers are expected to possess a higher level of competence and leadership, and greater breadth and depth of knowledge, in handling more complex situations.

3.35 We noted the Rennie Committee's view that the through scale arrangement should not be extended to other Disciplined Services.¹² We echo this view. **(Recommendation 3.7)**

3.36 The through scale arrangement has already existed in the three grades for decades, and any change should be considered with caution. As a longer-term objective, we encourage the relevant departments to review those grades with through scale arrangements to explore the possibility of having clear demarcation of the ranking of the posts based on functional needs. This would bring the arrangement more aligned with human resource practices, meritocracy in particular.

3.37 We have explored ways to refine the current arrangement to better reflect meritocracy and functional differentiation. In this connection, we are encouraged to note the initiative and leadership of the ICAC management and its staff in proposing refinements to their through scale to foster a stronger sense of meritocracy and good

¹² Paragraph 5.19, Review Committee on Disciplined Services Pay and Conditions of Service, Final Report (October 1988) (commonly known as the Rennie Review Final Report).

governance within the Commission. Building on their initiatives, we support that for those ranks with through scale, there should be a distinction in pay between officers who pass the qualifying examination for promotion and those who do not. To this effect, we recommend that the pay scale of the IP, StnO and CACO(L) ranks be re-structured with their maximum pay point capped below the rank scale of their second tier. Only officers who have passed the promotion examination and fulfilled the requisite in-rank service requirement can advance to the pay scale of the second tier under the through scale. In other words, those who have yet to pass the qualifying examination for promotion shall remain on the re-structured pay scale of the tier one rank. The proposed change is in line with the principle of meritocracy while retaining the element of “combined establishment” in the through scale. In view of reasonable expectations of serving staff, we recommend that grandfathering arrangement be made in implementation. **(Recommendation 3.8)**

3.38 As for those Officer grades without through scale arrangement (i.e. the first tier ranks of Officer and Industrial Officer of the Correctional Services, Inspector of Customs & Excise, Ambulance Officer and Immigration Officer), we note the strong sentiments and serious concern on their career progression. To recognise and motivate competent officers in their mid-career, we recommend granting two additional incremental jumps to these officers. Officers in these ranks who have passed the qualifying examination for promotion will be eligible for one incremental jump each upon completion of five years and eight years of service in the rank respectively. **(Recommendation 3.9)**

Job-Related Allowances

3.39 Job-related allowances (JRAs) are additional payments to compensate staff for aspects of their work which are not normally expected of a particular grade or rank and which have not been taken into account in the determination of the pay scales of the relevant grade and rank. JRAs are only payable when justified on operational grounds and subject to a set of governing principles.

3.40 The Administration completed a comprehensive review of the JRAs in October 2007 after lengthy consultation with the management and staff, and the recommendations were supported by the Standing Committee. Against this background, it is the intention that the GSR would not cover the various JRAs unless it is absolutely necessary. Nonetheless, a few important issues concerning individual allowances have come to our attention which we consider necessary to revisit in the context of the Review. Our observations are set out in the following paragraphs.

Diving Allowance

3.41 At present, the C&ED, FSD and Police Force have diving teams in support of their enforcement and rescue operations. In the case of the FSD, it has taken over the responsibilities of diving and rescue operations in Hong Kong from the military since 1997, and it is now required to dive up to a depth of 42 metres. Diving work covers a range of cases, including underwater search and rescue, submerged vessels and vehicles, flooded buildings, wells and caissons, sewer and drains. Given the demanding nature of diving duties, divers must pass physical and medical examinations and undergo rigorous training on a continuous basis. Diving duties invariably involve adverse working environment with poor visibility in all-weather conditions, exposure to danger and health hazard, particularly due to rapid water currents and pollution in recent years. We received representations that the current levels of JRA for diving duties were insufficient to recognise the increased hardship, workload and complexity of such duties or to attract sufficient people of suitable calibre to join the diving teams. Having considered these requests, we recommend enhancing the rates of the Diving Allowance to recognise the risk involved, the professional competence required and the strenuous physical demand of diving duties. We propose that the Level 1 Diving Allowance be increased from 5% (\$674) to 6% (\$809) of GDS(R) 1 and the Level 2 Diving Allowance from 10% (\$1,348) to 15% (\$2,022) of GDS(R) 1. The above recommendations on Diving Allowance are applicable to officers in the C&ED, FSD and Police Force performing diving duties. (**Recommendation 3.10**)

New Allowance for Undercover Duties

3.42 In reviewing written submissions and meetings with the staff, it is apparent to us that undercover duty is a necessary and useful part of detective duties that warrants exceptional recognition. Officers performing undercover duties are directed under an authorised investigation to use false identities to infiltrate a criminal syndicate in order to collect intelligence and secure necessary and sufficient evidence leading to arrest and prosecution of criminals. These duties involve concealment of identities, close association with criminals, long and irregular hours and social segregation, resulting in exceptional stress, danger, risk to personal safety and hardship to the staff concerned. These duties are not part of the normal duties expected of all officers, and are performed by selected officers with suitable attributes and skills. In recognition of the unique factors, we recommend that a new JRA be introduced for undercover duties. We consider it appropriate to set the new JRA at the rate of 18% of PPS 1 (\$2,824), which is the prevailing highest rate among the existing JRAs. At present, the Police Force has the most undercover operations among the Disciplined Services. The new allowance should cover staff up to the Chief Inspector of Police rank performing undercover duties for a period of not less than 30 days, and staff in equivalent ranks in the Disciplined Services who are required to perform undercover duties, notably in the Customs and Excise, Immigration and ICAC, should also be eligible for the allowance if they meet the payment criteria. We leave it to the Administration to work out the appropriate accounting arrangements in consultation with the relevant Disciplined Services, bearing in mind the importance of maintaining the confidentiality of such operations and protecting the safety of the officers concerned. (**Recommendation 3.11**)

Detective Allowance

3.43 In exploring the case for introducing a new JRA on undercover duties, we have also looked into the existing Detective Allowance, which serves to compensate, or more accurately to “reimburse”, the staff on small frequent out-of-pocket expenditure¹³ incurred in delivering detective duties, such as entertainment and travelling. The Detective Allowance was covered in the

¹³ Staff in receipt of the Detective Allowance can also claim reimbursement if the amount of the claim for each occasion exceeds the prescribed thresholds.

Administration's comprehensive review on JRAs and we agree that its ambit, purpose, rate, adjustment mechanism etc. should be maintained. Nevertheless, we see scope for further improvement in that the frequency of rate adjustment could be increased from once every two years to annually in order to maintain its adequacy in the current fast-changing economic climate. Also, the name of the Detective Allowance should be suitably revised to better reflect its nature. **(Recommendation 3.12)**

Conditioned Hours

3.44 It is a long-standing principle that the entire time of public officers is at the disposal of the Government, and this principle is reflected in Civil Service Regulation (CSR) 545¹⁴ and the terms of appointment. "Conditioned hours" are defined as hours of duty which salary is calculated to cover and the hours which must be worked before overtime work is counted for. Conditioned hours may be expressed as gross (i.e. including lunch breaks) or net (i.e. excluding lunch breaks).

3.45 At present, roughly half of the civil servants are conditioned to work 44 hours gross per week, whilst many others are working 45 hours net or 48 hours gross per week. There are no standard conditioned hours across the civil service. Any direct comparison of conditioned hours is not appropriate, as it is also necessary to take into account the operational nature of different grades, including the intensity of efforts during the conditioned hours.

3.46 The conditioned hours for members of the Disciplined Services are governed by their operational needs and are determined in relation to the total responsibilities of each Service, its complement, and the actual manpower situation at any time. The conditioned hours for the Disciplined Services vary as summarised in *Table 3.1*.

¹⁴ CSR 545 provides that "with the exception of officers whose terms of service provide otherwise, the entire time of public officers is at the disposal of the Government and it is within the discretion of a Head of Department (or a senior officer nominated by him personally) to require the attendance of his staff on such days and for such hours as he considers necessary."

Table 3.1: Conditioned hours of work in the Disciplined Services

Department	Present Conditioned Hours	
Correctional Services	49 hours gross	
Customs and Excise	51 hours gross	
Fire Services	Fireman / Station Officer grades (Operational / Marine Stream)	54 hours gross
	Fireman / Station Officer grades (Control Stream)	48 hours gross
	Ambulanceman grade	48 hours gross
	Ambulance Officer grade	44 hours gross
Government Flying Service	44 hours gross	
Immigration	44 hours gross	
ICAC	44 hours gross	
Police Force	48 hours gross	

3.47 Over the years, the Standing Committee has considered proposals to reduce conditioned hours of certain disciplined services grades. These proposals have been approved subject to the fulfillment of three pre-requisites: being cost-neutral, not involving additional manpower, and maintaining the same level of service to the public. As we shall elaborate in subsequent Chapters, we would adhere to these three parameters in considering requests for reduction in conditioned hours for individual departments or grades.

General Disciplined Services Pay Scales

3.48 There are requests in some of the GSR submissions that the present separate Rank and File, Officer and Commander Pay Scales of the General Disciplined Services applicable to the five Disciplined Services other than the Police and the ICAC, viz. GDS(R), GDS(O) and GDS(C), should be merged into one single pay scale. There are also voices for re-calibrating the GDS(R) Pay Scale for bigger increments.

3.49 We have studied the matter, taking account of the history and existing features of the various pay scales in the Disciplined

Services, including the PPS and IPS in addition to the GDS Pay Scales. The three GDS Pay Scales are premised on the command structure of the Disciplined Services. With a separate scale for each of the three tiers, i.e. Commander, Officer and Rank and File grades, the Pay Scales are set to suit the structure, career progression and uniqueness of the respective tiers. There is an overlapping area between the top region of the GDS(R) and the lower region of the GDS(O) Pay Scales to recognise the experience level and contribution of senior Rank and File officers (vis-à-vis junior members of the Officer cadre). The Pay Scales have been functioning well and we do not see strong reasons for any change. (**Recommendation 3.13**)

Medical Benefits

3.50 During our exchange sessions with the staff, particularly with the frontline staff, it is evident to us that there are grave concerns in the Disciplined Services on the current provision of civil service medical and dental benefits. Apart from a common perception that the services are inadequate and deteriorating, many in the Disciplined Services consider they are hardest hit because of their higher risks of fatality, injury and chronic medical problems incurred on duty. The staff are particularly dissatisfied that colleagues injured on duty are not given adequate priority treatment and some have to resort to private medical services and hence bear high medical insurance premiums or bills as a result. We are sympathetic to the staff's sentiments and feel obliged to bring the matter to the attention of the Administration for suitable action.

3.51 Whilst we note that the Administration has been spending much effort in sustaining and improving the service level of civil service medical benefits, as evidenced by the increasing annual expenditure¹⁵ and new initiatives, the existing provision is unable to meet the demand. We consider that the Administration should pay special attention to medical services for staff injured on duty. As an employer, the Administration has a heavier responsibility and obligation towards its employees injured on duty, on top of its role as

¹⁵ According to a Paper of the Legislative Council Panel on Public Service in May 2008, the Administration's provision for civil service medical benefits (under the Department of Health's relevant programme area) in 2008-09 is \$581.7 million, representing over 10% increase over the previous year's provision.

the overall public healthcare provider for the community as a whole. It is important for the Administration to lead by example as a caring employer who values its staff. We therefore strongly urge the Administration to consider making special provisions to cater for the need of colleagues injured on duty, by capitalising on the current review on healthcare financing and other initiatives.

3.52 Reforming the healthcare system is a long-term and mammoth task. As such, practicable interim measures should be introduced for prompt enhancement of medical care for staff injured on duty. Initial ideas for further thought may include (but are not limited to) administrative arrangements to accord priority in public hospitals and clinics to staff injured on duty (particularly in relation to their follow-up treatment), or arrange tailor-made group medical insurance coverage to underwrite medical treatment for these staff. **(Recommendation 3.14)**

Retirement Age

3.53 We notice some concerns on retirement related issues, mainly requests for extending the prescribed retirement age¹⁶ in the Disciplined Services and additional provisions for voluntary early retirement for individual ranks.

3.54 It is a conscious policy that in view of the physical demands of the jobs, specific earlier retirement age with enhancement factors in the respective retirement benefits have been prescribed for different ranks in the Disciplined Services. The authority to prescribe retirement age for non-directorate ranks rests with the respective Heads of Disciplined Services, or the Administration in the case of directorate ranks. In view of the requests, we encourage the authorities to review, if considered appropriate and necessary, the prescribed retirement age, having regard to all relevant factors, including operational needs, changing nature of the jobs, life

¹⁶ Normal retirement age for directorate officers in the Disciplined Services is prescribed at age 57, or 55 for some specific ranks at the base of the directorate cadre (save for those serving under the Old Pension Scheme of which the normal retirement age for all civil servants is 55). Officers on normal retirement at the prescribed age in the Disciplined Services is entitled to enhanced pension benefits in view of the shorter length of maximum pensionable service attainable.

expectancy of people, as well as possible implications on promotion opportunities.

3.55 As regards additional provisions for voluntary early retirement, we do not find the proposal justified. There are already special provisions in the various retirement legislation/system for premature retirement of Disciplined Services staff (a fact also related to operational requirements) and any change will involve significant implications on pension benefits service-wide as well as impact on retention of expertise in the Disciplined Services.

3.56 Also, there is no conclusive evidence that premature retirement in the Disciplined Services is serious or unusual when compared with major grades in the civil service. After all, early retirement is a personal choice. While the Disciplined Services have no recruitment difficulty in replenishing a sustainable workforce, they should also embark on more proactive succession planning for early identification and grooming of high quality staff for advancement.

3.57 Overall, we do not see any need for the GSR to recommend changes on retirement issues in respect of the Disciplined Services.

Implementation and Conversion

3.58 There are requests that the GSR recommendations should take retrospective effect. There are also concerns about conversion arrangement. In this respect, we defer it to the Administration to work out the implementation details, having regard to all relevant factors, including prevailing policies and conversion rules, precedent cases, any special circumstances of the Disciplined Services. The matter involves complicated issues, such as eligibility for housing and fringe benefits. In any case, no officer should receive less pay or become worse off on conversion. Similarly, in introducing new measures, we are open-minded on the need for grandfathering arrangement where it is considered appropriate and necessary.

Regular Grade Structure Reviews

3.59 During our meetings with the Disciplined Services, we have been told from time to time that they have waited for 20 years for this GSR, and they have no idea when the next one would take place. We share the view of the staff that the gap is too long given the fast evolving changes in the past two decades. The long gap has heightened staff expectations on the current GSR. Looking to the future, we strongly advise that the Administration should initiate timely grade reviews on the Disciplined Services at regular intervals in tandem with relevant developments on various fronts.

3.60 The Chief Executive-in-Council has already endorsed an improved civil service pay adjustment mechanism including, among other things, the conduct of a Pay Level Survey every six years for the civilian grades. As mentioned in Chapter 1, we believe that the Disciplined Services are a unique group without ready comparators in the private sector and civilian grades. We therefore consider it reasonable to put in place a system for reviewing the Disciplined Services' grade structure and pay levels on a regular basis to ensure that their remuneration continues to be sufficient to attract, recruit, retain and motivate people of suitable calibre. It is therefore not unreasonable to carry out a regular review say, around every six years or so. (**Recommendation 3.15**)

Chapter 4

Correctional Services Department

Overview

Role of Correctional Services Department

4.1 The Hong Kong Correctional Services has a long history dating back to 1841 when the first prison in Hong Kong, the Victoria Gaol, was set up. The prison was under the charge of the then Chief Magistrate of Hong Kong, who was also in charge of the Police and the Gaol. The prison system was separated from the Police to become an independent authority in 1879. In 1982, the Prisons Department was formally renamed as the Correctional Services Department to reflect the expanding programme of activities and emphasis on rehabilitation of offenders.

4.2 As an integral part of the Hong Kong criminal justice system, the CSD carries out its functions in accordance with the Prisons Ordinance (Cap. 234). The CSD provides a safe, secure, decent and humane environment for the detention of persons committed to its custody, and facilitates their return to the community as law-abiding citizens through comprehensive rehabilitative services. Thanks to the dedication and hard work of the CSD, Hong Kong has developed an internationally acclaimed correctional system, which places increasing emphasis on correction and rehabilitation of offenders.

Organisation Structure

4.3 The Commissioner of Correctional Services, the head of the CSD, is underpinned by one Deputy Commissioner with the support of four Assistant Commissioners, one Civil Secretary (a civilian post), two Chief Superintendents and one General Manager (Correctional Services Industries) (CSI) at the directorate level. The Department has five divisions, each responsible for specific areas of work –

- (a) *the Operations Division* manages 23 correctional institutions, three half-way houses, four rehabilitation centres, two custodial wards in public hospitals and one centre for immigration detainees;
- (b) *the Quality Assurance Division* focuses on implementation of ordinances, rules and regulations; eradication of illicit activities inside institutions (such as crackdowns on gambling among prisoners and interception of drugs); and investigation of complaints;
- (c) *the Rehabilitation Division* coordinates the delivery of rehabilitative services (pre-sentence assessment, welfare and counselling, psychological, education and vocational training services etc.) and fosters community support for offender rehabilitation;
- (d) *the Human Resource Division* takes charge of the management of the Department's human resources; and
- (e) *the Administration, Personnel and Planning Division* provides a wide range of support services to the Department and the institutions, including information technology and public relations.

Staffing

4.4 As at 1 January 2008, the Department had an establishment of 6 622 posts. Of these, 5 940 posts (including nine directorate posts) were on Disciplined Services grades and ranks, comprising 4 817 (81%) posts of Rank and File grades and 1 123 (19%) posts of Officer grades. Around 90% of the staff work in the correctional institutions, i.e. the Operations Division, as shown in *Table 4.1*.

Table 4.1: Distribution of CSD non-directorate posts as at 1 January 2008

Division	Rank & File Grades		Officer Grades			Total
	Assistant Officer	Instructor	Officer/ Superintendent	Industrial Officer	Technical Instructor	
Operations	4 425 (95.2%)	171 (100%)	678 (71.6%)	40 (71.4%)	111 (100%)	5 425 (91.5%)
Quality Assurance	114 (2.4%)	-	44 (4.6%)	-	-	158 (2.7%)
Rehabilitation	102 (2.2%)	-	155 (16.4%)	-	-	257 (4.3%)
Human Resource	3 (0.1%)	-	11 (1.2%)	-	-	14 (0.2%)
Administration, Personnel and Planning	2 (0.1%)	-	59 (6.2%)	16 (28.6%)	-	77 (1.3%)
Total	4 646 (100%)	171 (100%)	947 (100%)	56 (100%)	111 (100%)	5 931 (100%)

Grade and Rank Structure

4.5 There are altogether 18 ranks in the CSD disciplined services hierarchy and they are remunerated on the General Disciplined Services Pay Scales. Details of their rank structures and existing pay scales are set out at **Appendix 6**.

4.6 Custodial duties in maintaining the discipline, cleanliness and security of inmates are carried out by the Assistant Officer grade and the Officer/Superintendent of Correctional Services grade. The Chief Superintendent rank at GDS(C) 1 was created in 1993, mainly to oversee the operation of two major maximum security penal institutions.

4.7 Duties on the CSI front are delivered by three disciplined services grades headed by the directorate rank of General Manager (Correctional Services Industries) at GDS(C) 1 level. Both the Instructor (Inst) and Technical Instructor (TI) are one-rank grades and are supervised by the Industrial Officer grade, although Inst on some occasions are under the supervision of TI in charge of smaller workshops.

Relevant Considerations

Job Factors and Special Factors

4.8 We have examined the job factors and special factors in regard to the Correctional Services grades and ranks. As with others in the Disciplined Services, the Correctional Services have their own characteristics, including but are not limited to the following –

- (a) Correctional Services staff manage a penal population coming from all strata in the society, being detained involuntarily in correctional institutions of different security levels (including six maximum security institutions). Their work involves close contact with prisoners, with inherent danger and stress from the threat of violence and handling of inmates, some with infectious diseases, psychiatric problems and complicated background. Officers must be alert at all times whilst on duty to make correct and timely decisions, and to deal with a variety of irregularities, unpredictable or even violent situations including possible disturbances inside the institutions. They have to handle obnoxious tasks such as stool monitoring and faecal searches against suspected drug abuse.
- (b) Demand on physical fitness of the staff is high because they have to cope with frequent outdoor and patrol duties, as well as long hours of standing throughout the shift period.
- (c) All Correctional Services staff have to perform shift duties and their conditioned working hours are 49 per week, and they are subject to on-call and standby duties. To ensure round-the-clock operation, the CSD's shift pattern and rotation system entail frequent overnight shifts, varying day-off and irregular meal time. At present, only about 5% of the staff work are on a five-day week pattern.
- (d) Correctional institutions are aging, with harsh and restrictive environment, often overcrowded, and many are located in remote areas (only five are in urban areas).

Changes Since Last Reviews

4.9 In tandem with the developments in Hong Kong, the Correctional Services have experienced many changes and encountered new challenges over the years. Some of the more notable changes presented in the CSD submissions are summarised below –

- (a) *Prison overcrowding and outdated facilities* : In 2007, the 23 correctional institutions housed an average daily number of 9 987 prisoners, representing an occupancy rate of over 102%. There is in particular severe overcrowding in female institutions as well as reception centres. Nine of the institutions are more than 40 years old and eight not purpose-built.
- (b) *New challenges in control of illicit activities in penal institutions* : Risks and frequencies of illicit activities in the correctional institutions have heightened with advancement in technology and expanded penal population. The rising trends of soccer gambling and abuse of psychotropic drugs amongst the penal population necessitate the introduction of new detection measures such as new dangerous drugs detection equipment and urine test methods. Composition of the penal population has also changed with an increasing number of offenders from the Mainland and South Asia, resulting in greater challenges in handling language and cultural differences. Intelligence networks have been strengthened in the correctional institutions, and more than 200 special search operations to combat gambling activities and possession of contrabands have been conducted in the past two years.
- (c) *Rehabilitation and quality enhancement* : In the past 20 years, the CSD has undergone major transformation in work priorities in response to changing needs and new developments. Of particular importance is the shift from primarily custodial service to greater emphasis on rehabilitation of offenders to enable them to become

law-abiding citizens. Four pieces of new legislation have been introduced adding six different correctional programmes for the care and supervision of young offenders and adult prisoners. In addition to custodial and rehabilitative duties inside penal institutions, Correctional Services staff have to handle an increasing number of cases of post-release supervision. With greater emphasis on rehabilitation, the CSD has adopted a two-pronged approach of stepping up its rehabilitative services (e.g. welfare and counselling) and soliciting community support through public education and partnership with non-government organisations and community leaders. Another new development is the upgrading of CSI products. Examples include ISO accreditation of the CSI laundry and sign-making services as well as production of high-end “Gore-Tex”-licensed shoes for the Disciplined Services. The commercial value of goods/services provided by the CSI to public bodies has substantially grown from \$178.7 million in 1988 to \$412.4 million in 2007.

- (d) *Rising expectation on accountability* : The CSD has introduced major improvements to its complaint and redress mechanism. For instance, ISO standards were introduced into the Department’s complaint handling system in 2000, and later to the penal institutions inspection mechanism in 2004. Furthermore, new mandatory requirements consequential to the enactment of legislation, including the Ombudsman Ordinance and the Bill of Rights Ordinance, have resulted in more stringent internal orders and instructions on the Department’s operations. More restrictions are imposed on the Correctional Services staff in undertaking search and intensive surveillance. Staff are subject to greater challenges by inmates and outside bodies using the complaint mechanism, legal and judicial processes to make their cases, resulting in heavier stress and additional work on the Correctional Services staff.

4.10 Some workload indicators of the CSD are given at **Appendix 7**. The occupancy rate of correctional institutions continues to exceed their capacity. On the rehabilitation front, the number of counselling and welfare services sessions and visits shows a steady increase. Following the introduction of efficiency saving measures (e.g. Enhanced Productivity Programme in 1999 and Efficiency Savings Programme in 2002), the CSD has, up to 31 December 2007, deleted 805 posts, a reduction of 8% in its establishment, resulting in heavier workload and stress for the staff.

Recruitment

4.11 We observe no recruitment difficulty in all recruitment ranks in the CSD, including the Assistant Officer (AO II), Officer, Inst and Industrial Officer ranks. Entry into these ranks is very competitive as evidenced by the large number of applications received. For the TI rank, recruitment is made through in-service appointment of qualified Inst. Relevant statistics are summarised in *Table 4.2*.

Table 4.2: Recruitment statistics in the CSD (most recent recruitment exercises)

Rank (year of recruitment exercise)	Target no. of recruits	Applications received	Offers made
Assistant Officer II (2006-07)	133	4 639	133
Officer (2006-07)	30	4 980	30
Instructor (Correctional Services) (2006-07)	38	456	17 ^{Note}
Industrial Officer (Correctional Services) (2005-06)	5	1 593	8

(Note : Some offers were made in the following year.)

Retention

4.12 We do not see any retention problem in the Correctional Services ranks. The numbers of leavers other than those arising from natural wastage (such as retirement) are small. Wastage figures in respect of the AO II and Officer ranks are shown in *Table 4.3*. Similar figures in respect of the other recruitment ranks are even lower with only one officer each leaving the Industrial Officer and Inst ranks in the same period.

Table 4.3: Wastage from the AO II and Officer ranks in the past five years

Recruitment ranks		2003-04	2004-05	2005-06	2006-07	2007-08
AO II	Wastage number	2	1	2	10	22
	As % of strength	0.1%	0.03%	0.1%	0.3%	0.8%
Officer	Wastage number	0	0	1	3	11
	As % of strength	-	-	0.2%	0.5%	1.9%

(Note : Natural wastage is excluded)

4.13 However, it was represented to us that early retirement of the Assistant Officer grade, particularly AO II, was quite serious, indicating that some staff would rather leave the service early due to the stressful job nature. As mentioned in Chapter 3, early retirement is basically a personal choice, and the retirement figures are not unusual when compared with major grades in the civil service. That said, we share the view that we need to pay attention to the morale and retention issues of mid-career and long-serving AO II.

Career Progression

4.14 We note that career progression of the Assistant Officer grade and the Officer grades is less favourable when compared with the situation two decades ago. We must stress, however, that promotion is not a right, and promotion prospects may change depending on a range of factors, including the rank structure, establishment of promotion ranks, staff profile and merit of individual staff. In the case of the Assistant Officer grade, the two-rank structure is a favourable factor when compared with the three-rank structure in most other Rank and File grades in the Disciplined Services. The rank ratio of AO II to Assistant Officer I (AO I) at 1.5:1 also compares favourably with most other Disciplined Services.

4.15 The Inst and TI grades on the CSI front are both one-rank grades. There are avenues for in-service appointment of TI to the Industrial Officer grade as well as in-service appointment of Inst to the TI grade.

4.16 While a significant number of staff in the basic ranks are serving on the maximum pay point, we note that this is in fact a general phenomenon in the civil service. As at 1 January 2008, about 72% of the CSD disciplined services staff were serving on the

maximum pay point of the ranks. The situation in the entry ranks is summarised in *Table 4.4*.

Table 4.4: Entry rank officers at maximum pay point (as at 1 January 2008)

Rank	No. on maximum pay point	% of total
Assistant Officer II	2 498	87%
Officer	369	59%
Instructor (Correctional Services)	58	42%
Technical Instructor (Correctional Services)	68	63%
Industrial Officer (Correctional Services)	10	45%

Analysis and Recommendations

Assistant Officer Grade

4.17 We have received quite a number of requests for pay increases in the Assistant Officer grade. In broad terms, both the management and staff proposed upward adjustments to the pay scales of the AO II and AO I ranks to help recruit, retain and boost staff morale, and for parity of pay with the Police Force.

4.18 In view of the satisfactory recruitment situation in the AO II rank under the existing pay and conditions of service, we consider the entry pay appropriate and do not recommend any change. The retention situation is also generally acceptable, and some unnatural wastage in early years might be partly attributable to recruitment of over-qualified candidates to the Rank and File grade. Overall speaking, the existing arrangements of granting one incremental jump at the end of one year of service, followed by another incremental jump after five years of service upon passing the qualifying examination for promotion, are generally effective in retaining staff in early years.

4.19 Having evaluated the circumstances surrounding the Assistant Officer grade, we consider it appropriate to introduce target improvement measures for experienced Assistant Officers (particularly AO II) who have already reached their maximum pay point. In Chapter 3 (paragraphs 3.21 to 3.24), we propose to

introduce more Long Service Increments and restructure them so that AO II can receive an increment after satisfactory completion of 12, 18, 24 and 30 years of service. (**Recommendation 4.1**)

4.20 Taking into account job factors and other relevant considerations arising from changes since the last reviews, we further recommend adding one pay point to the top of the pay scale of the AO II rank. For the AO I rank, we notice that this rank has undertaken more leadership functions, particularly following the efficiency savings measures and downsizing of the departmental establishment where some of the less complex duties of the Officer cadre are now taken up by the more experienced staff in the Rank and File grade. We consider that this trend may continue. There are requests from individual staff suggesting the creation of an additional rank above the AO I rank (e.g. Senior Assistant Officer rank) for improving promotion prospects. Having reviewed the case, we see no functional justifications for the creation of an additional rank and consider the present command structure appropriate. To recognise the increased responsibilities and functions of this rank over the years, we recommend raising the maximum pay of AO I rank by two pay points and increasing the minimum by one pay point. With these improvements, the pay scale of the Assistant Officer grade will be revised as set out below (**Recommendation 4.2**) –

Rank	Existing Pay Scale	Recommended Pay Scale
Assistant Officer II	GDS(R) 2–13 plus two Long Service Increments, one each on completion of 18 and 25 years of in-rank service	GDS(R) 2–14 plus four Long Service Increments, one each on completion of 12, 18, 24 and 30 years of in-rank service
Assistant Officer I	GDS(R) 14–27	GDS(R) 15–29

Officer/Superintendent of Correctional Services Grade

4.21 A common theme in the submissions is pay increase for the various ranks at different magnitudes and pay parity with the Police Force. As mentioned in paragraphs 4.11 and 4.12, we note that there is no recruitment or retention problem in the CSD Officer rank, and therefore recommend maintaining the entry pay at the current level. Having reviewed the circumstances surrounding the

Officer grade, we consider that improvements should be made to target at mid-career officers in the basic rank and experienced officers in the upper ranks.

4.22 As explained in Chapter 3 (paragraphs 3.29 to 3.35), we do not support the extension of through scale to the Officer grade of the CSD. We note the serious concerns on advancement opportunities for mid-career officers and see the need to sustain morale and motivation. We recommend introducing two new incremental jumps to the Officer rank on completion of five years and eight years of in-rank service respectively, subject to their having passed the qualifying examination for promotion (**Recommendation 4.3**). These new incremental jumps are additions to the existing incremental jump available to the Officer rank upon completion of first year of in-rank service.

4.23 Taking into account the increased scope and complexity of the Officer grade and other relevant considerations, we recommend enhancing the pay scales of the non-directorate ranks as follows (**Recommendation 4.4**) –

Rank	Existing Pay Scale	Recommended Pay Scale
Officer	GDS(O) 5–20	GDS(O) 5–21
Principal Officer	GDS(O) 21–25	GDS(O) 22–26
Chief Officer	GDS(O) 26–31	GDS(O) 27–32
Superintendent of Correctional Services	GDS(O) 32–35	GDS(O) 33–36
Senior Superintendent of Correctional Services	GDS(O) 36–38	GDS(O) 37–39

4.24 We have received submissions from Officers who are qualified Registered Nurses engaged in hospital duties in the correctional institutions¹⁷. They stated that their pay and promotion prospects were less favourable than their nursing counterparts in the Hospital Authority and hence requested for pay improvement to recognise the nursing duties. At present, the multiple entry

¹⁷ There are two custodial wards in public hospitals and all CSD penal institutions have their own hospitals or sick bays providing basic medical treatment and healthcare to inmates.

arrangement for the Officer rank allows recruits with nursing or degree qualifications to receive higher entry pay. Given that hospital duty is only one of the various functions performed by the Officer rank, and these officers with nursing qualifications are subject to posting to various streams within the Department, it is inappropriate to make direct comparison with the nursing staff working in the Hospital Authority. We also note that these officers are eligible for promotion to the senior ranks of the Department. Taking all these factors into account, we do not support the request.

The Correctional Services Industries Grades

Instructor (Correctional Services) Grade

4.25 The CSI grades focus on teaching vocational skills to inmates, supervising the production process and maintaining productivity and quality. The Inst grade is the Rank and File grade of the CSI stream. It supervises smaller workshops with relatively routine production.

4.26 The staff have proposed abolishing this one-rank grade and merging with the Technical Instructor grade on grounds that the two grades perform similar roles and carry out comparable levels of responsibilities. We note that at present, qualified Inst can advance to the TI rank through in-service appointment. The CSD has also confirmed that various in-service training is being provided to Inst grade in production management and supervisory skills to enhance their advancement prospects to the TI grade. That said, the Department considers that maintaining the TI rank as a recruitment rank will allow more flexibility for the CSI section to meet the changing developments at different times. Having balanced all considerations, we consider it appropriate to maintain the present grade structure. We note however the enhanced job factors in CSI duties and recommend raising the scale maximum by one pay point as follows (**Recommendation 4.5**) –

Rank	Existing Pay Scale	Recommended Pay Scale
Instructor (Correctional Services)	GDS(R) 3–19	GDS(R) 3–20

Technical Instructor (Correctional Services) Grade

4.27 The environment and the nature of the work of the TI grade are similar to those of the Inst grade, with the TI grade supervising larger workshops engaged in more complex production work requiring more sophisticated machinery and equipment. In recognition of the increased job complexities, we recommend raising the maximum pay of this one-rank grade by one pay point (**Recommendation 4.6**) –

Rank	Existing Pay Scale	Recommended Pay Scale
Technical Instructor (Correctional Services)	GDS(O) 4–13	GDS(O) 4–14

4.28 We do not support the request for extending Long Service Increments to the TI grade. When the TI grade was transferred from a civilian grade remunerated on the Master Pay Scale to a disciplined services grade remunerated on the GDS(O) Pay Scale in 1991, it was then decided that incremental jumps and Long Service Increments should not be extended to this one-rank grade. There is no change in circumstances that justify a reversal of the decision, particularly in the absence of any recruitment or retention problem in this grade.

Industrial Officer (Correctional Services) Grade

4.29 The Industrial Officer grade is responsible for the overall management of manufacturing units in the correctional institutions. As set out in paragraph 4.22, we do not support the extension of through scale to this grade. Similar to their counterparts in the Officer grade, we recommend the same pay improvements to the Industrial Officer grade as follows (**Recommendation 4.7**) –

Ranks	Existing Pay Scale	Recommended Pay Scale
Industrial Officer (Correctional Services)	GDS(O) 5–20	GDS(O) 5–21
Principal Industrial Officer (Correctional Services)	GDS(O) 21–25	GDS(O) 22–26
Chief Industrial Officer (Correctional Services)	GDS(O) 26–31	GDS(O) 27–32
Superintendent of Correctional Services Industries	GDS(O) 32–35	GDS(O) 33–36

4.30 The two new incremental jumps as recommended in paragraph 4.22 above will similarly apply to the Industrial Officer rank. **(Recommendation 4.8)**

The Directorate

4.31 The management and staff proposed that the Senior Superintendent rank should be deleted to help shorten the promotion ladder to the directorate so as to facilitate staff succession planning. The management further proposed that nine posts of Senior Superintendent (SS) should be upgraded to Chief Superintendent (CS) (remunerated at GDS(C) 1) and three SS posts be downgraded to Superintendent rank.

4.32 At present, there are clear distinctions between the SS and CS ranks in terms of functional responsibilities. The SS rank is the most senior rank at the non-directorate level, whereas the CS rank is the first rank at the directorate level, being expected to oversee a broader portfolio with heavier and more complex managerial responsibilities. These two levels are also integral parts of the broadbanded command structure of other Disciplined Services. In view of the above, we see the functional need for retaining the SS rank. **(Recommendation 4.9)**

4.33 On the re-grading proposals, we wish to stress that ranking of posts should be founded on functional justifications. Promotion and succession planning are not relevant and sufficient reasons in support of upgrading the posts to higher ranks. That said, we note that certain functions of the CSD have grown in scope and complexity, and higher level steer and input might be required. It is for the management to review whether there is a case to upgrade certain posts, or create new ones, to meet the changing needs of the Department. We note that there is a well-established mechanism for considering these cases. The CSD may wish to pursue this and submit formal proposals with detailed justifications to the Administration under the existing mechanism.

4.34 We will set out our recommendations on the directorate pay scales in Chapter 11 (paragraph 11.10).

Conditioned Hours of Work

4.35 Staff representatives have expressed concerns that they have limited “disposable time” because of the relatively long conditioned hours of work of 49 per week and remoteness of their workplace. The rotating shift system and irregular meal times also create extra hardship for them. There are requests for a reduction of conditioned hours to 48 hours (or lower) to relieve work pressure and allow more rest time for staff.

4.36 As mentioned in Chapter 3 (paragraphs 3.44 to 3.47), there are no uniform conditioned hours of work across the Disciplined Services or the civil service. The prevailing conditioned hours of the different Disciplined Services have been set having regard to a combination of factors, including operational needs, total responsibilities of each Service, the manpower situation and resource deployment. Any change in conditioned hours might have implications on pay. Since the beginning of the GSR, we have kept an open mind to proposals for reduction of conditioned hours if they could meet the pre-requisites of being cost-neutral, not involving additional manpower requirement and maintaining the same level of service to the public. In this connection, we have discussed the matter with the CSD management and are given to understand that the management, having consulted the staff, is not ready to further pursue the proposal at this juncture under the three conditions. We also note that some supporting measures are in place. For instance, barrack quarters are provided for the staff at each of the correctional institution for on-call duty. The shift pattern is also structured in such a way that the meal break hour can occur immediately before and after a shift whilst being counted towards the weekly conditioned hours. Job-related Allowances (JRA), as elaborated in paragraph 4.37, are also provided for officers working in remote stations. It is for the CSD management, in consultation with the staff and the Administration, to consider any change in conditioned hours, where appropriate. We would be pleased to consider this issue if our advice is sought in this regard.

Job-Related Allowances

4.37 At present, CSD officers are eligible for Remote Station Allowance and the associated Additional Allowance and the Special

Allowance for Correctional Services staff performing overnight on-call. These allowances were not covered in the Administration's review of JRA in 2007, and the Administration is actively reviewing these special allowances in consultation with the CSD, the Police Force and relevant bureaux. The Standing Committee has urged the Administration to expedite the review. The proposals would include extending the payment of the allowances to cover more people and updating the rate-setting mechanism and rate of these allowances. We understand that the review is now in its final stage, and we will offer our advice when the review results are ready by the end of 2008.

Summary of Key Recommendations

4.38 In summary, we recommend that –

- (a) the pay scales of the non-directorate ranks of the CSD should be enhanced as detailed in **Appendix 8**; and
- (b) the existing rank structure of the SS and CS ranks of the CSD should be maintained.

Chapter 5

Customs and Excise Department

Overview

Role of Customs and Excise Department

5.1 First established in 1909, the Customs and Excise Service was a uniformed arm of the then Import and Export Department. Originally known as “the Preventive Service”, it was retitled as the Customs and Excise Service in 1977 to benchmark with similar forces in the world. The Customs and Excise Department became an independent Department in 1982.

5.2 The C&ED carries out its functions in accordance with the Customs and Excise Service Ordinance (Cap. 342), being responsible for protection against smuggling; protection and collection of Government revenue on dutiable goods; detection and deterrence of narcotics trafficking and abuse of controlled drugs; protection of intellectual property rights and consumer interests; and protection and facilitation of legitimate trade and upholding Hong Kong’s trading integrity. These diverse responsibilities straddle the programme areas of three different policy bureaux, namely the Security Bureau, the Commerce and Economic Development Bureau, and the Financial Services and the Treasury Bureau. As a gate-keeper guarding our boundary against smuggling and drug-trafficking, the C&ED plays a key role in maintaining Hong Kong’s status as an international port and trade centre. As a guardian of intellectual property rights, public revenue and consumer interests, the C&ED provides valuable services to all walks of life in Hong Kong.

Organisation Structure

5.3 The C&ED is headed by the Commissioner of Customs and Excise, who is underpinned by one Deputy Commissioner, four Assistant Commissioners, one Senior Principal Trade Controls Officer (a civilian post) and two Chief Superintendents in the directorate team. The C&ED mainly comprises two major constituents, namely the

Customs and Excise (C&E) Service and the Trade Controls Branch. The C&E Service is a Disciplined Service established under the Customs and Excise Service Ordinance whereas the Trade Controls Branch¹⁸ is staffed by the civilian grade of Trade Controls Officer. The C&E Service delivers its functions through the following four branches –

- (a) *the Boundary and Ports Branch* focuses on matters relating to import and export controls;
- (b) *the Intelligence and Investigation Branch* is mainly responsible for matters relating to narcotic drugs and anti-smuggling enforcement and issues relating to the protection of intellectual property;
- (c) *the Excise and Strategic Support Branch* deals with dutiable commodities, provides strategic support to the directorate, as well as being responsible for international customs liaison and cooperation; and
- (d) *the Administration and Human Resource Development Branch* takes care of overall staff management, training and development along with other administration support services.

Staffing

5.4 As at 1 January 2008, the C&E Service had 4 536 disciplined services posts, comprising eight directorate posts, 840 posts in the Inspector/Superintendent grade of the Officer cadre, and 3 688 posts in the Customs Officer (CO) grade of the Rank and File. Together, they constituted 81% of the C&ED's total establishment. Their distribution of non-directorate posts is summarised in *Table 5.1*.

¹⁸ As at 1 January 2008, the Trade Controls Branch had 431 staff in the Trade Controls Officer grade. The Trade Controls Branch is responsible for trade controls and consumer protection matters.

Table 5.1: Distribution of C&E non-directorate posts as at 1 January 2008

Branch	Customs Officer Grade	Inspector/ Superintendent Grade	Total	%
Boundary and Ports Branch	2 792	442	3 234	71.4%
Intelligence and Investigation Branch	761	207	968	21.3%
Excise and Strategic Support Branch	63	107	170	3.8%
Administration and Human Resource Development Branch	63	54	117	2.6%
Trade Controls Branch	9	23	32	0.7%
Departmental Headquarters	-	7	7	0.2%
Total	3 688	840	4 528	100%

Grade and Rank Structure

5.5 The C&E Service has four ranks at the directorate level (including the Chief Superintendent rank created in 1993), five ranks in the Officer cadre and three ranks in the Rank and File grade. Details of their rank structure and existing pay scales are at **Appendix 9**.

Relevant Considerations

Job Factors and Special Factors

5.6 We have taken into account the job factors and special factors in respect of the C&E duties. Some key features mentioned in the submissions received or during exchanges in the GSR are highlighted below –

- (a) The scope of responsibilities under the charge of the Department is diversified. Duties span from public security, food safety, trade facilitation, protection of intellectual property rights to anti-narcotics and anti-smuggling. In order for C&E staff to regulate, detect, investigate and, where appropriate, prosecute cases with a wide and diverse coverage, they must be equipped with a broad spectrum of knowledge and skills.

- (b) The C&E staff have relatively longer conditioned hours of 51 per week. Over 81% of the staff have to work on shift (including around 32% having to work overnight shifts) and undertake outdoor duties, around half are deployed to work at locations involving longer travelling time, and only 17% are able to move to a five-day working week, including those who are subject to on-call requirement. The varying shift patterns and irregular working hours have posed hardship to the frontline operational officers.
- (c) The C&E officers are exposed to danger, risks and health hazards, particularly arising from enforcement against smuggling, drug trafficking and illicit trade of dutiable commodities, which invariably involve criminal activities of a syndicate nature. Many have to work under stressful environment such as searching toilets, rummaging filthy vessels, examining cargo at dirty warehouses, processing manifests at land boundary control points with polluted environment, as well as long-distance walk in remote hilltop or unpleasant hide-out sites during combat of smuggling activities. They also have to face physical and mental stress arising from the requirement to work under close public and media scrutiny as well as to carry firearms when necessary.

Changes Since Last Reviews

5.7 The management and staff have highlighted in their submissions new challenges as a result of the major changes, some of which are summarised below –

- (a) *New legislation* : The number of ordinances enforced by the C&ED has expanded by 77% from 30 ordinances in 1988 to 53 ordinances today, significantly increasing the scope and complexity of its functions, responsibilities and workload.
- (b) *Closer links with the Mainland* : Hong Kong's closer links with the Mainland, the introduction of the "Individual Visit Scheme" in 2003, the signing of

“Pan-Pearl River Delta Regional Cooperation Framework Agreement” in 2004, coupled with the vibrant economic developments in China, have all accelerated the growth in the volume of cross-boundary passenger and cargo flow. Front-line officers have to cope with increased caseloads and are expected to enhance professional and technological skills to support efficient and effective customs clearance.

- (c) *More active role in the international arena* : As enshrined in the Basic Law, Hong Kong is a separate customs territory. In recent years, the C&ED has been playing an increasingly active role in the international arena, including in the World Customs Organisation, the APEC and the signing of various Customs Cooperative Agreements with customs administrations worldwide. The phenomenal growth of Hong Kong as an international port, with its massive amount of daily air, sea and land traffic, means it is inevitably a prime target for smugglers of illicit cargo of drugs, dutiable commodities and counterfeit goods. The Department has to foster closer links with different customs jurisdictions on exchange of intelligence, implementation of new customs standards and enforcement. To cope with these challenges, the C&ED has developed into an organisation possessing a wide variety of skills, including the ability to use scientific analyses and employ high-tech equipment and complex software for enhancing effectiveness and efficiency in customs control. At the same time, it has to strike a fine balance in its dual roles as a law enforcement body and a trade facilitator.
- (d) *Changes in crime trend* : Criminal activities have become increasingly complex, particularly with the advancement of technology and increased cross-boundary movements. As syndicates keep adjusting their modes of operation to avoid detection and enforcement, the C&ED has to adopt new measures and equip staff with new knowledge and

skills in combating crimes. These measures often involve new legislation and legal proceedings, necessitating amendments to internal procedures on a frequent basis.

- (e) *Consumer protection, product safety, quality service etc.* : With the continuing development of the Hong Kong society, the C&ED has to cope with increasing public concerns and pressure over consumer protection and product safety. New international trends in the provision of customs service, growing public expectation and active media interest have significantly increased the workload and added pressure onto the Department.

5.8 Some workload indicators of the C&ED are given at **Appendix 10**. We observe significant increases in workload relating to frequent and voluminous traffic of people and vehicles at controls points as well as new drug trafficking methods and internet crimes. In this respect, the Department has used flexible staff deployment, risk management and advanced technology to tackle the substantial increases in workload.

Recruitment

5.9 We do not see recruitment problem in the entry ranks, namely the CO and the Inspector ranks, as evidenced by the sizeable numbers of applications received in recruitment exercises. Some statistics on the recent rounds of recruitment exercise are shown in *Table 5.2* for reference.

Table 5.2: Recruitment statistics in the C&ED (most recent recruitment exercises)

Rank (year of recruitment exercise)	Target no. of recruits	Applications received	Offers made
Customs Officer (2006-07)	431	8 914	497
Inspector (2005-06)	67	6 692	70

Retention

5.10 In the Officer cadre, wastage figures (excluding natural wastage such as retirement) in the Inspector rank indicate only a small number of leavers. As for the Rank and File, wastage figures in the CO rank have been on the rise in recent years, although still within reasonable range (*Table 5.3*). We believe that the increased wastage rate in the CO rank might be partly attributable to employment of better-qualified candidates who might not wish to take jobs in a Rank and File grade as a long-term career. Taking 2007-08 as an example, over 57% of the CO leavers had degree qualification or above.

Table 5.3: Wastage from CO and Inspector of C&E ranks in the past five years

Recruitment ranks		2003-04	2004-05	2005-06	2006-07	2007-08
Customs Officer	Wastage	2	5	14	35	80
	As % of strength	0.1%	0.3%	0.7%	1.7%	3.5%
Inspector of C&E	Wastage	0	0	2	3	1
	As % of strength	-	-	0.5%	0.8%	0.2%

(Note : Natural wastage is excluded)

Career Progression

5.11 Promotion is not automatic but subject to a range of factors, such as availability of vacancies, operational needs, age profile of serving officers and individual merit. That said, we note from the statistics that the time taken for a CO to be promoted to the Senior and Chief Customs Officer ranks is relatively long, and seems to have become longer in recent years.

5.12 For the Officer ranks, progression from Inspector to Senior Inspector rank seems reasonable given that there are 300 Senior Inspector posts on the establishment against 419 posts in the Inspector rank. We note, however, promotion prospects beyond the Senior Inspector rank is quite limited because of the relatively small number of posts at Assistant Superintendent level and above.

5.13 Overall speaking, 61% of the C&E grades were serving on the maximum pay point of their respective ranks as at 1 January 2008, including 60% (1 559) of CO and 53% (218) of

Inspectors at the recruitment ranks. We appreciate the staff's sentiment about career progression, but have to point out that this is more a general phenomenon in the civil service.

Analysis and Recommendations

Customs Officer Grade

5.14 We have received requests to increase the pay level for the CO grade, including the introduction of incremental jumps in the early years of their service, to bring it on a par with the equivalent ranks in the Police Force.

5.15 As explained in Chapter 3 (paragraph 3.17 to 3.20), we do not support changing the entry qualifications at this juncture, including the request for introducing multiple entry points for higher qualifications in recruitment to the Rank and File. We recommend maintaining the current entry qualification arrangements and pay for the Customs Officer rank. Nevertheless, we have no objection to the request for removing the sub-entries below five passes in the HKCEE. The existing basic entry qualification to the CO rank on five passes in the HKCEE (GDS(R) 4) should remain unchanged. **(Recommendation 5.1)**

5.16 Recruitment to the CO rank is satisfactory. The rising wastage rate has caused some concern, although there is no problem in replenishing the workforce through recruitment. In Chapter 3 (paragraph 3.27), we express support for granting one incremental jump to the CO rank on completion of no less than five years of service and having passed the promotion examination. Coupled with the existing incremental jump for CO on completion of 12 months of service, this proposal will help retain and motivate officers in their early years of service. Furthermore, as reflected in paragraph 5.10, prudent and pragmatic recruitment strategy would help address the retention issue. **(Recommendation 5.2)**

5.17 Having considered the enhanced job factors, we see justifications for extending the scale maximum of the rank. Though not uncommon in many Rank and File hierarchies, a large proportion of the staff have been staying on the maximum pay point of the rank

scale for some years. This has caused some concern on morale and career progression. In recognition of the value and experience brought by the meritorious, loyal and long-serving staff, we propose in Chapter 3 (paragraphs 3.21 to 3.24) that more Long Service Increments should be given so that CO can receive an increment after satisfactory completion of 12, 18, 24 and 30 years of service. **(Recommendation 5.3)**

5.18 Taking into account the job factors, the increase in responsibilities in terms of scope and complexity over the years and other relevant considerations, we further recommend raising the maximum pay point of the CO rank by one point and increasing the minimum and maximum pay of the Senior Customs Officer rank by one pay point. As regards the Chief Customs Officer (CCO) rank, we notice that this rank has a greater command role and more leadership functions over the years, particularly following the implementation of process re-engineering measures and other initiatives resulting in delegation of certain less complex functions from the Officer cadre to the top tier of the Rank and File grade. This trend may continue. There are requests for the creation of a new rank above the CCO rank to improve the promotion prospects of the CO grade. As a matter of principle, a new rank should only be created based on functional justifications. Having considered the management's views, the current structure and roles of the grade, we consider the present command structure appropriate and do not see functional justifications for creating a new rank above the CCO rank. To recognise the increased responsibilities and functions of this rank over the years, we propose to raise the maximum pay point of CCO rank by two points and increasing the minimum by one pay point. With these improvements, the pay scale of the CO grade will be revised as set out below **(Recommendation 5.4)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Customs Officer	GDS(R) 2–13 plus two Long Service Increments, one each on completion of 18 and 25 years of in-rank service	GDS(R) 4*–14 (*sub-entry removed) plus four Long Service Increments, one each on completion of 12, 18, 24 and 30 years of in-rank service
Senior Customs Officer	GDS(R) 14–22	GDS(R) 15–23
Chief Customs Officer	GDS(R) 23–27	GDS(R) 24–29

Inspector/Superintendent of Customs and Excise Grade

5.19 We have received requests to increase the pay for the Inspector/Superintendent of the Customs & Excise grade to recognise the additional workload and responsibilities since the last reviews and to achieve pay parity with the Police Force. Some highlighted the similarities between the C&ED and Police Force in terms of their investigative, anti-narcotics and anti-smuggling functions. Others referred to the recommendations of the Rennie Committee on the pay relativity between the Police Inspector/Superintendent grade and the Inspector/Superintendent of C&E grade.

5.20 As stated in Chapter 1 (paragraphs 1.16 to 1.18), the Disciplined Services are all unique. Despite similarities in certain aspects, there remain significant differences in other areas that shape them into unique departments, rendering direct comparison inappropriate and impossible. In its comprehensive reviews in the early 1990s, the Standing Committee revisited the recommendations of the Rennie Committee and made some refinements as appropriate. The present relativities represent the outcome of careful and detailed deliberation over the years. In this GSR, our focus is placed on the job factors and special factors, recruitment, retention, career progression and morale of individual grades and ranks.

5.21 In the case of the Inspector/Superintendent of C&E grade, we note that there is no recruitment or retention problem. Also, as explained in Chapter 3 (paragraph 3.6 to 3.16), we do not support changing the entry qualifications. We therefore recommend maintaining the status quo in entry qualifications and entry pay for the Inspector rank. (**Recommendations 5.5**)

5.22 While we understand the sentiments and keen interests underlying the requests for through scale, we have explained in Chapter 3 (paragraphs 3.29 to 3.35) the unique historical background of through scale and re-affirmed the view of the Rennie Committee that the arrangement should not be further extended to other grades. In making this recommendation, we also note staff's concerns about advancement opportunities for mid-career officers and see the need to sustain morale and motivation. We therefore recommend introducing two new incremental jumps to the Inspector rank on completion of five years and eight years of in-rank service respectively, subject to

their having passed the qualifying examination for promotion to the Senior Inspector of C&E (**Recommendations 5.6**). Together with the existing incremental jump available to the Inspector rank upon completion of first year of in-rank service, the Inspector rank will have a total of three incremental jumps.

5.23 To recognise the growing responsibilities, increasing job complexity and diverse portfolio of the ranks in the Inspector/Superintendent of C&E grade, we recommend adjusting the minimum (save for the recruitment rank) and maximum pay of the various ranks upward by one pay point each (**Recommendation 5.7**) –

Rank	Existing Pay Scale	Recommended Pay Scale
Inspector of Customs and Excise	GDS(O) 5–20	GDS(O) 5–21
Senior Inspector of Customs and Excise	GDS(O) 21–25	GDS(O) 22–26
Assistant Superintendent of Customs and Excise	GDS(O) 26–31	GDS(O) 27–32
Superintendent of Customs and Excise	GDS(O) 32–35	GDS(O) 33–36
Senior Superintendent of Customs and Excise	GDS(O) 36–38	GDS(O) 37–39

5.24 There are concerns that certain posts in the grade are undertaking duties that are normally performed by a higher rank in other Disciplined Services with a similar portfolio. We have taken note of these concerns. As mentioned in paragraph 5.12, the number of posts at Assistant Superintendent level and above is relatively small. It is for the management to see whether there is a case to review the complement and ranking of the various ranks based on functional justifications, having regard to the expansion of the Department's functions and responsibilities in terms of scope, diversity and complexity over the years.

5.25 There are requests that the three ranks of Assistant Superintendent, Superintendent and Senior Superintendent should be re-structured into two ranks to improve efficiency, succession planning and staff morale. We note that ranks exist on specific functional grounds and do not consider there are valid functional justifications for changing the structure of the three ranks. That said,

we support the Department's ongoing efforts to explore and implement, where appropriate, process re-engineering measures to improve efficiency. For better succession planning, we also encourage the management to make better use of the existing mechanism to facilitate early identification of talent for promotion based on a robust performance management system.

The Directorate

5.26 In its proposals to the GSR, the management emphasises the need for additional directorate posts to strengthen the directorate structure in order to cope with increasing challenges. The Department's requests include creation of one additional post of Deputy Commissioner and two additional posts of Assistant Commissioner, as well as upgrading the headship of the seven major formations in the C&E Service from Senior Superintendent to Chief Superintendent rank.

5.27 As a preliminary observation and without prejudice to examination of further details in due course, there might be a case for the C&ED to consider whether the current directorate structure should be strengthened in view of the Department's increasingly diverse portfolio and the overall management responsibilities over some 5 600 staff. There is established mechanism for creation of posts in existing ranks. It is for the management to formulate forward-looking and strategic plans, review the directorate complement and, where appropriate, pursue relevant proposals under the normal procedures.

5.28 We will set out our recommendations on the directorate pay scales in Chapter 11 (paragraph 11.10).

Conditioned Hours of Work

5.29 The conditioned hours of works of the C&E grades are 51 hours per week, being the longest among all Disciplined Services except the Fire Services Department's operational staff in the Fire Stream. Both the management and the staff associations have represented to us that it is unfair that they have to work longer hours than their counterparts, including three hours more than the Police Force and seven hours more than the Immigration Department. They

emphasise that the long conditioned hours of work, together with the varying shift patterns and the travelling time to border control points, have disadvantaged the C&E staff in respect of personal “disposable time”, affecting their morale, family life and healthy living.

5.30 The C&ED has been discussing with the Administration for quite some time for a reduction of its conditioned working hours from 51 to 48 hours per week. Whilst a mutually agreed and practicable solution has yet to be reached, the C&ED has implemented on a trial basis new shift patterns and rosters in selected sections based on 48 hours per week. The Department achieved this by efficiency measures, process re-engineering and wider use of technology. We were given to understand that through this arrangement, around 85% of the disciplined services staff in the Department in practice are working 48 hours a week, while the remaining 15% work 51 hours a week. Meanwhile, eligibility for overtime allowance continues to be based on work in excess of conditioned hours of 51 per week.

5.31 As mentioned in Chapter 3, there are no uniform conditioned hours across the civil service or the Disciplined Services. Furthermore, a reduction in conditioned hours without corresponding downward pay adjustment is in effect an improvement to pay and conditions of service. We are also mindful of possible implications to other Disciplined Services. Nonetheless, we maintain the stance that we are open to proposals for reducing the conditioned hours of work, subject to the three pre-requisites of being cost neutral, not involving additional manpower and maintaining the same level of service to the public. These conditions are consistent with those principles guiding the reduction of conditioned hours for the Police Force from 51 to 48 per week in 2001 as well as those on the recent implementation of five-day week in the civil service.

5.32 We have examined the Department’s proposal in consultation with the management and staff. The management advised that, with modern technology and improved efficiency over the years, the C&ED would be able to reduce the number of hours of work from 51 to 48 per week whilst maintaining the current levels and standards of service. The Department has also undertaken to absorb any extra expenditure through efficient control of overtime work and savings from other activities. On the clear understanding that the three conditions could be achieved, we confirm our support for the

C&ED's request for reducing the conditioned hours of work from 51 to 48 per week. (**Recommendation 5.8**)

Summary of Key Recommendations

5.33 In summary –

- (a) we recommend that the pay scales of the non-directorate ranks of the C&E Service should be enhanced as detailed in **Appendix 11**; and
- (b) we support the Department's request to reduce its conditioned hours of work from 51 to 48 per week, on the clear understanding that the three pre-requisites of being cost neutral, not involving additional manpower and maintaining the same level of service to the public could be met.

Chapter 6

Fire Services Department

Overview

Role of Fire Services Department

6.1 Originally formed under the Police Force in 1868, the Fire Brigade was separated from the Police Force in 1941 and renamed as the Hong Kong Fire Services Department in 1961. The ambulance service has been part of the Department since 1919, providing only emergency services in the early years. It was in 1953 that all government ambulance resources, including those providing non-emergency services, were absorbed within the Fire Brigade. The ambulance service was subsequently reorganised into the Ambulance Division of the FSD in 1966.

6.2 The FSD operates under the Fire Services Ordinance (Cap. 95), being responsible for fighting fire and protecting life and property in case of fire or other calamities; enforcing laws on fire safety; giving advice on fire protection measures and fire hazards; promoting public awareness on the importance of fire safety; providing pre-hospital care to the sick and injured and conveying them to hospitals. With the exemplary commitment and devotion of the Fire Services staff, the community is assured of efficient and reliable fire and ambulance services at all times throughout the year.

Organisation Structure

6.3 The FSD is headed by the Director of Fire Services, who is underpinned by one Deputy Director with the support of 16 directorate officers (including one civilian post). The Department is organised into seven Commands and an Administration Division, each responsible for specific areas of work –

- (a) *the Operational Fire Commands in Hong Kong, Kowloon and the New Territories* are responsible for combating fire, saving lives and property on land and at sea, as well as conducting regular inspections of fire service installations and equipment in buildings, etc.;
- (b) *the Fire Safety Command and the Licensing and Certification Command* are responsible for drawing up fire safety policies, enforcing fire safety legislation, formulating and certifying fire safety standards of new building projects, regulating the storage, use and conveyance of dangerous goods through licensing, and administering the acceptance testing of fire service installations and equipment, etc.;
- (c) *the Ambulance Command* provides emergency ambulance service and urgent inter-hospital transfers, as well as handles non-emergency inter-hospital transfers on off-shore islands, etc.;
- (d) *the Headquarters Command* is responsible for formulating departmental policy, providing support and administrative service for various units, fire-fighting and rescue operations in the Airport and aquatic searches and rescues within Hong Kong waters, operation of a compression chamber for treating patients suffering from decompression illness and providing hyperbaric oxygen treatment, etc. It also takes charge of the Mobilising and Communications Group for receiving emergency calls from the public and despatching appropriate resources to the scene of an accident; and
- (e) *the Administration Division* is responsible for handling personnel matters and providing general administration support services.

Staffing

6.4 As at 1 January 2008, the Department had an establishment of 8 720 posts in the disciplined services grades comprising 17 directorate posts, 1 007 posts in the Officer grades,

and 7 696 posts in the Rank and File grades. Together, they constituted 94% of the FSD's total establishment. Their distribution by command at the non-directorate level is summarised in *Table 6.1*.

Table 6.1: Distribution of FSD non-directorate posts as at 1 January 2008

Division	Rank & File Grades		Officer Grades		Total
	Fireman	Ambulanceman	Station Officer/ Divisional Officer	Ambulance Officer	
Hong Kong	1 546 (28.5%)	-	177 (20.1%)	-	1 723 (19.8%)
Kowloon	1 212 (22.3%)	-	153 (17.4%)	-	1 365 (15.7%)
The New Territories	1 977 (36.4%)	-	247 (28.1%)	-	2 224 (25.6%)
Fire Safety	31 (0.6%)	-	86 (9.8%)	-	117 (1.3%)
Licensing and Certification	51 (0.9%)	-	81 (9.2%)	-	132 (1.5%)
Ambulance	-	2 263 (99.8%)	-	128 (100%)	2 391 (27.5%)
Headquarters	611 (11.3%)	5 (0.2%)	135 (15.4%)	-	751 (8.6%)
Total	5 428 (100%)	2 268 (100%)	879 (100%)	128 (100%)	8 703 (100%)

Grade and Rank Structure

6.5 There are three streams of disciplined services staff in the FSD. The Fire Stream is responsible for fire-fighting and rescue, enforcement of fire protection laws and fire safety legislation, advising the public on fire protection measures and enhancing public awareness in fire safety. The Ambulance Stream takes charge of operations of the ambulance service. The Mobilising and Communications (MC) Stream, also known as the Control Stream, is responsible for the overall control and communications in respect of the mobilisation of fire-fighting and ambulance resources for fire and emergency services.

6.6 The Fire Stream consists of two non-directorate grades and twelve ranks. Similarly, the Ambulance Stream has two grades and ten ranks. The MC Stream shares with the Fire Stream in having

the same two grades of the Station Officer (StnO) and Fireman (Fn) and the same four ranks of the Senior Station Officer (SStnO), StnO, Principal Fireman (PFn) and Senior Fireman (SFn). Moreover, there are six ranks at the directorate level. Details of their rank structures and existing pay scales are set out at **Appendix 12**.

Relevant Considerations

Job Factors and Special Factors

6.7 We have examined the job factors and special factors in regard to the Fire Services grades and ranks. Some key features contained in the submissions received or represented to us during the GSR are highlighted in the following paragraphs.

Fire Stream

6.8 In carrying out fire-fighting and rescue missions, staff in the Fire Stream have to carry heavy equipment weighing around 30 kilograms and wear thick protective clothing. They are exposed to danger, hazard and hardship arising from unpredictable and dangerous working environment ranging from fire, explosion, natural disasters to major incidents involving chemical, biological, radiological or nuclear agents; inhalation of smoke; and exposure to extreme heat, hazardous substances and infectious diseases. Their service is needed most during emergencies and inclement weather and in dangerous locations, such as steep terrains, inside sewers or under water, with low visibility, poor accessibility and limited communication network. They have to make immediate and accurate decisions based on their knowledge, experience and the information available on the scene. They are subject to physical and psychological stress arising from unpredictability of calls, the requirement to maintain high alertness as well as close media and public scrutiny. They have to keep themselves updated and equipped with a wide spectrum of knowledge and skills relating to fire-fighting and life-saving skills and equipment. The conditioned hours of work of the operational staff of the Fire Stream are 54 hours per week, which is the longest as compared with the other Disciplined Services. They work on a roster pattern of “24 hours on, 48 hours off”.

Ambulance Stream

6.9 The staff working in the Ambulance Stream must stay alert at all times in performing their duties, which often involve time-critical decisions and action affecting the health and lives of the patients. They have to face health hazard, hardship and risk arising from exposure to infectious diseases, contact with violent or disturbed patients and the requirement to handle unpleasant duties or traumatic events. They encounter stress due to heavy workload as well as close media and public scrutiny. The conditioned hours of the Ambulance Officer (AO) and Ambulanceman (Ambn) grades are 44 and 48 per week respectively and the staff are required to perform shift.

Mobilising and Communications Stream

6.10 The MC Stream is the first contact point between the public and the FSD, being responsible for receiving emergency calls from the public and despatching appropriate resources including fire appliances, ambulances, fire boats, officers and equipment to the incident scene. In accordance with the Department's performance pledge, staff in the MC Stream have to complete the call taking and despatch process within 35 seconds. They have to make prompt and accurate decisions for mobilising staff and equipment within tight time constraints and using the increasingly sophisticated communication system. They have to face escalating pressure due to increasing workload, rising public expectations and close public scrutiny.

Changes Since Last Reviews

6.11 In response to changes in the political and social environment and the demand for quality service, the FSD has implemented a number of new initiatives and taken up additional duties. The changes include (but are not limited to) the following –

- (a) *Fire-fighting and rescue*: The Department's performance pledge for fire-fighting and rescue services is to respond to 92.5% of total building fire calls within six minutes in built-up areas and within nine to 23 minutes in areas of dispersed risks and isolated developments. In addition, the Department

took over from the British Military the responsibilities for diving rescue operations in 1997, set up the Special Rescue Squad (SRS) to deal with major incidents and disasters in and outside Hong Kong in 2000, launched the First Responder (FR) Programme¹⁹ to provide prompt basic life support services in 2003 and commenced performing search and rescue duties in emergency operations outside Hong Kong in 2005. The construction of high-rise buildings and long and deep tunnels, and traffic accidents and gas leakage incidents have also increased the work complexity despite the provision of better equipment and task-specific training.

- (b) *Fire prevention, protection and education* : Following enactment of new ordinances, enforcement of fire prevention and protection legislation has stepped up. To cope with the growth in workload, the Fire Protection Command was split into the Licensing and Certification Command and the Fire Safety Command in 1999 and the three Operational Commands are also required to assist in fire protection duties since 2004. The introduction of fire engineering approach for approving fire safety designs of buildings and infrastructure and the emergence of new dangerous goods are also challenges. Recognising the importance of fire prevention, the FSD also launched the Fire Safety Ambassador (FSA) Scheme to promote a fire safety culture in the community. By the end of 2007, the FSD has successfully recruited and trained around 88 000 FSA.
- (c) *Ambulance service* : The Department's performance pledge is to respond to 92.5% of all emergency ambulance calls within 12 minutes from the time of call to the arrival of an ambulance at the street address. With the increase in the number of ambulance calls received per year from 401 000 in

¹⁹ The FSD launched the FR Programme in July 2003 in seven fire stations to provide prompt basic life support services to enhance the survival rate of certain casualties/patients.

1987 to 612 000 in 2007, the workload per staff has been rising despite an increase in staff establishment. The work of the ambulance personnel has expanded to include paramedic ambulance service in 1991, which was subsequently extended to all ambulances and ambulance motorcycles since February 2005. Starting from 2006, the ambulance personnel have been administering immediate treatment at the accident scene under the Rapid Response Vehicle Scheme²⁰. The possible legal and ethical consequences of their judgement and the frequent need to work under transparent environment are additional stress to the ambulance staff.

- (d) *Mobilising and communications* : The escalating number of calls over the years, the introduction of the First Responder Programme, the implementation of the Third Generation Mobilising System in 2005 and the requirement to set up a mobile command unit on site during a No. 3 fire alarm incident have increased the workload and complexity of work of the MC staff, who have to act speedily and independently to determine the nature of calls and resources to be deployed to the rescue scene.

6.12 Some workload indicators of the FSD are shown at **Appendix 13**. We observe that, in general, fire calls are decreasing, which are due in part to the vigilant enforcement action and preventive measures taken by the Fire Services staff. On the other hand, we see increasing number of special service calls and ambulance calls. The demand for FR service is also rising rapidly since its introduction in 2003.

Recruitment

6.13 Based on the statistics provided by the FSD management, we do not see any recruitment difficulties in both the Rank and File and the Officer grades. Some relevant statistics are shown in *Table 6.2*.

²⁰ The Rapid Response Vehicle Scheme was introduced in 2006. The Ambulance Officers, having received specific training, will ride on emergency saloon cars with siren, beacon lights and life saving equipment to the scene for immediate treatment.

Table 6.2: Recruitment statistics in the FSD (most recent recruitment exercises)

Rank (year of recruitment exercise)	Target no. of recruits	Applications received	Offers made
Fireman (2007-08)	91	2 067	113
Station Officer (Fire) (2005-06)	40	1 408	43
Ambulanceman (2007-08)	79	3 369	134
Ambulance Officer (2005-06)	10	2 716	20
Senior Fireman (Control) (2006-07)	23	9 241	29
Station Officer (Control) (2006-07) ^{Note}	5	13	5

(Note : Recruitment of Station Officer (Control) for the past ten years has been made through in-service appointment of Principal Firemen (Control).)

Retention

6.14 In general, there is no retention problem in the FSD. However, we observe that wastage in the Senior Fireman (Control) (SF_n(C)) rank is on the rising trend, as shown in *Table 6.3*.

Table 6.3 : Wastage from the entry ranks of the Rank and File and Officer grades in the past five years

Recruitment ranks		2003-04	2004-05	2005-06	2006-07	2007-08
Fireman	Wastage	1	3	3	6	13
	As % of strength	0.03%	0.08%	0.08%	0.17%	0.35%
Station Officer (Fire)	Wastage	0	0	1	0	1
	As % of strength	-	-	0.17%	-	0.16%
Ambulanceman	Wastage	1	2	4	6	18
	As % of strength	0.07%	0.14%	0.29%	0.43%	1.27%
Ambulance Officer	Wastage	1	0	0	1	0
	As % of strength	1.59%	-	-	1.54%	-
Senior Fireman (Control)	Wastage	1	3	7	5	5
	As % of strength	0.77%	2.36%	5.60%	4.13%	4.14%
Station Officer (Control)	Wastage	0	0	0	0	0
	As % of strength	-	-	-	-	-

(Note : Natural wastage is excluded.)

Career Progression

6.15 Promotion is subject to a range of factors, such as availability of vacancies, operational need, age profile of serving officers and individual merit. That said, we note from the statistics that the time taken for a Fn and an Ambn to be promoted to SFn and Senior Ambulanceman (SAmbn) is relatively long given that the rank ratios of Fn to SFn and Ambn to SAmbn are at 3.5 : 1 and 2.6 : 1 respectively as at 1 January 2008. On the other hand, there is a mechanism to enable staff in the SFn/PFn, SAmbn/Principal Ambulanceman (PAmbn) and Principal Fireman (Control) (PFn(C)) ranks to join the basic ranks of the Officer grades through in-service appointment, subject to their having five years of service in the FSD and fulfilling other specified criteria such as physical test and qualifications.

6.16 In the Officer cadre, StnO and Station Officers (Control) (StnO(C)) are eligible for advancement, under the through scale arrangement, to SStnO and Senior Station Officers (Control) (SStnO(C)) respectively, subject to completion of five years of service and obtaining the relevant qualification for promotion. For AO where through scale arrangement is not applicable, promotion to Senior Ambulance Officer (SAO) rank is also relatively favourable compared with equivalent ranks in other Disciplined Services. Promotion beyond the SStnO and SAO ranks is not so favourable due to the smaller number of established posts at the higher ranks.

6.17 Similar to the situation in the other Disciplined Services, we note that a significant number of the Fire Services staff are serving on the maximum pay point of their respective ranks, as detailed in *Table 6.4*.

Table 6.4 : Entry rank officers at maximum point (as at 1 January 2008)

Rank	No. on maximum	% of total
Fireman	2 822	77%
Senior Fireman	450	41%
Station Officer/Senior Station Officer (combined establishment)	389	58%
Ambulanceman	970	67%
Ambulance Officer	7	10%

(Note : The figures for Senior Fireman and Station Officer/Senior Station Officer also cover those in the MC Stream.)

Analysis and Recommendations

Entry Qualifications

6.18 Both the management and staff have proposed adjustments to the entry qualifications and entry pay of Fn, SFn (C), StnO, Ambn and AO ranks. As elaborated in Chapter 3, we recommend that the current entry qualifications for all grades and ranks be maintained at this juncture pending an overall review of the Qualification Grouping system in the future, taking into account all new developments and their implications on the civil service and the society as a whole. We also propose that no multiple entry arrangement for higher entry qualification be allowed in the Rank and File grades. For the considerations stated in Chapter 3 (paragraph 3.17), we have no objection to the request for removing the sub-entry level below five passes in the HKCEE for the Fn and Ambn ranks. The existing basic entry qualification to the Fn and Ambn ranks on five passes in the HKCEE should remain unchanged. **(Recommendation 6.1)**

Fire Stream

Fireman Grade

6.19 Recruitment and retention in the Fn grade are reasonably satisfactory under the existing pay and conditions of service. We consider the entry pay appropriate. Similar to most Disciplined Services, the Fn rank has one incremental jump at the end of one year of service followed by another incremental jump at the end of five years of service upon passing the qualifying examination for promotion. We consider these arrangements generally effective in retaining staff in the early years of their career.

6.20 At present, the Fn rank is given Long Service Increments (LSI) on completion of 18 and 25 years of service. We understand that the nature of fire-fighting and rescue work necessitates a strong workforce in the basic rank. With the smaller establishment in the SFn rank, promotion opportunity for Fn is rather limited. To recognise the long and meritorious service of these experienced staff, we propose in Chapter 3 (paragraph 3.21 to 3.24) that more LSI should be given and existing ones restructured so that Fn can receive

an increment after satisfactory completion of 12, 18, 24 and 30 years of service respectively. **(Recommendation 6.2)**

6.21 Taking into account the job factors and other relevant considerations arising from changes since the last reviews, we further recommend raising the maximum pay of the Fn rank by one point and increasing the minimum and maximum pay of the SFn rank by one pay point. For the PFn rank, we note that this rank has assumed a greater command role and leadership functions over the years, particularly following the implementation of process re-engineering measures and other initiatives resulting in delegation of certain less complex functions from the Officer cadre to the top tier of the Fn grade. The trend may continue. The management and staff have requested the creation of an additional rank above the PFn to perform the extra duties, including standing in as the Officer-in-charge of the major pump during temporary absence of StnO, overseeing the manpower and daily manning of SFn and Fn ranks in the divisional level, conducting inspections to special risk areas, and organising advanced and specialised training in the Fire Services Training School. Having considered the nature of work of the Fn grade, we consider the present command structure appropriate and do not see sufficient functional justifications for creating a new rank above the PFn rank. To recognise the increased responsibilities and functions of the PFn rank over the years, we propose to raise its maximum pay point by two points and increasing the minimum by one pay point. With these improvements, the pay scale of the Fn grade will be revised as set out below **(Recommendation 6.3)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Fireman	GDS(R) 3-13 plus two Long Service Increments, one each on completion of 18 and 25 years of in-rank service	GDS(R) 4*-14 (*sub-entry removed) plus four Long Service Increments, one each on completion of 12, 18, 24 and 30 years of in-rank service
Senior Fireman	GDS(R) 14-22	GDS(R) 15-23
Principal Fireman	GDS(R) 23-27	GDS(R) 24-29

Station Officer/Divisional Officer Grade

6.22 In line with the principle of meritocracy and as set out in Chapter 3 (paragraph 3.37), we recommend restructuring the pay scale of the StnO/SstnO rank, which has through scale arrangement, such that the maximum pay point of StnO is capped below the rank scale of the SStnO. With this recommendation, only officers who have acquired the necessary qualifications for promotion and fulfilled the requisite in-rank service requirement can advance to the pay scale of the SStnO rank. Those who have yet to acquire the necessary qualifications for promotion shall remain on the restructured pay scale of the StnO rank. In the light of reasonable expectations of serving staff, we recommend that grandfathering arrangement be made upon implementation. **(Recommendation 6.4)**

6.23 The management and staff propose the setting up of a mechanism for early advancement of StnO with exceptional qualities to SStnO after three years of service in the rank, in parallel to the existing service requirement of five years, in a manner similar to the existing practice of the Police Inspector/Senior Inspector ranks. As set out in Chapter 3 (paragraphs 3.29 to 3.37), we recommend tightening up the existing through scale arrangement. We therefore do not support the proposal.

6.24 Taking into account the changes in job factors and increased responsibilities of the StnO/Divisional Officer (DO) grade, we recommend enhancing the pay of the non-directorate ranks as follows **(Recommendation 6.5)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Station Officer	GDS(O) 5-25	GDS(O)5 –21 [#] ([#] through scale modified)
Senior Station Officer	GDS(O) 21-25	GDS(O) 22-26
Assistant Divisional Officer	GDS(O) 26-31	GDS(O) 27-32
Divisional Officer	GDS(O) 32-35	GDS(O) 33-36
Senior Divisional Officer	GDS(O) 36-38	GDS(O) 37-39

6.25 There is a proposal that LSI be introduced to the StnO and SStnO ranks to boost staff morale. LSI are granted to recognise

and motivate loyal, meritorious and long-serving Rank and File staff who have to stay in the basic ranks due to the unique command structure of the Disciplined Services. We see no strong grounds for awarding LSI to the StnO/DO grade which is in the Officer cadre.

Ambulance Stream

Ambulanceman Grade

6.26 Recruitment is satisfactory in the grade and we recommend that the entry pay of the Ambn rank should remain unchanged. The Ambn rank already has two incremental jumps, one on completion of one year of in-rank service and another upon passing the qualifying examination for promotion to SAmbn and having five years of service. We consider these arrangements generally effective in retaining staff in the early years of the Ambn's career.

6.27 At present, similar to many Rank and File grades, a large proportion of the Ambn staff remain on the maximum pay point for years. In recognition of the long and meritorious service of these experienced staff, we propose in Chapter 3 (paragraphs 3.21 to 3.24) to introduce more LSI and restructure them so that the Ambn rank can receive one LSI each after satisfactory completion of 12, 18, 24 and 30 years of service. (**Recommendation 6.6**)

6.28 Taking into account the enhanced job factors and other relevant considerations arising from changes since the last reviews, particularly the development of paramedic ambulance service, we further recommend raising the maximum pay of the Ambn rank by one pay point and increasing the minimum and maximum pay of the SAmbn by one pay point each. For the PAmbn rank, we note that in addition to management and supervisory responsibility, they are responsible for the assessment, scene evaluation and treatment provided for the sick and injured as well as documentation work. They have also assumed greater command role and leadership functions over the years as a result of process re-engineering measures and delegation of less complex responsibilities from the Officer cadre. In this regard, the management and staff propose creating a new rank of Senior Principal Ambulanceman to enhance co-operation and liaison with hospital staff and cope with the complexities of training activities. We note that most of the functions are undertaken either

by the AO or PAmbn. Having considered the nature of the work of the Ambn grade, we consider the present command structure appropriate and hence do not support the proposal for creation of an additional rank. To recognise the increased responsibilities and functions of the rank over the years, we propose to raise the maximum pay point of the PAmbn by two points and increasing the minimum pay by one point. With these improvements, the pay scales of the Ambn grade will be revised as set out below **(Recommendation 6.7)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Ambulanceman	GDS(R) 3-13 plus two Long Service Increments, one each on completion of 18 and 25 years of in-rank service	GDS(R) 4*-14 (*sub-entry removed) plus four Long Service Increments, one each on completion of 12, 18, 24 and 30 years of in-rank service
Senior Ambulanceman	GDS(R) 14-22	GDS(R) 15-23
Principal Ambulanceman	GDS(R) 23-27	GDS(R) 24-29

6.29 The staff union proposes re-titling the Ambn grade as “Paramedic grade” and restructuring it to a four-tier grade with new pay scales comparable to the nursing grade. We do not support the proposal, taking into account the fact that the job factors of the two grades are different and that there are no functional justifications to introduce a new tier in the grade. As mentioned in paragraph 6.28, we consider the present grade structure appropriate and do not support renaming the Ambn grade as “Paramedic grade”.

6.30 The management has also requested granting an incremental jump to those in the Ambn rank who have acquired the Emergency Medical Assistant II (EMA II) qualification and are required to stand in as ambulance supervisors at times. We have considered this proposal and do not find sufficient grounds for granting an incremental jump in this regard.

Ambulance Officer Grade

6.31 While we appreciate the staff’s sentiments and keen interests underlying the requests for through scale, we have explained

in Chapter 3 (paragraphs 3.29 to 3.35) the unique historical background of through scale and reaffirmed the view of the Rennie Committee that the arrangement should not be further extended to other grades. We also note the staff concerns about advancement opportunities for mid-career officers and see the need to sustain morale and motivation. We therefore recommend introducing two new incremental jumps to the AO rank, one each on completion of five years and eight years of in-rank service respectively and subject to their having obtained the necessary qualifications for promotion (**Recommendation 6.8**). Together with the existing incremental jump awarded upon completion of one year's service, the AO rank will have a total of three incremental jumps.

6.32 Taking into account the enhanced job factors and increased responsibilities of the ranks in the AO grade, we recommend adjusting the pay of the non-directorate members as follows (**Recommendation 6.9**) –

Rank	Existing Pay Scale	Recommended Pay Scale
Ambulance Officer	GDS(O) 5-20	GDS(O)5 -21
Senior Ambulance Officer	GDS(O) 21-25	GDS(O) 22-26
Superintendent (Ambulance)	GDS(O) 26-31	GDS(O) 27-32
Assistant Chief Ambulance Officer	GDS(O) 32-35	GDS(O) 33-36
Senior Assistant Chief Ambulance Officer	GDS(O) 36-38	GDS(O) 37-39

6.33 It has been represented to us that staff in the Superintendent (Ambulance) (S(Amb)) rank are performing work similar to that of the DO in the Fire Stream and on this basis, the pay of S(Amb) should be raised to that of the next higher rank, namely Assistant Chief Ambulance Officer (ACAO). Similarly, there are views that the span of control, responsibilities and nature of work of the ACAO rank are comparable to that of an Senior Divisional Officer (SDO) and its pay should be raised to that of the Senior Assistant Chief Ambulance Officer (SACAO). This would in effect result in the abolition of the rank of SACAO and upgrading of all the ranks below.

6.34 Having reviewed the case, we consider the current command structure appropriate. We also see the merit of continuing the present practice of broadbanding the Officer ranks except the entry ranks in terms of pay and rank structure. As the issue is essentially related to ranking, we encourage the management to review whether there is any case to adjust the ranking of certain posts in the AO grade where functionally justified.

Mobilising and Communications Stream

6.35 It has been represented to us that the increasing number of calls for fire and ambulance services has heightened the work pressure of the SFn(C), resulting in higher staff turnover. To tackle the problem, we recommend that one incremental jump be granted to SFn(C) on completion of five years of service and obtaining the necessary qualification for promotion to PFn(C) (**Recommendation 6.10**).

6.36 To recognise the enhanced job factors and retain experience, we recommend that the minimum and maximum pay points of the SFn(C) rank be raised by one pay point each. We also note that a PFn(C) plays the role of Leading Console Operator, and is required to make instant decisions to despatch fire appliances/ambulances and resources according to departmental procedures and instructions. For those posted to the Airport Fire Contingent, they have to be trained on special skills and knowledge on airport and aircraft related matters. Both the management and staff have requested the creation of an additional rank above the PFn(C) to take charge of these duties and improve promotion prospects. We see no functional justifications to support the proposal. To recognise the enhanced responsibilities, we recommend raising the maximum pay of the PFn(C) by two points and increasing the minimum pay by one point. The proposed new pay scales of the Fn grade in the MC Stream are as follows (**Recommendation 6.11**) –

Rank	Existing Pay Scale	Recommended Pay Scale
Senior Fireman (Control)	GDS(R) 14-22	GDS(R) 15 -23
Principal Fireman (Control)	GDS(R) 23-27	GDS(R) 24-29

6.37 In line with the principle of meritocracy, we recommend that the modified through scale arrangement proposed for the StnO

and SStnO ranks be similarly applied to the through scale between the StnO(C) and SStnO(C) ranks, as set out in paragraph 6.22. **(Recommendation 6.12)**

6.38 Taking into account the enhanced job factors and increased responsibilities of the StnO and SStnO engaged in mobilising and communications work, we recommend enhancing the pay scales of the ranks as follows **(Recommendation 6.13)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Station Officer (Control)	GDS(O) 5-25	GDS(O) 5 –21 [#] ([#] through scale modified)
Senior Station Officer (Control)	GDS(O) 21-25	GDS(O) 22-26

6.39 The Fire Services staff also propose the creation of a new rank of Assistant Divisional Officer (Control) (ADO(C)) in the MC Stream. At present, the MC Stream is headed by an SDO, underpinned by one DO and four Assistant Divisional Officers, all from the Fire Stream. We have discussed the proposal with the management and are advised that there are reservations about the proposal.

The Directorate

6.40 We have received proposals from the management and staff for the creation of two additional Deputy Director (DD) posts, one each for the Fire and Ambulance Streams to meet operational needs and strengthen the directorate structure. The management suggests pitching the rank of the DD for the Fire Stream at a new level between GDS(C) 3 and GDS(C) 4 and the one for the Ambulance Stream at GDS(C) 3.

6.41 The suggestion of pitching the proposed DD post at a level between GDS(C) 3 and GDS(C) 4 involves creation of a new directorate rank. We have examined the proposal, but do not see strong functional justifications for the creation of a new DD rank. We recommend maintaining the current directorate grade structure **(Recommendation 6.14)**. That said, we note that the FSD has a total establishment of 8 720 disciplined services posts and is the third largest department in the Government. There might be a case to

consider an additional DD post at GDS(C) 3 level. The management could review its directorate structure and pursue the matter under the existing mechanism if there are strong functional justifications.

6.42 The management and staff also propose creating additional directorate posts at the GDS(C) 1 level to enhance the Department's capabilities for overseeing policy and managing human resources and operational matters. As these proposals can be pursued under the existing mechanism, we recommend the management to review its directorate complement and seek formal creation of additional posts where functionally justified.

6.43 We will set out our recommendations on the directorate pay scales in Chapter 11 (paragraph 11.10).

Conditioned Hours of Work

6.44 The management proposes that the Administration should formally recognise the long conditioned hours of work of staff of various Streams in FSD and that such should be adequately reflected in their pay. They consider that the conditioned hours of work should be reduced in the long run. There are also requests from different Streams, some asking for reduction of conditioned hours while a few support extending their hours of work to 54 per week on condition that their pay be correspondingly adjusted upward.

6.45 As mentioned in Chapter 3 (paragraphs 3.44 to 3.47), the conditioned hours of the Disciplined Services are governed by operational needs and are determined in relation to the total responsibilities of each Service, its complement, and the actual manpower situation at any time. Partly due to its unique shift pattern and nature of work, the Fire Stream has the longest conditioned hours. The conditioned hours of the Fn grade of the Fire Stream were reduced from 60 to 54 hours per week upon the advice of the Standing Committee and a new 12-hour shift system came into operation with effect from August 1990. Subsequently, it was reverted to a 24-hour shift system (24 hours on, 48 hours off) in April 1992. The same is applied to the StnO/DO grade in the Fire Stream. In the Ambulance Stream, the conditioned hours for the Rank and File and Officer grades are 48 and 44 hours per week respectively while those for the MC Stream are 48 or 54 hours per week depending on their posting.

6.46 The Fire Stream has the longest working hours of 54 hours per week. We are open to proposals to reduce the conditioned hours of the staff working in the Fire Stream subject to the fulfilment of the three pre-requisites: cost neutrality, no additional staffing requirement and no reduction of service to the community. We appreciate the intensity of efforts required of the Fire Stream during operations. Nonetheless, we also note that their work is broadly reactive in nature and the working hours involve standby time and rest time. Furthermore, the unique shift pattern of “24 hours on, 48 hours off” also has the incidental benefits of incurring less travelling time and cost, reducing the total number of working days and in turn, enabling over 98% of the FSD staff to enjoy five-day week, which is one of the highest ratios among the Disciplined Services. That said, we have explored with the management the feasibility of reducing the conditioned hours of the Fire Stream. However, the management advised that the Department has difficulties in meeting the three pre-requisites at this juncture. We urge the Department to explore further with the staff and the Administration on the feasibility of reducing the conditioned hours of staff in the Fire Stream under the three pre-requisites, using an incremental approach and starting with a pilot scheme where appropriate. (**Recommendation 6.15**)

Job-Related Allowances

Special Allowance for Paramedic Ambulance Supervisors (Paramedic Allowance)

6.47 Currently, the majority of the SAmbn and PAmbn are EMA II qualified and are drawing the Paramedic Allowance in recognition of the qualification and performance of paramedic duties at EMA II level. They need to undergo re-certification of their paramedic proficiency at EMA II level every three years.

6.48 The Paramedic Allowance was first introduced in 1995 as a temporary allowance at the rate of \$600 (or equivalent to 6.2% of the then GDS(R) 1). In 1998, having considered the Administration’s proposal, the Standing Committee endorsed an increase of the rate to 10% of GDS(R) 1 on the understanding that the higher rate would cover any future upgrading of skills at the EMA II paramedic supervisor level. In making this recommendation, the

Standing Committee made the observation that the grant of the allowance should be regarded as a transitional arrangement.

6.49 In the context of the GSR, we have reviewed the continuation of the Paramedic Allowance in the light of latest developments. In principle, as the paramedic duties have gradually become a key component of the core duties of the SAmbn and PAmbn ranks, the pay should be adjusted where appropriate to reflect this function. In this connection, we have proposed in paragraph 6.28 to increase the minimum and maximum pay points of the SAmbn by one point each, and to increase the minimum pay of PAmbn by one point and its maximum pay by two points. The pay increase reflects the enhanced responsibilities of the two ranks arising from changes since the last reviews including the transformation of ambulance aid to paramedic services.

6.50 We appreciate that the paramedic ambulance service has contributed significantly to the community by providing pre-hospital care to the sick and injured and note that the Paramedic Allowance has served a useful purpose in promoting paramedic ambulance service in Hong Kong. The allowance has been in place for some time, and more than 75% of the staff in the ranks of SAmbn and PAmbn are drawing the allowance. With the proposed improved pay scales of these two ranks, the allowance may no longer be required. However, having regard to the fact that the EMA II qualification is subject to re-certification at a three-year interval, we recommend continuing to grant the allowance for the time being pending further review by the management on an appropriate continuous professional development framework with a robust accreditation to sustain and enhance the quality of paramedic ambulance service in Hong Kong, having regard to the interface of various providers of pre-hospital care and other paramedic services in Hong Kong. **(Recommendation 6.16)**

Proposed New Allowances

6.51 The management proposes granting two special allowances for the Fn grade. One is intended for members of Fn grade who have acquired FR qualifications and are required to perform such duties in addition to their normal duties. The other is to recognise the extra skills and additional responsibilities shouldered by the Fn grade for performing SRS duties.

6.52 The FR programme was introduced in 2003 where the Fn grade members are trained to provide prompt basic life support services for casualties/patients with conditions such as cardiac diseases, airway obstruction by foreign body and other life threatening conditions before arriving the hospitals. The management considers that the FR duty is not normally expected of the Fn grade, and as a result of the implementation of the programme, the workload of the members of the Fn grade has increased.

6.53 The SRS was set up in April 2000 with a view to providing a specially trained rescue team equipped with advanced rescue tools for enhancing the operational response to disastrous incidents, such as landslides and incidents with multi-casualties, that happen within or outside the Hong Kong territory. To be qualified, Fn grade members must have passed all the assessments on the various training modules, and their qualification is subject to re-certification at three-year intervals.

6.54 On top of the FR and SRS training, we note that the Department is stepping up efforts to equip the operational staff with advanced and specialist training to better fortify them in serving the community. We are of the view that there is a prima facie case for introducing a new allowance to recognise the special competence, specialist training, extra duties, coupled with the exceptional danger, risk and hardship associated with certain higher level responsibilities of the Fn grade evolved over the years. Such competencies should be developed, certified and formalised having regard to best practices in other leading fire brigades. The allowance should preferably be of two tiers, with the rate of Level 1 not exceeding 5% of GDS(R) 1 and the rate of Level 2 at around 7.5% of GDS(R) 1, payable to the Fn rank and SFn/PFn ranks in the Fire Stream respectively. The new allowance should cover a wide array of new duties and skills including aspects such as Compartment Fire Behaviour, Advanced Live Fire, Advanced Breathing Apparatus Search and Conduit Rescue, Advanced Ambulance Aid for Level 1, and SRS for Level 2. Where justified, the Standing Committee is open to suggestions to consider setting the rate for Level 2 at no more than 10% of GDS(R) 1. Similar to other Job-related Allowances, the new allowance should be based on attainment of the prescribed proficiency level and actual performance of related duties. Other guiding principles on the granting of Job-related Allowances should also apply. We encourage

the management to explore further with the Administration and the staff on details of the proposal. We will consider it when a detailed proposal is received. (**Recommendation 6.17**)

Other Issues

6.55 As mentioned in Chapter 1, pay cannot and should not be the only tool to maintain an efficient and effective service. In the case of the FSD, we are aware of the diverse, complex and risky operations, and the escalating demand for pre-hospital care. The hard work and strong commitment of the staff deserve our recognition. We appreciate the staff's requests for additional resources in terms of ambulances, protective gear, advance rescue apparatus and equipment. We also note the requests for training reserve, staff and adjustments to deployment practices. We understand that these requests are receiving close attention. The provision of additional resources will go a long way to addressing the morale and concern of the Ambulance Stream. It is imperative that our frontline officers are given reasonable support in terms of staffing and equipment in discharging their duties. We trust the management, in consultation with relevant bureaux, will examine these issues and pursue relevant proposals under the existing mechanism, where appropriate.

Summary of Key Recommendations

6.56 In summary –

- (a) we recommend enhancing the pay scales of the non-directorate ranks of the FSD as detailed in **Appendix 14**;
- (b) we urge the Department to explore further with the staff and the Administration on the feasibility of reducing the conditioned hours of staff working in the Fire Stream under the three pre-requisites;
- (c) we recommend continuing the Paramedic Allowance for the time being, pending further review by the management on an appropriate continuous professional development framework with a robust accreditation system, having regard to the interface

of various providers of pre-hospital care and other paramedic services in Hong Kong; and

- (d) we consider there is a prima facie case for introducing a new two-tier allowance for the Fn grade. We encourage the Department to explore further with the Administration and the staff on details of the proposal.

Chapter 7

Government Flying Service

Overview

Role of the Government Flying Service

7.1 The Government Flying Service was established in April 1993 under the GFS Ordinance (Cap. 322) to take over the functions of the then Royal Hong Kong Auxiliary Air Force (RHKAAF). It operates within the Hong Kong territory as well as in international waters within the 400 nautical mile radius of the Hong Kong Flight Information Region. The GFS provides flying services for the Government, including search and rescue operations in the open seas in the middle of typhoons, fire-fighting and conveyance of casualties to hospitals.

7.2 With enhanced capabilities of its fleet, the GFS has, over the years, developed into an internationally renowned search and rescue agency. Its operations have extended beyond Hong Kong. It has set a record of rescuing 91 lives from the wild seas during the passage of Typhoon Prapiroon in August 2006. Over the three-week deployment to the earthquake-hit Sichuan in May 2008, the GFS crew were involved in 26 operations, in which 96 casualties were brought to safety and 119 members of ground search teams and specialists were flown to the disaster areas. These missions have won applause to Hong Kong and the GFS and demonstrated the professionalism and esprit de corps of the GFS crew.

Organisation Structure

7.3 The GFS is headed by the Controller, GFS. He is supported by the following five sections –

- (a) *the Operations Section* provides flying services, including search and rescue and casualty evacuation, to the community of Hong Kong as well as people who make a living in the South China Sea, and

supports law enforcement operations and government tasks;

- (b) *the Training and Standards Section* is responsible for setting professional standards and overseeing training and development of all aircrew;
- (c) *the Engineering Section* is an approved Hong Kong Aviation Requirements 145 maintenance organisation supporting all flying and operational activities. It provides maintenance services virtually to all GFS aircraft and equipment;
- (d) *the Quality Section* is the internal auditor to ensure that the operation of the GFS conforms to civil aviation flying regulations and other quality and flight safety standards; and
- (e) *the Administration Section* provides administrative support to the whole Department.

Staffing

7.4 As at 1 January 2008, the GFS had an establishment of 223, including 166 posts under the disciplined services grades of Pilot, Air Crewman Officer (ACMO), Aircraft Engineer (AE) and Aircraft Technician (AT). Details are set out in *Table 7.1*.

Table 7.1: Distribution of disciplined services posts in the GFS as at 1 January 2008

Grade	No. of Established Posts (%)
Directorate	4 (2%)
Pilot	41 (25%)
Air Crewman Officer	27 (16%)
Aircraft Engineer	24 (15%)
Aircraft Technician	70 (42%)
Total	166 (100%)

Grade and Rank Structure

7.5 The Controller, GFS is ranked at GDS(C) 3. He is underpinned at the directorate level by two Chief Pilots and one Chief Aircraft Engineer, all ranked at GDS(C) 1.

7.6 At the non-directorate level, there are four ranks each in the Pilot grade and the ACMO grade, two ranks in the AE grade and three ranks in the AT grade. The current grade structure has reflected the creation of the new ranks of Senior Air Crewman Officer (SACMO) in 1990 and Chief Pilot in 1992; and the amalgamation of the Air Crewman and ACMO grades in 2000. Details of their rank structure and existing pay scales are set out at **Appendix 15**.

7.7 The GFS grades, unlike the majority of other grades and ranks in the Disciplined Services, are not structured distinctly into the Rank and File and Officer cadres. In this connection, we note that the then RHKAAF departmental grades were remunerated on the Master Pay Scale before they were transferred to the General Disciplined Services Pay Scales in May 1989 in the light of the recommendations of Mr Rennie²¹ and the advice of the Standing Committee.

Relevant Considerations

Job Factors and Special Factors

7.8 We have considered the job factors and special factors in respect of the GFS grades. Some key features are set out below –

- (a) Potential danger and risks faced by aircrew are relatively high since the pilots and ACMO are required to work under all weather conditions in search and rescue missions and handle a range of dangerous, unfamiliar and unpredictable situations in order to save lives. They suffer a high degree of stress as each flying mission is unique with uncertainty and difficulties.

²¹ The Rennie Review in 1988 did not cover the GFS (or the then RHKAAF) as the latter was in the middle of transformation from a military set-up to a civilian Disciplined Service. Subsequently, the Administration invited Mr Rennie, in his personal capacity, to conduct a study of the RHKAAF and advise how it should be brought within the ambit of the Disciplined Services. At the invitation of the Administration in May 1989, the Standing Committee agreed to assume responsibility for advising on the salaries and conditions of service for the GFS (the then RHKAAF).

- (b) Individual responsibility required of the aircrew is great especially during search and rescue operations. An ACMO is often the only rescuer at the scene and has to make difficult and timely life-and-death decisions independently. For the ground crew, they are responsible for the airworthiness of the aircraft and hence their work bears crucial importance in terms of flight safety.
- (c) All GFS staff have to perform shift duties although their conditioned hours of work are 44 hours per week. They are also subject to the requirement to be on-call and are liable to be called out for emergency tasks during off-duty. Owing to the reactive nature of their work, the aircrew are not expected to work particularly long periods of continuous duty, except for special missions.

Changes Since Last Reviews

7.9 Both the GFS management and staff have highlighted that many changes in the past two decades have significant impact on their role and mode of operation, which further heighten the level of responsibilities, workload and pressure on the staff. Some of the more significant changes are summarised below –

- (a) *Changes in modus operandi and professional qualification* : In the past, the RHKAAF had many features of an auxiliary military force in its command structure and mode of operation, and its pilots and engineers were not required to hold any civilian professional licence in performing their duties. Since its establishment in 1993, the GFS has been operating in accordance with civilian rules and regulations and is subject to the regulatory scrutiny of the Hong Kong Civil Aviation Department. These new requirements are more stringent than before, resulting in higher demand on the qualifications and professional abilities of the aircrew and ground crew. All pilots and engineers are required to hold professional licences to carry

out their duties, which have to be validated periodically. Particularly for the pilots, their licences are also subject to the requirement of currency.

- (b) *Changes in span of responsibilities* : The phasing out of the British Royal Air Force and the Army Air Corp in the early 1990s resulted in the GFS having to gradually shoulder some of the responsibilities previously shared among these agencies. To support its enhanced role, the GFS has expedited its localisation programme, put in place a comprehensive training plan and strengthened its fleet of aircraft and equipment. The tasks and missions performed by the GFS crew have been expanded in types and complexity, and the missions are much more demanding, exposing the crew to higher level of risk.
- (c) *Changes in aircraft fleet* : With its expanded role and responsibilities, the GFS has to provide a safe platform for its crew to handle the demanding and risky operations. The Department has undertaken replacement programmes on its fixed-wing aircraft and helicopters, and the current aircraft fleet is much more sophisticated and technologically advanced than those operated in the RHKAAF days. At present, the GFS operates a fleet of nine aircraft, including two Jetstream-41 fixed-wing aircraft, three AS332 L2 Super Puma helicopters and four EC155 B1 helicopters. The enhanced capability of the aircraft requires a corresponding enhancement of the skills and training of both the operating aircrew and the engineering staff.
- (d) *Changes in establishment* : The GFS has emerged from an auxiliary service (with 98 auxiliary members out of 199 staff in 1988) into a department (with 223 permanent staff as at 1 January 2008) providing full-time, round-the-clock and all-weather service in support of rescue and law enforcement. The current establishment is more or less similar to

the level in 1993, despite an expansion of the GFS's work portfolio during the period.

7.10 Some workload indicators of the GFS are summarised in *Table 7.2*.

Table 7.2: Examples of workload indicators of the GFS

	1988 (RHKAAF)	1998	2006	2007
Establishment as at 1 April	199 ²²	254	225	223
Number of Aircraft ²³	10	11	9	9
Total flying hours ²⁴				
(a) Fixed wing	1 316	1 454	1 266	1 282
(b) Helicopters	1 758	5 628	4 690	4 306
Number of call-outs	379	1 879	2 476	2 293

Recruitment

7.11 Recruitment statistics of the GFS grades reflect no recruitment difficulty. For the aircrew grades of Pilot and ACMO, we note that recruitment of Cadet Pilots is carefully planned for better succession such that vacancies are not filled at one go and normally only two to four candidates are accepted in each recruitment exercise. For recruitment of Air Crewman Officer III (ACMO III), some 1 992 applications were received in the recent recruitment exercise against three vacancies.

7.12 There is no recruitment difficulty in the AE and AT ranks either. Qualified AT grade officers may also join the AE rank through in-service appointment.

Retention

7.13 Retention has been an emerging issue in the Pilot grade. In the past five years, five pilots left the Pilot grade in total: one Pilot I in 2006-07, one Senior Pilot in 2007-08 and three (including one

²² The figures include the Volunteer Members.

²³ Although the fleet size in the earlier years was slightly larger, they were simple aircraft that were relatively easy to operate and maintain.

²⁴ The number of flying hours include hours for training, operations and related tasks.

Pilot I and two Pilot II) in 2008-09, causing a loss of operational experience. This also represents a loss in financial terms as the total training costs for each Cadet Pilot alone amount to \$1.2 million for aeroplane training and \$2.0 million for helicopter training, not to mention the costs of in-house upgrading and recurrent training to enable the staff to perform the full range of the GFS operations and retain currency.

7.14 For the ACMO grade, the GFS is facing retention difficulties at the ACMO III level. A total of six ACMO III left in the past five years. Details of the wastage figures other than retirement cases are summarised in *Table 7.3*.

Table 7.3: Wastage from the ACMO III rank in the past five years

Recruitment rank		2003-04	2004-05	2005-06	2006-07	2007-08
ACMO III	Wastage	1	0	1	2	2
	As % of strength	7.1%	-	7.7%	16.7%	15.4%

7.15 For the AE and AT grades, we observe no retention problem.

Career Progression

7.16 We have looked into the promotion prospects in the GFS in very broad terms. Staff profile information of the GFS grades indicates that their average length of in-rank service before promotion to the next higher rank is generally within reasonable ranges. As at 1 January 2008, about 71% of the staff were serving on the maximum pay point of the ranks (detailed figures in respect of the recruitment ranks of ACMO III, AE and AT were 55%, 80% and 100% respectively). The rank ratio is reasonable although the small establishment in some ranks may restrict actual promotion opportunities. In this respect, we have to emphasise the fundamental principle that promotion is not a right and is in practice subject to a range of factors such as availability of vacancies, operational need, age profile of serving staff and individual merit.

Analysis and Recommendations

Pilot Grade

Cadet Pilot Rank

7.17 We agree that the Cadet Pilot is a training rank and its existing academic entry qualification (i.e. matriculation) is sufficient to meet the job requirement. The Cadet Pilot pay scale, i.e. GDS(O) 1b-2, should remain unchanged. (**Recommendation 7.1**)

Pilot II to Senior Pilot Ranks

7.18 There are requests for raising the starting and maximum pay of the Pilot ranks on grounds of retention, motivation and increased job complexity. We are aware that with a shortage of pilots worldwide, the salaries of pilots in the commercial sector are rising and qualified pilots are being drawn to companies offering better remuneration packages. As mentioned in paragraph 7.13, the Pilot grade encounters a rather serious wastage problem in 2008-09, and the retention issue may aggravate as competition for talents in the aviation sector intensifies.

7.19 Notwithstanding the above, we consider that the pay of the Pilot II does not compare less favourably with that for junior First Officers in the commercial sector, bearing in mind the substantial differences in flight hours and the purposes of the flight. We believe that the main reason why a GFS pilot leaves, normally after expiry of the ten-year training bond period applicable to Cadet Pilots, is for gaining the requisite experience required for career purpose (either the aircraft type or flight time or both) rather than for immediate financial gain. In fact, for those pilots who decided to pursue a career in the commercial career, they have to move to an aircraft type used by the major carriers and focus on building up the flight time before they are considered for appointment. The existing work nature of a fixed-wing pilot with relatively limited flight time may not be conducive to a career with a major commercial carrier. Those pilots who choose to leave the GFS often face a pay cut in the short term with a view to gaining a substantial increase in the medium to long term. Giving them more pay in the GFS therefore does not seem to be able to contain or solve the problem.

7.20 At the outset, we wish to point out that there are intrinsic differences between a career in the GFS and the commercial career. It is evident to us that the GFS crew are driven by a strong sense of mission, a sense of achievement to save lives and protect property, and the privilege and honour to serve. Training and development opportunities, a caring and supportive management, the esprit de corps of the staff and stability of employment are also important. These intangible factors outweigh the material gains in attracting and motivating them to deliver quality service with professionalism. Within the framework of the civil service remuneration system, we do not find it possible to match the salary and fringe benefits in the market, which are, in turn, subject to fluctuations from time to time. A balance has to be struck, and we have to ensure that the remuneration package, coupled with the intangible factors, is considered fair and reasonable by the staff and the community at large.

7.21 Taking into account the job factors and other relevant considerations, we recommend enhancing the pay scales of the Pilot ranks as follows (**Recommendation 7.2**) –

Rank	Existing Pay Scale	Recommended Pay Scale
Pilot II	GDS(O) 14–25	GDS(O) 14–26
Pilot I	GDS(O) 26–35	GDS(O) 27–36
Senior Pilot	GDS(O) 36–38	GDS(O) 37–39

The improvements should help alleviate the wastage problem to a certain extent.

Incremental Jumps

7.22 In view of the retention issue of the Pilot II rank, which is the first functional rank in the Pilot grade, we see a need to provide additional motivation in the rank by recognising enhanced professional competence and duties required. For this purpose, we recommend introducing incremental jumps to the Pilot II rank as follows–

- (a) two additional incremental jumps to Pilot IIs who have obtained dual licences for both helicopter and fixed-wing aircraft and are required to perform Pilot I flying duties frequently; and

- (b) another two incremental jumps to Pilot IIs who have obtained an Instrument Rating, become qualified to operate as Captain in coastal and day offshore search and rescue in accordance with the GFS Operations Manual approved by the Civil Aviation Department and are required to perform Pilot I flying duties frequently.

These additional incremental jumps serve to provide financial incentive to those Pilot II who have not yet reached the maximum scale of the rank. (**Recommendation 7.3**)

Other Related Issues

7.23 There are also requests to upgrade certain Pilot II posts to Pilot I rank to enhance operational flexibility and to ensure that rescue missions are staffed by officers with the experience and proficiency commensurate with higher risks associated with flying duties in severe weather and challenging operating environment. We encourage the GFS to review whether it is functionally justified to pursue these proposals and, where appropriate, take them forward under the existing mechanism.

7.24 The staff also propose to change the rank titles of the Pilot grade to better reflect their roles and responsibilities in line with the aviation sector. The Standing Committee is open-minded on this subject so long as the change has no implication on the grade's structure or pay. On this understanding, we encourage the GFS management to discuss with the staff with a view to formulating mutually agreed proposals for pursuing with the Administration.

Air Crewman Officer Grade

Entry Pay

7.25 Both the GFS management and staff have requested that the entry pay of the ACMO grade be raised on a par with other equivalent disciplined services ranks in order to attract and retain staff as well as to reflect the increased job complexity.

7.26 The ACMO grade is a hybrid grade with a pay scale straddling both the Rank and File and the Officer grades. Indeed, the present structure stems from the amalgamation of the former Air Crewman grade which was a Rank and File grade and the former ACMO grade which was an Officer grade. The merger in 2000 was intended to streamline the grade structure, enhance staff management and formalise the advancement arrangement. It was approved on the premise that the merger would be cost-neutral; be in line with the localisation of GFS staff (which rendered it unnecessary to recruit the ACMO from overseas); raise the morale of the Air Crewman grade by streamlining the progression; and avoid proliferation of small grades. As currently structured, the ACMO grade comprises four ranks: ACMO III, ACMO II, ACMO I, and SACMO.

7.27 Unlike the Rank and File grades in other Disciplined Services, the ACMO III has a better career progression to the Officer level. As distinct from most Officer grades in other Disciplined Services, the ACMO grade does not have command responsibilities over any Rank and File grade. In recognition of this unique nature, the entry pay for the ACMO III rank straddles the GDS(R) and GDS(O) Pay Scales, with its standard entry at GDS(O) 1b for matriculants and GDS(R) 7 for school certificate leavers. Given the uniqueness of the ACMO grade, we do not consider it appropriate to have direct comparison with either the Rank and File grades or the Officer grades in the Disciplined Services requiring similar academic qualifications. We should instead focus on the job factors, recruitment, retention and career progression of the ACMO grade.

7.28 We note that the ACMO III rank has no recruitment difficulty, showing that the present entry pay is sufficient to attract people of suitable calibre to apply and join the ACMO grade. Moreover, we see the merit to have broad relativity between the entry pay point for the ACMO III and Cadet Pilot at GDS(O) 1b. We therefore recommend that the entry pay for the ACMO III be maintained at the current level. **(Recommendation 7.4)**

7.29 The staff have proposed that for parity with other Officer grades in the Disciplined Services, additional multiple entry arrangements should be given to ACMO III so that holders of higher diploma/associate degree could enter at GDS(O) 1a, and degree-holders with passes in the Common Recruitment Examination

at GDS(O) 1. We have consulted the GFS management and understand that the current arrangement would better reflect the nature of a hybrid grade. We therefore recommend that no change be made. This is consistent with our recommendation not to introduce more multiple entry points above the reference benchmark qualifications.

Incremental Jumps

7.30 As mentioned in paragraph 7.14, the ACMO III rank encounters rather serious retention difficulties, particularly in the first five years of service. We also note that an ACMO III has to undergo a series of rigorous training in his early career to equip him with a wide spectrum of technical skills. At present, an ACMO III is granted four incremental jumps: two upon passing the qualifying examination at Level 3 of the crewman training (i.e. qualified as a Winchman, which normally takes place within the first three years of their appointment); and another two incremental jumps for passing Level 5 of the training (i.e. qualified as Winch Operator for night mission, which is normally attained in the fifth year of appointment).

7.31 To address the retention problem and recognise the increased skill level of the ACMO III, we recommend that one incremental jump each be awarded upon passing the qualifying examination at Levels 1, 2 and 4 of the crewman training, such that an ACMO III will enjoy three more incremental jumps within the first five years on obtaining the relevant qualifications. The improvements will help address the retention issue facing the ACMO III rank. **(Recommendation 7.5)**

Pay Scales

7.32 We appreciate the increasingly important role and higher level of responsibilities of the ACMO grade as a result of the changes in the operating environment of search and rescue work. Taking into account the job factors and other relevant considerations, we recommend improving the pay scales of the different ranks in the ACMO grade as follows **(Recommendation 7.6)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Air Crewman Officer III	GDS(R) 7–GDS(O) 16	GDS(R) 7–GDS(O) 17
Air Crewman Officer II	GDS(O) 17–25	GDS(O) 18–26
Air Crewman Officer I	GDS(O) 26–35	GDS(O) 27–36
Senior Air Crewman Officer	GDS(O) 36–38	GDS(O) 37–39

Aircraft Engineer Grade

7.33 The staff have proposed that the entry qualification of the future AE recruits be formally defined as: (a) qualified with aircraft maintenance licence in either (i) Cat. B1.1 and Cat. B1.3; or (ii) Cat B2; and (b) valid aircraft maintenance experience of certain duration in civilian aviation in supervisory role. Other proposals suggest creation of a new Assistant AE rank to improve the career prospects of the AT grade. Given that these proposals involve major structural changes, we consider it more appropriate for the GFS management to follow this up and revert in due course when it has completed deliberations on the proposed arrangements in re-defining the role of the AE grade vis-à-vis restructuring the AT grade (paragraphs 7.38 to 7.40 below are relevant).

7.34 The AE rank has not encountered any recruitment difficulty, indicating that the present entry pay is sufficient to attract candidates of suitable calibre to join the rank. We recommend that the entry pay of the AE rank should be maintained at the current level. **(Recommendation 7.7)**

7.35 Taking into account that responsibilities of the AE grade have increased in line with the evolution of the aircraft maintenance licensing system and that they are now required to work on both helicopters and fixed-wing aircraft as well as other supporting duties, we recommend raising the pay scales of the respective ranks as follows **(Recommendation 7.8)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Aircraft Engineer	GDS(O) 22–35	GDS(O) 22–36
Senior Aircraft Engineer	GDS(O) 36–37	GDS(O) 37–38

The maximum pay point of the Senior AE rank will remain to be one point lower than that of the SACMO rank to retain the one point difference between the aircrew and the ground crew.

Aircraft Technician Grade

Pay Scales

7.36 There is no recruitment difficulty in the AT grade. We propose that the entry pay of the AT rank should remain unchanged. Nevertheless, we note that the responsibilities of the AT grade have increased in line with the evolution of the aircraft maintenance licensing system and that they are now required to work on both helicopters and fixed-wing aircraft as well as other supporting duties, in tandem with the expanded scope of the AE grade. We therefore recommend upgrading the pay scales of the AT ranks as follows **(Recommendation 7.9)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Aircraft Technician	GDS(R) 3–GDS(O) 5	GDS(R) 3–GDS(O) 6
Senior Aircraft Technician	GDS(O) 6–11	GDS(O) 7–12
Chief Aircraft Technician	GDS(O) 12–24	GDS(O) 13–25

7.37 There are requests from the staff that Long Service Increments (LSI) should be introduced to the AT grade to motivate staff with long and meritorious performance. As explained in Chapter 3 (paragraph 3.21), LSI are designed for the first ranks of the Rank and File grades since a significant portion of them are unlikely to have promotion beyond the first rank despite meritorious and long service given the special command structures in the disciplined services Rank and File grades. In this light, we do not see valid reasons for introducing the LSI to the AT grade, which is not a Rank and File grade.

Restructuring Proposal

7.38 The management has expressed the view that the current three-tier structure of the AT grade is not entirely satisfactory. Their main consideration is that as a result of the changeover of the GFS to a

civilian regulatory agency, certification work was removed from the Chief Aircraft Technician rank while the GFS has to appoint more licensed AE in order to fulfil the legal requirements of having a licensed personnel to certify aircraft maintenance work and release of the aircraft.

7.39 The GFS proposes to take the opportunity to review the working relationship of the AE and AT grades, with a view to improving the deployment of resources. We understand that the management is giving detailed thought to various issues in the proposal, including reforming the AT grade by re-shuffling of duties, grade re-structuring, upgrading the entry qualification from apprenticeship or a Polytechnic/Technical Institute Certificate to Higher Diploma, consequential impact on the AE rank, as well as transitional arrangements for serving staff.

7.40 We agree with the management that the overall direction is correct. These measures, if come to fruition, will help develop a highly qualified workforce to meet operational demands. We are, however, mindful of the views of the AT grade as some grade members may be concerned about the pace of reform and the implications on the future manpower provision. The management would need to proceed carefully, taking into account the long-term development needs as well as the interests of all stakeholders. Hence, at this embryonic stage when concrete proposals have yet to be fully formulated, we consider it inappropriate to form any view at this juncture. We understand the GFS would continue to formulate detailed proposals in consultation with the staff and the Administration before seeking our advice in due course.

The Directorate

7.41 The GFS has submitted the following proposals on directorate ranks and posts –

- (a) the post of the Controller, GFS be upgraded from GDS(C) 3 to a rank equivalent to D5 and retitled as Director, GFS;
- (b) a new rank and post of Deputy Director, GFS at GDS(C) 3 be created to serve as deputy head of the Department;

- (c) the two posts of Chief Pilot be upgraded from GDS(C) 1 to GDS(C) 2 to reflect job complexity; and
- (d) the post of Chief Aircraft Engineer be upgraded from GDS(C) 1 to GDS(C) 2 to be in line with the pay scale for the Chief Pilot.

7.42 Ranking of the Disciplined Services Heads is a matter outside the ambit of the Standing Committee. We have therefore referred the upgrading proposal to the Standing Committee on Directorate Salaries and Conditions of Service (the Directorate Committee) for consideration. The Directorate Committee's recommendation is that the present salary levels of the Heads of Disciplined Services are appropriate and should be maintained. In other words, the pay of the Controller, GFS should be maintained at the current level of GDS(C) 3.

7.43 Having considered the nature and scale of operations of the GFS, we do not see strong functional grounds to support the creation of a deputy head at GDS(C) 3 level, nor the upgrading of the Chief Pilot and Chief Aircraft Engineer posts from GDS(C) 1 to GDS(C) 2. The current directorate structure in the GFS should remain unchanged. (**Recommendation 7.10**)

7.44 We will set out our recommendations on the directorate pay scales in Chapter 11 (paragraph 11.10).

Summary of Key Recommendations

7.45 In summary, we recommend that –

- (a) the pay scales of the non-directorate ranks of the GFS should be enhanced as detailed in **Appendix 16**; and
- (b) the current directorate structure in the GFS should be maintained.

Chapter 8

Hong Kong Police Force

Overview

Role of Hong Kong Police Force

8.1 The Hong Kong Police Force has a long history dating back to 1844. As provided in the Police Force Ordinance (Cap. 232), the Police Force is responsible for preserving the public peace, maintaining law and order, preventing and detecting crimes and offences, as well as safeguarding and protecting life and property. The Police Force carries out its duties 24 hours a day and 365 days a year, in all weather conditions and covering the entire territory of Hong Kong. With its wide diversity and complexity of responsibilities, the Police Force provides essential services to all walks of life. It plays a pivotal role in keeping peace and order, enabling Hong Kong to maintain its status as one of the safest and most stable societies in the world, contributing to the development of Hong Kong as a world-class metropolitan city.

Organisation Structure

8.2 The Police Force is the largest Disciplined Service in terms of establishment. It operates through five departments –

- (a) ‘A’ Department (*Operations and Support*) is the largest department, comprising five Land Regions, one Marine Region and two Policy Wings. Each Region comprises a Regional Headquarters and the Administration, Operations, Traffic and Crime Formations. The two Policy Wings, Operations and Support Wings, are responsible for policy development for a wide range of operational issues. These two Wings also take charge of training and coordination of key areas such as the Police Tactical Unit, Explosives Ordnance Disposal, public relations and traffic;

- (b) *'B' Department (Crime and Security)* comprises the Crime and Security Wings and is responsible for policy and overall direction of all matters related to crime and security. The Crime Wing deals with a wide portfolio of matters on organised crime and triad activities, criminal intelligence, commercial crime, narcotics, crime prevention, liaison, identification, forensic firearms examination, child protection, and witness protection. The Security Wing is responsible for VIP protection and security coordination, including counter-terrorism and related training;
- (c) *'C' Department (Personnel and Training)* is responsible for matters relating to human resource management, staff relations and the Hong Kong Police College which provides foundation training and professional development courses to police officers;
- (d) *'D' Department (Management Services)* comprises the Information Systems Wing and Service Quality Wing; and
- (e) *'E' Department (Finance, Administration and Planning)* comprises the Administration Wing, Finance Wing and the Planning and Development Branch.

Staffing

8.3 The civilian staff aside, the Police Force had 27 551 police officer posts as at 1 January 2008, comprising 66 directorate posts (including 45 posts of the Chief Superintendent of Police rank and 21 posts of the Assistant Commissioner of Police rank and above), 2 484 non-directorate posts in the Police Inspector/Superintendent grade, and 25 001 posts (over 90%) in the Junior Police Officer (JPO) grade. Distribution of the non-directorate posts by programme areas is summarised in *Table 8.1*.

Table 8.1: Distribution of non-directorate posts in Hong Kong Police Force as at 1 January 2008

Rank	Commissioner's Office	Crime Prevention and Public Order	Crime Control	Human Resource Management	Management Services	Finance, Admin & Planning	Total
Police Inspector/Superintendent Grade							
SSP	-	50	18	11	7	1	87
SP	1	136	67	38	13	3	258
CIP	1	219	186	71	27	4	508
IP/SIP	-	768	631	193	36	3	1 631
Sub-total	2	1 173	902	313	83	11	2 484
Junior Police Officer							
SSGT	-	970	249	60	7	-	1 286
SGT	-	3 331	1 021	241	53	1	4 647
PC	-	13 313	3 922	1 830	2	1	19 068
Sub-total	-	17 614	5 192	2 131	62	2	25 001
Total	2	18 787	6 094	2 444	145	13	27 485
%	0.01%	68.35%	22.17%	8.89%	0.53%	0.05%	100%

Legend

SSP Senior Superintendent of Police
SP Superintendent of Police
CIP Chief Inspector of Police
IP/SIP Inspector of Police/
Senior Inspector of Police

SSGT Station Sergeant
SGT Sergeant
PC Police Constable

Grade and Rank Structure

8.4 Since its establishment in 1844, the grade and rank structure of the Police Force has been modified on a number of occasions to take account of changes and developments over the years, including recruitment, promotion and localisation policies. The structure has remained broadly the same since the recommendations of the 1971 Salaries Commission Report. The three grades in the Police Force – JPO, IP/SP and Commissioner of Police grades – involve 13 ranks in total, excluding the “Senior Police Constable” (SPC) designation which is further explained in paragraph 8.16(a). At the directorate level, the Commissioner of Police is supported by 65 directorate officers. The grade and rank structure and pay scale of the Police Force as at 1 January 2008 are set out at **Appendix 17**.

The Police Pay Scale

8.5 In line with the recommendations of the Rennie Review in 1988 that there should be a separate pay scale for the Police Force, a Police Pay Scale (PPS) was established to recognise the uniqueness of the Police Force, including the restrictions on joining trade unions,

their role as the agency of first and last resort and the need for the Police Force to remain apolitical. The PPS is a 59-point pay scale encompassing all ranks of the police officers. Since the introduction of this pay scale, the PPS has by and large followed adjustments to other civil service pay scales, including the annual adjustments based on findings of the Pay Trend Surveys.

Relevant Considerations

Job Factors and Special Factors

8.6 In their GSR submissions, the management and staff provided a wealth of information on the unique role of the Police Force, the changes and challenges in their duties and responsibilities, and the changing environment under which they have to work. Some key points mentioned in the submissions received or during exchanges in the GSR are highlighted below –

- (a) The Police Force is regarded as the agency of first and last resort. This role includes maintaining boundary security since 1990s. Given its diverse and important responsibility to preserve public peace and order, the Police Force is not only required to handle day-to-day issues, but is also expected to provide professional expertise, manpower and equipment to support the organisation of high profile events and top-level international meetings and conferences held in Hong Kong. Furthermore, the Police Force has to respond to crises, ranging from civil disorder to natural disaster and terrorist threat. The Police Force is sometimes looked upon as an agency that provides assistance and support to other departments or authorities that lack the manpower, expertise or statutory power in discharging their enforcement functions, particularly in relation to prosecution power.
- (b) There are provisions that prohibit police officers from taking part in trade union or political activities. These provisions are designed to ensure that the Police Force and its members remain impartial and neutral in the handling of industrial and employment

disputes, as well as in the face of any political issues that may engender partisan community views. In addition, police officers are subject to stringent discipline and accountability. They are expected to maintain a high standard of honesty and integrity. Action of individual officers and the Police Force as a whole is subject to close scrutiny by the media and the public.

- (c) Police officers have to work under great stress and hardship. Their conditioned hours of work are 48 hours a week. Most officers are on operational duties with shift and outdoor duties in all weather conditions. Less than half of the police officers have migrated to five-day week. Police officers are exposed to different kinds of dynamic and unpredictable situations involving risk of physical injury (and even death), health hazards, physical or psychological stress from various sources, including armed and violent criminals, victims of crime and use of force. There is a rising trend in the number of Health-Impaired Officer²⁵. Officers on beat have to be on patrol, carrying with them an outfit (including a revolver) weighing some six kilogrammes. All officers are required to stay highly alert at all times to deal with a variety of situations, and to take appropriate enforcement action ranging from verbal advice to arrest. The shift pattern, work locations and work nature have implications on the family and social lives of police officers.
- (d) The work of the Police Force is diverse and complex. To undertake the wide spectrum of duties, all officers are required to undergo continuous training, covering general, specialist and refresher programmes. The Hong Kong Police College (formally transformed from the then Police Cadet

²⁵ Officers who are not able to perform the normal range of constabulary duties for a period of more than six months are termed “Health-Impaired Officers” (HIO) and are posted to restricted duties. The number of HIO increased from 412 in 2002 to 491 in 2007, of which 95% were JPO.

School in 2006) equips police officers with the requisite knowledge and skills through structured, extensive and in-depth training programmes.

Changes Since Last Reviews

8.7 In addition to major reviews covering the civil service or the Disciplined Services as a whole, there were two specific reviews focusing on the Police Force in 1992 and 1998. Apart from these two reviews, the conditioned hours of work of the Police Force were reduced from 51 to 48 hours in 2001 without downward pay adjustment, subject to the three conditions of no additional staffing requirement, no additional resources and no reduction of service to the public. The outcome of these reviews has recognised the increasing responsibilities of police officers arising from the developments since the last comprehensive reviews.

8.8 The Police Force has undergone transformation in its functions and organisation over the years in face of political, legal, social and economic changes. These changes have impact on the operating environment of the Police Force and increased the complexity and scope of their duties. Some key developments are highlighted below –

- (a) *Changing political environment* : Following Hong Kong's reunification with the Mainland, the Police Force has assumed certain duties hitherto undertaken by the military. Examples include boundary security, low risk counter-terrorist search and specialist duties relating to maritime operations. The closer link with the Mainland including the launching of the Individual Visit Scheme in 2003 has also brought new challenges, increasing cross-border passenger and vehicular traffic as well as the risks of cross-border crimes. The changing political landscape with greater scrutiny of the Police Force by the District and Legislative Council members has increased the scope and complexity of police work at all levels. The Police Force is one of the core departments in the district administration system and is subject to close monitoring by the public and the media. The Police Force also has to

adjust and adapt itself in the face of greater emphasis on individual rights backed by new legislation enacted in the last two decades for protecting and enhancing civil rights, transparency and accountability.

- (b) *Legislative changes* : Since 1990, a considerable volume of new legislation and amendments to the existing legislation have been introduced, resulting in significant growth in workload, duties and responsibilities of the Police Force. Furthermore, many of the reports published by the Law Reform Commission have direct relevance on policing functions and powers. Examples include the Public Order Ordinance (Cap. 245) and the Organised and Serious Crimes Ordinance (Cap. 455).
- (c) *Changes in crime trend* : The Police Force received 80 796 crime reports in 2007, representing a 20% increase over 1997. Crimes have become more complex and are increasingly associated with advancement in technology, cross-boundary involvement and social issues. Changes in society have led to increases in reports on abuse of psychotropic drugs, illegal soccer bookmaking, domestic violence and child abuse. To meet these challenges, the Police Force has set up new units, launched special training, adopted new approach and developed new procedures. In the case of domestic violence, for instance, the number of such reports has increased by over 600%, from 1 072 in 1997 to 7 509 in 2007. The Police Force has adopted a multi-agency approach in collaboration with the Social Welfare Department and other relevant bodies to handle these cases. The increasing number of non-ethnic Chinese illegal immigrants has also presented challenges in handling language and cultural diversity.
- (d) *Crowd management, policing public order events and major events* : Crowd management has been a traditional police duty, but its practices underwent a major review after the 1991 Lan Kwai Fong incident

with 21 people dead and 69 people injured. Traditional events such as sporting and local events, celebratory and entertainment events have increased in number and scale. In addition, there is a marked increase in public order events in the form of public meetings and processions. The number of major international events has also increased with Hong Kong's expanding role as an international metropolis. Amongst these events are the Handover Ceremony and associated celebration events in 1997, Fortune Global Forum in 2001, Sixth Ministerial Conference of the WTO in 2005 and the most recent 2008 Olympics Equestrian Events. All these events call for careful planning, effective communication and coordination with all stakeholders. These events have brought about new demands in terms of resources and skills for police officers at all levels, resulting in heavier responsibilities and greater stress for frontline officers who have to work long hours, often during weekends and festive occasions.

- (e) “*Secondary duties*”: Since 1990, the concept of “secondary duties”²⁶ in the Police Force has been extended to meet the wide range and increased complexity of police work. At present, about 4 900 police officers (or around 17%) of various ranks have an active “secondary duty” appointment, and about 200 officers have more than one “secondary duty”. These officers have to undergo training and undertake these extra responsibilities in addition to their own normal duties without receiving Job-related Allowances. The growth of “secondary duty” cadre reflects the increasing professionalism and efficiency

²⁶ The major types of established secondary duties that officers perform include (a) public order and counter terrorist duties (e.g. Briefing Support Unit, Explosive Ordnance Disposal Cadre, Force Abseiling Cadre, Force Escort Group, Force Emergency Driver Cadre, Force Search Unit, Internal Security (IS) Company (Regional), IS Company (District), IS Company (TANGO) and Police Negotiator Cadre); (b) crime and disaster duties (e.g. Accredited Trainer on Child Protection Special Investigation, Child Abuse Investigation Unit Cadre, Disaster Victims Identification Unit, Gambling Expert, Technology Crime Initial Response Cadre, Triad Expert and Witness Protection Cadre); and (c) other duties (e.g. Extra Aide-de-Camp, Honorary Aide-de-Camp, Marine Rural Observation Post Cadre and Police Wild Boar Hunting Team).

of the Police Force.

- (f) *Customer orientation and service quality* : In tandem with the development of a customer-oriented culture in the civil service, the Police Force has also introduced cultural change, with greater emphasis on customer service, partnership, engagement and responsiveness to the demands of the society. Apart from civil service-wide measures such as Performance Pledges and Victims of Crime Charter, other initiatives launched by the Police Force include a more proactive public relations strategy, Service Quality Award Contest, and the conduct of customer satisfaction surveys and staff opinion surveys to gauge the feedback of stakeholders.
- (g) *New challenges for the Traffic and Marine Police* : The significant growth in road and infrastructure throughout Hong Kong since early 1990s, the greater interface with the Mainland, and the expanded population have led to increase in traffic flow within Hong Kong and across the border. This trend has led to a change from enforcement-based traffic policy to greater effort in the improvement of traffic management measures, and education of road users and exercise of discretion by police officers. Similarly, the Marine Police Region has assumed greater responsibilities and introduced a revamped and sophisticated “Versatile Maritime Policing Response” System for enhancing efficiency and effectiveness.

8.9 The above challenges have a bearing on the workload and responsibilities of police officers at all ranks to varying degrees. The Police Force has responded to these challenges in an exemplary fashion. It has formulated new policies and strategies, and

adapted existing ones, with a view to upgrading the capabilities of the Police Force in undertaking these new and expanded functions.

8.10 Examples of workload statistics of the Police Force are shown at **Appendix 18**. Overall speaking, there is an increase of 32% in all types of reports received over the past two decades. On the operations side, crowd management events have increased while there is a decline in the number of illegal immigrants. Crime reports and traffic-related duties also show a steady trend. It is noteworthy that the current establishment of the police officer grades represents a reduction of 1 242 posts (or about 4%) from its peak in 2000-01, as part of the civil service-wide initiative to enhance productivity and achieve efficiency savings. The civilian establishment in the Police Force has declined by a larger magnitude.

Recruitment

8.11 Based on statistics provided by the Police Force, there is no shortage of candidates in the recruitment of PC and IP. In 2006-07, 8 311 applications were received for 1 200 target number of PC recruits (14%) while in 2005-06, 8 421 applications received for 900 target recruits (11%). For IP, in 2006-07 recruitment, 5 026 applications were received for 50 target recruits (1%) and 4 393 applications received in 2005-06 for 50 target recruits (1%).

Retention

8.12 For retention, we note the following statistics for JPO grade from the management –

Table 8.2: Wastage in JPO grade in the past five years

Rank		2003-04	2004-05	2005-06	2006-07	2007-08
PC	Wastage	81	80	90	157	176
	As % of strength	0.42%	0.43%	0.50%	0.86%	0.93%
SGT	Wastage	10	3	4	3	6
	As % of strength	0.21%	0.06%	0.09%	0.07%	0.13%
SSGT	Wastage	1	1	1	1	2
	As % of strength	0.08%	0.08%	0.08%	0.08%	0.16%

(Note: Natural wastage is excluded)

8.13 For IP rank, a total of 40 officers resigned in the past five years from 2003 to 2008, representing a resignation rate below 1% per annum.

8.14 The above statistics show that there is no apparent recruitment and retention problem with both the JPO and IP/SP grades. On this point, the management has pointed out that in recruitment, it is the quality of applicants, rather than the quantity, that matters and there have been more PC recruits leaving the service during training. We note the management's concerns, although the trend is not exceptional given the large pool of applicants and the general mindset of younger recruits being more likely to switch jobs in their early career. We agree that the management should continue to monitor the trend to see whether the situation warrants further attention.

8.15 In terms of retention, the Police Force has particular concerns on three main challenges. First, the Police Force has been able to recruit many better-qualified PC in recent years, partly due to the general expansion of post-secondary education opportunities and partly due to the economic downturn. But the situation is volatile and their retention would hinge on the private sector job market situation and the performance of the economy. Second, with the replacement of pension benefits by the Civil Service Provident Fund for officers appointed after June 2000, more police officers with ten or more years of service might choose to explore employment opportunities elsewhere after taking the portable retirement benefits, resulting in potential retention problems. Third, the significant number of officers recruited in the 1980s during the expansion phase would reach their retirement age in the coming decade or so. The Police Force will face great challenges in replenishing the manpower in terms of quantity and quality. We are aware of all these factors and have taken them into account in formulating our recommendations.

Career Progression

8.16 Motivation and career progression are important in encouraging staff to strive for the best in service delivery. Generally speaking, career progression is subject to a range of factors such as the availability of vacancies, rank ratio, age profile and experience of the incumbents in the senior ranks and individual merit. We have looked

at the promotion prospects of the grades and ranks of the Police Force and noted the following –

- (a) A PC with five passes in the HKCEE enters at PPS 3 will receive four incremental jumps within the first five years and reach the maximum pay point after the seventh year of service. Given that the ratio of Sergeant (SGT) and PC is 1 : 4, more than half of PC will retire in their rank. For promotion to SGT, a PC must have at least four years of service and has passed the qualifying examination for promotion. For those promoted to SGT, the average length of service as a PC is around 16 years. For those who remain in the PC rank, they may be designated as an SPC, which is a designation and not a rank, if he has completed 18 years of satisfactory service as a PC and received a recommendation as being efficient by his Formation Commander. An SPC is eligible for Long Service Increments (LSI), one each after completion of 18 and 25 years of service.
- (b) As regards IP, the career progression is favourable given the through scale arrangement with the SIP rank. An IP will advance to the SIP rank after completing five years of service and passing the qualifying examination, or exceptionally three years upon achieving “Credit” or above in the examination. Beyond the SIP level, career progression is subject to keen competition having regard to availability of vacancies and merit of individual officers.

8.17 Both the management and staff have highlighted their concerns about career progression and motivation of the JPO. We share their concerns, particularly in relation to mid-career PC. To address the issue, the management proposed to make more effective use of the SPC designation by enhancing its status and extending the pay range. We generally agree with this approach and we will elaborate in greater detail in subsequent paragraphs. We also note that JPO have a very favourable progression in the first five years of their career. Two of the four incremental jumps were built in the rank scale of PC as part of the review in 1992 to address the serious recruitment and retention difficulties at that time, which do not seem

to exist now. These incremental jumps, however, have also accelerated the time taken for PC to reach the maximum pay point.

8.18 Both the management and staff have emphasised the findings of their staff opinion surveys conducted in 2004 and 2007, which indicate that 29% and 37% of the respondents were satisfied with the Police Force's morale, citing stress at work and dissatisfaction over remuneration as the key factors affecting morale. Staff have high expectations of the GSR as they have been waiting for a comprehensive review for a long time, and the last overall reviews were conducted by the Rennie Committee and the Standing Committee in 1988 and early 1990s respectively. We are fully appreciative of the sentiments of police officers and have taken all relevant considerations into account in formulating our recommendations.

Analysis and Recommendations

General Considerations

8.19 The management considers that there is no pressing need to undertake an extensive revision of the rank or organisational structure of the Police Force, given the effectiveness with which the Police Force has been operating in meeting the various challenges over the past three decades. We share the same view.

8.20 In the course of the GSR, the management and staff have suggested a few general parameters as the basis for determining the police pay. The key issues are highlighted in the following paragraphs.

Uniqueness of the Police Force

8.21 As in previous reviews, a major point presented in the submissions from the management and staff is the uniqueness of the Police Force. The arguments put forward are related primarily to the statutory requirement, and the considerations underlying the requirement, that police officers are not free to form trade unions or participate in political activities, and that the Police Force is the Government's agency of first and last resort. Having considered

similar arguments, the Rennie Committee in 1988 recommended, and the Administration accepted, that a separate pay scale for the Police Force be established. We echo the Rennie Committee's views and consider that the present arrangement of having a separate pay scale for the Police Force should continue.

8.22 Whilst the Police Force is unique in many ways, it is an integral part of the civil service. Furthermore, the Police Force is not the only group of civil servants subject to restrictions on participating in political activities. For instance, all directorate officers, all Administrative Officers irrespective of rank, all Information Officers irrespective of rank, and officers acting in these grades or ranks with a view to substantive appointment are prohibited from participating in political activities within the Hong Kong context²⁷. Despite the prohibition, these grades and ranks continue to be part of the civil service remunerated on civil service pay scales, which follow the civil service-wide pay adjustment mechanism.

8.23 The uniqueness of the Police Force is not a new feature and has been examined in great depth over the years. As stated in the Rennie Committee's Report –

“Accepting the special position of the police, however, we still have to regard policemen as members of the public service discharging public functions and as members of society with needs and wants which have much in common with those of other members of the society. In free communities under the rule of law the police function cannot be successfully performed without the moral and material support of the great mass of society, and to separate the police too far from the rest of the public service and from society at large would not be in the long-term interests either of them or of the community they serve. We do not believe that that is what police representatives want; we believe they wish to be fairly remunerated for the unique task which they perform.”²⁸

²⁷ The prohibition is stipulated in the Civil Service Branch Circular No. 26/90 on “Civil Servants Joining Political Organisations and Participating in Political Activities”.

²⁸ Paragraph 4.7, Review Committee on Disciplined Services Pay and Conditions of Service Final Report (October 1988).

8.24 We share the views of the Rennie Committee. We consider it of paramount importance to keep the long-term general public interest clearly in mind in making our recommendations on the remuneration of the Police Force.

8.25 We agree that the role and tasks of the Police Force are unique, particularly in view of its diversity and complexity of its work. We therefore do not consider it appropriate to have direct comparison between the police officer grades and other grades, whether in the Disciplined Services or in the civilian establishment. We note the suggestions from the staff representatives for adopting broad comparators, such as the Fireman grade, Clerical Officer grade and Executive Officer grade, as basis for comparison with a specified pay advantage over these grades. In recognition of the uniqueness of the Police Force, we are unable to adopt this approach. As mentioned in Chapter 1 (paragraph 1.18), the GSR should focus on individual grades, paying special attention to the recruitment, retention, morale, career progression and changes over the years.

Approach in Pay Determination

8.26 Both the management and staff propose that the averaging approach, as used by the Rennie Committee, should be adopted in the current GSR. We endorse this view. Given the diversity of its functions, the Police Force equips its staff with a wide array of expertise. This body of expertise should be considered as part of the job of the Police Force as a whole and of individual ranks. That said, we see the merit of having Job-related Allowances in recognition of the exceptional hardship, risk and danger associated with some non-core duties, which are necessary and useful but is not part of the normal duties expected of all officers. Our recommendation to introduce a special allowance for undercover duties is a case in point. Details are elaborated in Chapter 3 (paragraph 3.42).

8.27 As regards the basis for determining pay, we have rehearsed the arguments in the Rennie Review and Edmund-Davies Review²⁹, and accepted their conclusion that pay cannot be

²⁹ In coming to its recommendations, the Rennie Committee made special reference to the conclusion drawn by the Edmund-Davies Committee of Inquiry on the Police in the United Kingdom in 1978.

determined by an equation or precise formula based on comparability and pay linkages, but has to be a matter of judgement based on an examination of all relevant factors. Similar to the Rennie Review, we have received suggestion to determine police pay primarily on the basis of comparisons with specific ranks in the civilian grades, and to set out in clear quantified terms the value of the special factors. As pointed out by the Rennie Committee, this approach is the formula that Edmund-Davies and the Rennie Committee rejected comprehensively. Building on their wisdom, we also find it inappropriate to adopt the requested approach. Instead, we should focus on the individual grades and recommend a pay scale based on best judgment having regard to all relevant considerations.

8.28 We have also received representations from staff that the PPS should be restructured so that progression between mid-points of two successive police ranks should be at least 25%, the pay range width should be at least 35% in each rank, and the differential between top incremental point in one rank and the starting pay of the next rank on promotion should be at least 10%. We are given to understand that these broad parameters are suggested having regard to human resource practices in the private sector. In this connection, we note that there are no universally accepted and comprehensively applied parameters in designing a pay structure, whether in the public or private sector, and each organisation has flexibility in formulating its own policy that suits its own structure and needs. For the GSR, a pragmatic approach is to start with the existing pay structure, which reflects the outcome of careful deliberations in the past, and review whether adjustments are necessary taking full account of the command structure and the circumstances of all the ranks.

Proposed Police Pay Scale

8.29 The staff representatives have submitted a revised PPS for consideration. We note that the proposed PPS has new features including a recalibration of the pay scale to generally achieve standardised increment size (4% for middle and upper level pay points), longer rank scales and more overlapping of pay points between successive ranks. We have re-examined the present PPS having regard to the structure of the pay scales of the Disciplined Services and civilian grades. We observe that there is no standardised increment size among different pay scales or within the

same pay scale. The number and size of increments reflect the interaction of many factors, including the command structure and the relativity among different ranks and grades. Achieving uniformity in increment size is not a policy target or parameter. Indeed, we also note that under the prevailing annual pay adjustment mechanism for the civil service, pay trend survey data are compiled on the basis of three salary bands. Civil service pay adjustments are determined having regard to the pay trend movements of respective salary bands, which invariably differ from one another, resulting in different adjustment rates for different salary bands every year. The effect of any attempt to standardise the increment size is likely to be short-lived, as it would soon be upset by annual pay adjustment exercises. In this light, we consider it appropriate and pragmatic to focus our effort on the existing pay scale, and suggest targeted improvements for those groups of officers that warrant special attention.

8.30 We have also received proposals to remove PPS 1, which used to be the entry point for candidates on completion of Form Five. Whilst it is no longer an entry point following the deletion of this minimum entry qualification in 2001, it still serves as the basis for the calculation of various Job-related Allowances, similar to the arrangement with other Disciplined Services. We therefore recommend that PPS 1 be maintained. As regards PPS 1a, which was introduced following the 1999 Review on Civil Service Starting Salaries and is no longer in use, we have no objection to its abolition. **(Recommendation 8.1)**

Entry Qualifications

8.31 Both the management and staff have proposed adjustments to the entry qualifications of PC and IP. We share the view of the management that it is imperative for the Police Force to be able to attract candidates who possess the right attributes as well as the commitment and strength of character required of professional and quality police officers. We also agree that policing has become increasingly professionalised and police officers, particularly at the IP/SIP levels, are required to possess an expanding range of aptitudes and abilities. As elaborated in Chapter 3, we recommend that the current entry qualifications for all grades and ranks be maintained at this juncture pending an overall review of the Qualification Group system in the future, taking into account all new developments and

their implications on the civil service and the society as a whole. We also propose that no multiple entry arrangement for higher entry qualification be added to the PC rank or other Rank and File grades of the Disciplined Services. As regards the sub-entry level of PC, we have no objection to the request for removing the sub-entry point at three passes in the HKCEE. The minimum entry requirements for PC rank will be five passes in the HKCEE. (**Recommendation 8.2**)

Junior Police Officer Grade

8.32 The recruitment situation in the PC rank is satisfactory and we do not recommend any adjustment to the entry pay. The minimum entry pay for new recruits with five passes in HKCEE will be PPS 3, following the removal of the sub-entry point for candidates with three passes in HKCEE at PPS 2.

8.33 We share the concerns of the management and staff about the morale and career progression of mid-career PC. We also note the management's proposal to make better use of the SPC designation. In line with the recommendation in Chapter 3 (paragraphs 3.21 to 3.24), we propose to enhance the LSI to recognise the contribution and experience brought by the loyal, meritorious and long-serving staff at the PC rank so that they will receive an increment after satisfactory completion of 12, 18, 24 and 30 years of service respectively. Under this proposal, the first LSI will be granted after 12 years of service, which is around half way between the time when PC reach their maximum pay point (after seven years of service at present and eight years of service with improvements in paragraph 8.34) and the time when some of them are promoted (around 16 years of service) or receive the second LSI (after 18 years of service). This will also enable the management to have an earlier opportunity to designate suitable PC as SPC to make use of their expertise. By increasing the number of LSI from two to four, and by spacing these timed incentives at six-yearly intervals, the proposal is a positive response to the management's proposal to have an extended pay range and will have a sustainable effect over a longer period for the benefit of the PC rank. (**Recommendation 8.3**)

8.34 We appreciate that the JPO, being the frontline staff, has to face the challenges placed upon the Police Force. Taking into account the job factors, special factors, the increase in responsibilities

in terms of volume, scope and complexity over the years and other relevant considerations, we propose to raise the maximum pay of the PC rank by one pay point, and increase the minimum and maximum pay of the SGT by one pay point each. As regards the Station Sergeant (SSGT) rank, they have important supervisory roles as Patrol Sub-unit Commander, Duty Officer of Report Room and Second in-charge in the Crime Unit. Indeed, it is represented in the management's submissions that one of the developments in the past 20 years is that SSGT share many characteristics of the work of a junior IP. This is reflected in the overlapping of pay scales between the SSGT and IP ranks. In recognition of the heavier responsibilities of the SSGT in terms of accountability and supervisory roles, we recommend adding two pay points to the top of the SSGT pay scale and increasing the minimum by one pay point.

8.35 With the above improvements, the recommended pay scale of the JPO grade is as follows (**Recommendation 8.4**) –

Rank	Existing Pay Scale	Recommended Pay Scale
Police Constable	PPS 2 – 14 plus two Long Service Increments, one each on completion of 18 and 25 years of in-rank service	PPS 3* – 15 (*sub-entry removed) plus four Long Service Increments, one each on completion of 12, 18, 24 and 30 years of in-rank service
Police Sergeant	PPS 14 – 22	PPS 15 – 23
Police Station Sergeant	PPS 21 – 29	PPS 22 – 31

8.36 The above measures will go some way to addressing staff concerns about the morale and motivation of staff on maximum point. These improvements are also positive response to the management's proposals to improve the pay scales for JPO ranks.

Police Inspector/Superintendent Grade

Through Scale

8.37 With the through scale arrangement, an IP is eligible for advancement to SIP if he has attained five years of inspectorate service and passed the Standard III Professional Examination. This period may be shortened to three years if an officer has obtained a

“Credit” or above in the examination. As explained in Chapter 3 (paragraphs 3.29 to 3.37), we propose to streamline the through scale arrangement to better reflect meritocracy and functional differentiation, with a clear distinction in pay between officers who pass the qualifying examination and those who do not. To this end, we recommend that the pay scale of the IP be re-structured and the maximum pay point be capped below the rank scale of the SIP rank. Only officers who have passed the promotion examination and fulfilled the requisite in-rank service requirement can advance to the pay scale of the SIP rank. The current feature of combined establishment for the IP and SIP rank would continue, so that advancement from IP to SIP rank would not be subject to the availability of vacancies in SIP rank. We appreciate that serving staff may have an expectation that the original arrangements be continued. We therefore recommend that grandfathering arrangements be introduced for serving staff. **(Recommendation 8.5)**

Pay Scales

8.38 We appreciate the important role of the IP/SP grade and the increasingly sophisticated responsibilities undertaken by the grade over the years. In recognition of the job factors and other relevant considerations, we recommend that the pay scale of various non-directorate ranks be enhanced as follows **(Recommendation 8.6)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Inspector	PPS 23 – 41	PPS 23 – 37 [#] ([#] through scale modified)
Senior Inspector	PPS 37 – 41	PPS 38 – 42
Chief Inspector	PPS 42 – 47	PPS 43 – 48
Superintendent	PPS 48 – 51	PPS 49 – 52
Senior Superintendent	PPS 52 – 54	PPS 53 – 54a

Incremental Jumps

8.39 Two incremental jumps were introduced in the IP rank in 1999 to maintain internal relativity as a result of applying the result of the Review on Civil Service Starting Salaries in that year. In introducing the two incremental jumps, the Administration made it

clear that the jumps were intended to be a temporary measure and subject to review. The review has been deferred. Following the completion of the 2006 Starting Salaries Survey (SSS) and the implementation of the new starting salaries with effect from 1 August 2007, there is a need to review whether such an arrangement is still necessary and appropriate. In the GSR, we have revisited the circumstances and concluded that the original reason for introducing the two incremental jumps no longer exists. These two incremental jumps (or at least one) should, in principle, be taken away.

8.40 We note the management's argument that there is a "two-point shortfall" for the IP rank with degree qualifications. The entry pay of Qualification Group (QG) 9 (degree qualifications) was reduced by five points in 1999 and restored to the original level after the 2006 SSS. In contrast, the starting pay of QG 7 (matriculation) was reduced by six points following the Review on Civil Service Starting Salaries in 1999 and subsequently increased by four points after the 2006 SSS. Consistent with the prevailing arrangements since 1999 in adopting matriculation as the reference benchmark qualification for applying SSS results to the IP rank, the pay of a matriculation entrant to IP is PPS 23, which is two points lower than the pre-1999 level, as in the case of all other grades in QG 7 (matriculation). The situation is a natural outcome of the application of the SSS results and should not be a cause for concern. Nevertheless, we agree to leave the two incremental jumps intact at this juncture and revisit this issue when our advice is sought on the application of results of the coming SSS. (**Recommendation 8.7**)

The Directorate

8.41 We will set out our recommendations on the directorate pay scales in Chapter 11 (paragraph 11.10).

Independent Pay Mechanism

8.42 The staff representatives of the Police Force have proposed that an independent pay mechanism should be established for the Police Force. Whilst recognising the uniqueness of the Police Force, particularly the constraints on police officers to join trade unions and political organisations or participate in political activities, we are of the view that the uniqueness should also be viewed in the

context that the Police Force is, and should continue to be, an integral part of the civil service. During consultations with the staff representatives, we are given to understand that the proposal is to improve the present arrangement of applying the results of the Pay Level Survey to the Police Force by conducting a grade structure review after the Survey. In essence, their request would bring about more regular grade structure reviews for the Police Force. As stated in Chapter 3 (paragraphs 3.59 to 3.60), we consider it reasonable to put in place a system for reviewing the pay levels of the Disciplined Services, including the Police Force, on a regular basis to ensure that their remuneration continues to be sufficient to attract, recruit, retain and motivate people of suitable calibre.

Conditioned Hours of Work

8.43 The staff representatives have highlighted that police officers have to face increasing workload and pressure, particularly following the implementation of efficiency saving measures which resulted in insufficient support posts to relieve frontline personnel and limited promotion opportunities. They have suggested that recommendations be made to implement a programme that works towards a more reasonable 44-hour, five-day week for frontline police officers. In this regard, we note that more than half of the police officers have not been able to move to five-day week, and the disparity of application of the scheme has caused dissatisfaction amongst frontline staff. The staff consider that full migration to five-day week must be complemented by further reduction of conditioned hours and should be a long-term goal.

8.44 As mentioned in Chapter 3, the conditioned hours for members of the Disciplined Services are governed by their operational needs and determined in relation to the total responsibilities of each Service, its complement and the actual manpower situation at any time. Against this background, the conditioned hours for the Disciplined Services vary to suit service needs and any proposed reduction in conditioned hours should be examined carefully on its own merit. The Police Force has reduced its conditioned hours from 51 to 48 hours in 2001 subject to the three pre-conditions of cost neutrality, no additional manpower requirement and no reduction of service to the public. In this light and since there are practical difficulties in implementing further reduction under the pre-conditions, we do not

consider the time is ripe for considering further reduction at this juncture.

Other Issues

8.45 In addition to conditioned hours of work, the staff representatives have made proposals on a number of issues related to conditions of service, namely medical and dental benefits, applicability of pay adjustment of future pay trend surveys, retirement age, education allowance, housing allowance, overtime allowance and legal representation. Although these are outside the scope of the GSR, we would bring those issues that are of relevance to the efficient and effective management of the Disciplined Services in general, to the attention of the Administration as appropriate. In this connection, we have set out our views on medical benefits and retirement age in Chapter 3. On the former, we would like to echo the views of the management and staff that it is a priority area that deserves immediate attention particularly in respect of officers injured on duty. Based on figures from the management, the number of injured on duty cases has increased from 798 in 2000 to 1 280 in 2006. As regards the other issues, we trust that the management, in consultation with relevant bureaux and departments, will study them in greater detail and take appropriate action.

8.46 We have also received proposals from the staff representatives covering many other issues. For instance, the staff representatives request a review of the underlying problems and current relations and consultation mechanisms between the Police Force Council Staff Side and Civil Service Bureau and propose new mechanisms for the Police Force be separated from other civil service unions and associations. In view of the importance of this issue, we trust the Administration will consider this request under the established mechanism.

Summary of Key Recommendations

8.47 In summary, we recommend that –

- (a) the pay scales of the non-directorate ranks of the Police Force should be enhanced as detailed at **Appendix 19**; and

- (b) the two incremental jumps which were introduced to the IP rank in 1999 should be retained, pending further review when the Standing Committee's advice is sought on the application of the results of the coming SSS.

Chapter 9

Immigration Department

Overview

Role of Immigration Department

9.1 The Immigration Department was established in 1961 upon taking over immigration work from the then Royal Hong Kong Police Force. The Department operates under the Immigration Service Ordinance (Cap. 331). Apart from control of people moving into and out of Hong Kong by land, sea and air, the ImmD provides services to local residents, including issue of HKSAR passports and other travel documents, visas and identity cards, handling of nationality matters and registration of births, deaths and marriages. It also guards against entry of undesirables, enforces immigration-related legislation and administers schemes on attracting talent and investors. The ImmD keeps Hong Kong at the forefront of the world by providing world-class immigration service in terms of effectiveness and efficiency, facilitating the flow of local residents, tourists and businessmen around the world, and contributing to the security and prosperity of Hong Kong.

Organisation Structure

9.2 The ImmD uses a three-pronged approach in pre-entry, upon-entry and post-entry controls. It operates through the following six branches –

- (a) *the Visa and Policies Branch* is tasked with pre-entry control in processing applications for entry into Hong Kong in accordance with the existing immigration policies;
- (b) *the Control Branch* performs upon-entry control at immigration control points, including intercepting wanted criminals and undesirables and denying their entry to Hong Kong;

- (c) *the Enforcement and Litigation Branch* is responsible for post-entry control, including investigation of immigration offenders, removal and deportation proceedings, global immigration intelligence, and immigration-related litigation and claims;
- (d) *the Personal Documentation Branch* provides services on registration of persons and issuing of identity cards, HKSAR passports and other travel documents etc.;
- (e) *the Information Systems Branch* specialises in automation support to the Department; and
- (f) *the Management and Support Branch* takes charge of overall administration of the Department.

Staffing

9.3 As at 1 January 2008, the ImmD had a total establishment of 6 631 posts, of which 5 035 posts (including ten directorate posts) were disciplined services grades, namely the Immigration Assistant (IA) grade (67%) and the Immigration Officer (IO) grade (33%). Distribution of the IO and IA grade posts at non-directorate levels is shown in *Table 9.1*. The majority, 79% of the IA grade and 37% of the IO grade, are deployed to the Control Branch for upon-entry immigration control.

Table 9.1: Distribution of ImmD non-directorate posts as at 1 January 2008

Branch	IA grade	IO grade	Total	
	No.	No.	No.	%
Control	2 651	621	3 272	65%
Enforcement and Litigation	375	256	631	13%
Visa and Policies	98	240	338	7%
Personal Documentation	60	211	271	5%
Information Systems	18	87	105	2%
Management and Support	166	242	408	8%
Total	3 368	1 657	5 025	100%

Grade and Rank Structure

9.4 The Director of Immigration is underpinned by a Deputy Director and eight other directorate posts, namely six Assistant Directors and two Senior Principal Immigration Officers (SPIO). The SPIO rank was created in 1993.

9.5 The IO and IA grades have undergone a major restructuring in 1990, through abolition of the then basic rank of Assistant Immigration Officer (AIO) in the IO grade and creation of a new rank of Chief Immigration Assistant (CIA) as the top tier of the Rank and File to undertake routine and less complex duties of the AIO rank. The AIO rank was later phased out by cessation of recruitment, subsequent promotion to the rank of IO and natural wastage. Recruitment to the entry rank of IO was resumed in 1997.

9.6 At present, there are altogether 12 ranks in the ImmD, including three ranks in the Rank and File (IA grade) and five ranks in the Officer cadre (IO grade). Details of their rank structures and existing pay scales are at **Appendix 20**.

Relevant Considerations

Job Factors and Special Factors

9.7 The work of the ImmD focuses on maintaining public order through immigration control and registration of the identities of citizens. Their characteristics include (but are not limited to) the following –

- (a) The ImmD staff's conditioned hours of work are 44 hours per week. Intensity of effort of the staff is high throughout their duty period. They must process each and every traveller at control points by checking their travel documents and identification and guarding against suspected undesirables.
- (b) Over half of the staff are deployed to work at immigration control points, involving longer travelling time to and from their places of work. The staff have to work irregular and night shifts.

They are often required to strengthen the workforce at control points during Sundays, public holidays or festive seasons, causing a certain degree of social segregation and disruption of family and social life. The staff also highlight that they are subject to stringent conditions such as assigned “toilet breaks”.

- (c) Individual responsibility of Immigration staff is high in exercising independent judgment on immigration control. Their decisions may be subject to complaint, petition, judicial review as well as close public and media scrutiny.
- (d) The staff are also deployed to investigate illegal immigration and related crimes or work in detention centres, involving danger and risks and demanding a high degree of physical fitness on the staff.

Changes Since Last Reviews

9.8 The ImmD management and staff unions explained in their GSR submissions that substantial changes brought about by the changing social, economic and political landscapes before and after Reunification had significant impact on the Department’s work. New skills were developed and new branches set up to cope with increasing complexity, sensitivity and sophistication in their jobs. As a frontline service provider, the ImmD is among those government departments that have to handle additional demand and stress arising from civil service-wide initiatives to promote an open, transparent, customer-oriented and accountable government, and have to face rising public expectations of an efficient, courteous and professional service. Other more notable changes in the ImmD’s operating environment are highlighted below –

- (a) Hong Kong’s Reunification in 1997 and increasingly frequent interaction with the Mainland have brought about new challenges in immigration work. The ImmD has to handle matters in relation to Chinese nationality, issue HKSAR passports, lobby visa-free access for HKSAR passport holders, implement the right of abode provisions in the Basic Law, and collaborate with Chinese Diplomatic and Consular

Missions in foreign countries in assisting Hong Kong residents in distress.

- (b) While the role of the ImmD in regard to Mainland Chinese illegal immigrants and Vietnamese refugees has diminished, other immigration control tasks have emerged or significantly increased. In particular, the ImmD has to deal with increasing challenges arising from bogus marriages between Hong Kong residents and Mainlanders, the fast-growing Individual Visit Scheme, control of visits of non-local women of advanced pregnancy stage, requests for political asylum or torture claims following the extension of the "Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment" to Hong Kong in 1992, and prevention of potential entry of undesirables and international swindlers. There are also additional responsibilities from other new initiatives, such as the Capital Investment Entrant Scheme in 2003 and the Quality Migrant Admission Scheme launched in 2006.
- (c) Application of information technology has taken on a more extensive and prominent role in immigration control work. The introduction and further development of the Smart Identity Card and "e-channel" at immigration control points are typical examples. All these have to be supported by new and advanced skills of the immigration staff. At the same time, advancement of technology on the global front has rendered immigration control work more sophisticated against a rising trend in the use of highly analogous forgery travel documents and other forgery methods. Immigration staff have to be vigilant against such development and acquire new skills to develop suitable measures to cope with the challenges and ensure effective immigration control.

9.9 Some workload statistics of the ImmD at **Appendix 21** reflect significant increase in various work areas in the past twenty years. For instance, the ImmD examined around 64 million passengers, vehicles and vessels in 1988. The number increased by 2.7 times to 238 million in 2007. Between 1988 and 2007, the number of entry visa processed recorded a four-fold increase. The number of applications for passports and the number of offenders prosecuted also more than doubled. During the same period, the disciplined services establishment of the ImmD increased by around 72%. During our visits and review of written submissions, it is apparent that the staff find the upsurge in workload, rapid pace of change and strained human resources the major sources of stress.

Recruitment

9.10 There is no recruitment problem in the IA and IO grades as shown by the large number of applications received in recruitment exercises (*Table 9.2*). In fact, the Department has been successful in attracting new recruits with qualifications above the benchmark requirement.

Table 9.2: Recruitment statistics in the ImmD (most recent recruitment exercises)

Rank (year of recruitment exercise)	Target no. of recruits	Applications received	Offers made
Immigration Assistant (2007-08)	300	14 436	328
Immigration Officer (2007-08)	114	16 009	149

Retention

9.11 There is an increasing trend in wastage (other than natural wastage such as retirement) from the IA rank over the past few years. In 2007-08, such wastage rate was 7.8%, involving 90 leavers. However, we observe that a large proportion (98%) of them possess qualifications above the reference benchmark, including some 82% with degree qualification or above. Viewed in this light, the wastage problem is partly related to the employment of many better-qualified candidates to this Rank and File grade. This factor aside, there is no serious retention problem in the IA grade as a whole. As for the Officer grade, similar wastage figures were below 1% in the past five years. Some wastage statistics are shown in *Table 9.3*.

Table 9.3: Wastage from the IA and IO ranks in the past five years

Recruitment ranks		2003-04	2004-05	2005-06	2006-07	2007-08
IA	Wastage	2	9	13	58	90
	As % of strength	0.2%	0.9%	1.1%	5.3%	7.8%
IO	Wastage	3	0	6	4	8
	As % of strength	0.3%	-	0.5%	0.4%	0.8%

(Note: Natural wastage is excluded)

Career Progression

9.12 The IA grade on the whole enjoys a relatively favourable career progression among the Disciplined Services as reflected in their average number of years of in-rank service before promotion to the Senior Immigration Assistant (SIA) rank. This is largely an outcome of the grade's structure with 871 posts in the IA rank and 1 959 posts in the SIA rank. The situation is distinct from the other Disciplined Services where most Rank and File officers have to stay at the basic ranks for want of promotion opportunities due to the command structure. As elaborated in paragraphs 9.20 to 9.22, we have concern about this phenomenon and see the need for change.

9.13 In the case of the IO grade, the progression seems reasonable when viewed against the average number of years of in-rank service before promotion to the Senior Immigration Officer (SIO) rank, although some staff have remarked that the promotion prospects were worse than before, mainly due to the comparatively less favourable ratio of the IO to SIO posts. We must stress, however, promotion is not a right, and progression may change depending on a range of factors including the rank structure, the establishment of promotion ranks, staff profile and merit of individual staff.

9.14 As at 1 January 2008, 27% of the staff at the IA rank and 52% of the IO rank have reached the maximum pay point of their ranks.

Analysis and Recommendations

Immigration Assistant Grade

Incremental Jumps

9.15 In Chapter 3, we recommend awarding an incremental jump to the basic ranks in the Rank and File grades on completion of five years of service and passing the relevant promotion examination (paragraph 3.27). We are open to the extension of this additional incremental jump to the IA rank, subject to the condition that an appropriate qualifying examination for promotion to the SIA rank is in place. We will revisit this when a case is made to us in the future.

9.16 We do not see sufficient justifications for granting additional incremental jumps to the IA rank on passing out from training or on completion of two years of service as requested. As mentioned in paragraph 9.11, the apparently worsening retention situation in the IA rank seems to be an outcome of the recruitment practice. A large proportion of the leavers are recruits with qualifications well above the benchmark whose mobility is expected to be high. There is scope for tackling the retention issue through refinement of the recruitment practices.

Pay Scales and Grade Structure

9.17 We have received proposals for raising the entry point for IA to bring them in line with comparable ranks in the General Disciplined Services. As elaborated in Chapter 3, pay (including starting pay) in the Disciplined Services is determined individually having regard to the unique features of their functions. Focusing on the IA rank, there is no recruitment difficulty, which reflects that the current pay level is sufficient to attract people of suitable calibre to join the rank. Also as explained in Chapter 3 (paragraphs 3.18 to 3.20), we do not support adding higher entry points for qualifications above the reference benchmark qualifications for the Rank and File grades. Having regard to all relevant considerations, we recommend maintaining the status quo of the entry pay in the IA rank. **(Recommendation 9.1)**

9.18 In Chapter 3 (paragraphs 3.21 to 3.24), we propose to enhance the Long Service Increments (LSI) to recognise the contribution and experience of the meritorious, loyal and long-serving staff at the basic ranks of the Rank and File grades. We recommend that these arrangements be applied to the IA rank so that they will receive an increment after satisfactory completion of 12, 18, 24 and 30 years of service respectively. (**Recommendation 9.2**)

9.19 Taking into account the job factors, the increase in responsibilities in terms of scope and complexity over the years and other relevant considerations, we further recommend raising the maximum pay of the IA rank by one pay point and increasing the minimum and maximum pay of the SIA rank by one pay point each. As regards the CIA rank, we notice that this rank has a greater command role and more leadership functions over the years, particularly following the implementation of process re-engineering measures and devolution of duties to the top tier of the Rank and File grade. This trend may continue. In the submissions, the management and staff proposed to create an additional rank over the CIA rank to improve promotion prospect and take charge of the more complex duties of the CIA rank. As a matter of principle, a new rank should be created only based on functional justifications. Having considered the nature of work of the IA grade, we consider the present command structure appropriate and do not see sufficient functional justifications for creating a new rank above the CIA rank. To recognise the increased responsibilities and functions of the CIA rank over the years, we propose to raise its maximum pay by two pay points whilst increasing the minimum by one pay point. With these improvements, the pay scale of the IA grade will be revised as set out below (**Recommendation 9.3**) –

Rank	Existing Pay Scale	Recommended Pay Scale
Immigration Assistant	GDS(R) 3–12 plus two Long Service Increments, one each on completion of 18 and 25 years of in-rank service	GDS(R) 3–13 plus four Long Service Increments, one each on completion of 12, 18, 24 and 30 years of in-rank service
Senior Immigration Assistant	GDS(R) 13–21	GDS(R) 14–22
Chief Immigration Assistant	GDS(R) 22–26	GDS(R) 23–28

9.20 As mentioned in paragraph 9.5, the current structure of the IA grade has evolved from the re-structuring exercise in 1990 when the AIO rank was deleted from the bottom of the Officer cadre and a new CIA rank was created at the top of the Rank and File cadre. At present, the core duties of upon-entry immigration control at the various control points are performed by the SIA rank. From functional perspectives, with advancement in technology and equipment, coupled with suitable training and career development of staff, there may be scope for the IA rank to undertake duties of a more substantive nature.

9.21 From the grade structure point of view, the present structure of having more posts at the SIA rank than the IA rank is unhealthy. An IA is given the first acting appointment in early years, and on average, gain promotion to the SIA rank around ten years. Such pace is much faster than that in other Disciplined Services. This will adversely affect the long-term manpower development plan and filling of promotion posts, as there will not be sufficient qualified and experienced IA to fill vacancies in the SIA rank. It will undermine the operational effectiveness and efficiency of the Department.

9.22 Having considered the above, we strongly encourage the ImmD to review whether there are opportunities for further devolution of duties to the IA rank, with a view to optimising the deployment of manpower resources and maximising efficiency whilst not compromising service standards and quality. This should help streamline work procedures and provide a healthy grade structure for the long-term development of the IA grade. (**Recommendation 9.4**)

Grade and Rank Titles

9.23 There are suggestions that the name of the IA grade and ranks should be retitled to say, “Inspector” or “Controller”, for boosting morale and professional image etc. In this respect, the Standing Committee is open-minded and will leave it to the departmental management and staff to jointly explore the most appropriate title. We have no in-principle objection so long as the new title will not cause confusion on their roles and does not carry any pay or read-across implications to other grades.

Immigration Officer Grade

Entry Qualification and Recruitment

9.24 As explained in Chapter 3 (paragraphs 3.6 to 3.16), we recommend that the current entry qualification of the IO grade be maintained pending an overall review. (**Recommendation 9.5**)

9.25 Relating to recruitment to the IO grade, some staff members propose to abolish and replace open recruitment to the IO rank by in-service appointment from the IA grade to recognise the rise in education profile of IA grade staff and to enhance their advancement prospects and morale. This proposal involves a fundamental change that warrants careful consideration.

9.26 The ImmD, similar to other Disciplined Services, has a well-established in-service appointment scheme for selecting IA grade staff in the Rank and File cadre with good ability and potential for appointment to the Officer cadre. There is merit in maintaining both avenues of direct recruitment and in-service appointment to the IO grade. It is up to the management to decide whether to conduct open recruitment or launch in-service appointment or both to recruit IO on each occasion, having regard to prevailing circumstances and the best interest of the Department. As a matter of fact, serving members of the IA grade may, in addition to competing through in-service appointment, also apply for IO appointment and be assessed alongside other candidates in an open recruitment exercise.

Long Service Increments

9.27 Some staff suggest introducing LSI to the IO rank. The subject of LSI is examined in Chapter 3 (paragraphs 3.21 to 3.24). They are granted to recognise and motivate those meritorious and long-serving Rank and File officers who have to stay in the basic ranks due to the unique command structure of the Disciplined Services. We see no strong grounds for awarding similar LSI to the IO grade which is in the Officer cadre.

Grade Structure

9.28 We understand the sentiments of the ImmD in proposing the adoption of through scale for the SIO and IO ranks. As explained

in Chapter 3 (paragraphs 3.29 to 3.35), we re-affirm the view of the Rennie Committee that the through scale arrangement should not be extended to other grades. We notice that both the management and staff of the ImmD have proposed that through scale arrangement would help streamline their work through layering and help succession planning. For instance, it has been suggested that with through scale arrangement, the IO/SIO would perform the dual roles of processing officer and decision maker in complicated cases, thereby enhancing efficiency for the benefit of the clients and the Department. We commend the Department's ongoing efforts in striving for constant improvements in service delivery. We trust that new initiatives in this direction could be pursued irrespective of whether through scale is available or not. We encourage the Department to join hands with staff to embark on suitable reviews to explore innovative measures such as streamlining or re-engineering of processes, reshuffling of duties and re-ranking of posts where functionally justified.

9.29 As regards succession, we note that there is a well-established mechanism within the Administration to review directorate succession plans of individual departments regularly, including the identification of talents for early grooming and succession. In any case, promotion is based on a host of criteria such as ability, qualifications and experience, and seniority should not be given weight unless no candidate stands out as the most suitable officer for promotion. Against this background, we do not consider it appropriate to introduce through scale, or alter the grade and rank structure, for the sole purpose of facilitating succession planning.

9.30 As a related issue, there are proposals to abolish the Assistant Principal Immigration Officer (APIO) rank and create a new style Principal Immigration Officer (PIO) rank on a pay scale of GDS(O) 32-38 for "layering" the IO grade structure to tackle succession problem at the senior level. The APIO rank, as with all ranks in the civil service, exists on functional grounds. We do not support any merger or deletion of ranks primarily for improving promotion and succession. As mentioned in paragraph 9.29, concerns about succession could be addressed under the existing mechanism.

Pay Scales

9.31 Both the ImmD management and the staff unions urge the GSR to unify, for disparity reasons, the entry pay of the different Disciplined Services, as they consider it unfair that the existing entry pay of an IO (at GDS(O) 5) is two points lower than most other recruitment ranks in the Officer grades of the Disciplined Services for entry at matriculation level.

9.32 As explained in Chapter 3 (paragraphs 3.2 to 3.4), entry pay in the Disciplined Services is determined having regard to the unique features of individual grades. In the case of the IO rank, the satisfactory recruitment statistics show that the current pay level is sufficient to attract talents to the rank. Taking all relevant factors into account, we recommend maintaining the current entry pay in the IO grade. **(Recommendation 9.6)**

9.33 We note the increasing complexity, sensitivity and sophistication of immigration work. With the changes in various facets of immigration work over the years, the IO grade officers have to acquire a wider range of knowledge and skills to deliver effective and quality services. Taking into account the enhanced job factors, we recommend enhancing the pay scales of the IO ranks as follows **(Recommendation 9.7)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Immigration Officer	GDS(O) 5–20	GDS(O) 5–21
Senior Immigration Officer	GDS(O) 21–25	GDS(O) 22–26
Chief Immigration Officer	GDS(O) 26–31	GDS(O) 27–32
Assistant Principal Immigration Officer	GDS(O) 32–35	GDS(O) 33–36
Principal Immigration Officer	GDS(O) 36–38	GDS(O) 37–39

9.34 For the IO rank, the two additional incremental jumps recommended in Chapter 3 (paragraph 3.38) will also apply, resulting in a total of three incremental jumps in the IO rank in total, one each to be granted upon completion of first year of service (existing), five years of service and eight years of service in the rank respectively,

with the latter two subject to their passing the qualifying examination for promotion to the SIO rank. (**Recommendation 9.8**)

Directorate Ranks

9.35 The Department has requested for 16 additional directorate posts including one Deputy Director at GDS(C) 3, one Assistant Director at GDS(C) 2 and upgrading of 14 posts of PIO to SPIO at GDS(C) 1. Creation and upgrading of directorate posts could be pursued under the existing mechanism. The Department should follow up with the Administration as appropriate.

9.36 We will set out our recommendations on the directorate pay scales in Chapter 11 (paragraph 11.10).

Conditioned Hours of Work

9.37 There are requests from the ImmD staff for a general reduction in their conditioned hours of work in view of the heavy workload and immense work pressure. We note that the existing conditioned hours of work of 44 gross per week for ImmD are the lowest among the Disciplined Services, and on a par with that of more than half of the civil service. While we attach great importance to occupational health and work-life balance, we do not support further reduction of conditioned hours below 44 hours per week. We encourage the Department to continue its efforts in promoting occupational health, stress management and a caring environment in the workplace for enhancing staff's well-being.

Manpower Resources

9.38 Based on our visits and meetings with frontline staff and review of submissions, we observe that the strained manpower situation is the main source of stress and concerns among staff in the ImmD. In the past two decades, the closer links with the Mainland, the opening of new border control points and the exponential increase in visitors, particularly on festive occasions, have led to a substantial increase in the workload of frontline staff in the ImmD. Quite a large number of immigration staff from various sections are deployed to the control points during long holidays and festive seasons. The staff have found the situation extremely stressful and unhealthy,

causing great disruption to their social and family life and resulting in the accumulation of high vacation leave balance and uncompensated overtime balance. We are sympathetic towards the staff's situation. This is an area that warrants further examination from the resource allocation perspective. We note that the ImmD is among the few departments that are granted additional staffing and financial resources despite the general recruitment freeze and the policy to contain the size of the civil service in the past few years. Notwithstanding this, we observe that the increased provision of frontline staff may not cope well with the exponential increase in workload, particularly during the peak periods. We encourage the Department to review its manpower resources and deployment, and if justified, seek additional provision from the Administration, to enhance its capacity to meet increasing workload. We also invite the Department to consider whether there is any scope for wider use of technology (e.g. e-channel), giving the IA rank more substantive duties, or redeploying resources between the ranks to meet the challenges brought by increased workload. (**Recommendation 9.9**)

Summary of Key Recommendations

9.39 In summary, we recommend that –

- (a) the pay scales of the non-directorate ranks of the ImmD should be enhanced as detailed in **Appendix 22**; and
- (b) the Department should review its manpower resources and deployment, and if justified, seek additional provision from the Administration, to enhance its capacity to meet increasing workload.

Chapter 10

Independent Commission Against Corruption

Overview

Role of Independent Commission Against Corruption

10.1 Established in 1974, the Independent Commission Against Corruption is committed to fighting corruption by a three-pronged approach of law enforcement, corruption prevention and community education to help keep Hong Kong fair, just, stable and prosperous. Deriving its charter from the ICAC Ordinance (Cap. 204), the ICAC functions as an independent agency separated from the civil service, and is given the legal powers to investigate and bring the corrupt to book under three Ordinances, namely, the ICAC Ordinance, the Prevention of Bribery Ordinance and the Elections (Corrupt and Illegal Conduct) Ordinance. Attributed to the unwavering hard work of the ICAC, Hong Kong has transformed itself from a place where corruption was serious in the 1960s and 1970s, to a world-class city acclaimed as one of the cleanest places in the world³⁰. The ICAC will continue to play a pivotal role in maintaining Hong Kong's competitiveness. To this end, it needs to recruit and retain a strong cadre of staff with high integrity, professionalism and commitment.

Organisation Structure

10.2 The ICAC is headed by a Commissioner appointed by, and directly accountable to, the Chief Executive. The Commission delivers its anti-corruption mission through the following three executive arms supported by an Administration Branch –

- (a) *the Operations Department (OpsD)* is the investigative arm responsible for receiving and

³⁰ Hong Kong is the second cleanest city in Asia and is globally ranked 12th among 180 places surveyed in the Berlin-based Transparency International's Corruption Perception Index announced in September 2008.

investigating alleged corruption offences. It is the largest department of the ICAC and its Head is also the Deputy Commissioner of the ICAC;

- (b) *the Corruption Prevention Department (CPD)* minimises opportunities for corruption inherent in practices and procedures of Government departments and public bodies through assignment duties and consultation service. The services are also extended to private organisations or individuals on requests; and
- (c) *the Community Relations Department (CRD)* focuses on educating the public on the evils of corruption and enlisting public support for the ICAC. Its seven Regional Offices reach out to local communities and serve as focal points for receiving corruption complaints and enquiries.

Staffing

10.3 Upon its establishment in 1974, the ICAC was provided with two main categories of staff –

- (a) the Commission Against Corruption Officer (CACO) grade created specifically to undertake anti-corruption duties. The grade was later “split” in 1976 to create a further grade of staff peculiar to the Commission as a specialist Surveillance grade, formally known as the Commission Against Corruption Investigator (CACI) grade, to undertake surveillance duties; and
- (b) grades and ranks with counterparts existing elsewhere in the Government but with the suffix Commission Against Corruption (CAC) added to the rank and grade title (e.g. Executive Officer (CAC), Motor Driver (CAC)). This group of staff was paid on the same scales as their civilian counterparts in the civil service.

10.4 Excluding the post of the Commissioner, the ICAC had 14 directorate posts, 912 posts in the CACO grade and 116 posts in

the CACI grade as at 1 January 2008. Distribution of these posts is summarised in *Table 10.1*, showing that the OpsD commands 80% of the CACO grade and the entire CACI grade.

Table 10.1: Distribution of disciplined services posts in the ICAC as at 1 January 2008

Grade	OpsD		CRD		CPD		Admin		Total
CACO	729	(80%)	127	(14%)	43	(5%)	13	(1%)	912
CACI	116	(100%)	-		-		-		116
Sub-total	845	(82%)	127	(12%)	43	(4%)	13	(1%)	1 028
Directorate	7	(50%)	3	(22%)	3	(22%)	1	(7%)	14
Total	852	(82%)	130	(13%)	46	(4%)	14	(1%)	1 042

(Note: The percentages do not add up to 100% due to rounding.)

Terms of Employment

10.5 The ICAC staff are public officers, not civil servants. Their conditioned hours of work are 44 per week. Over 99% of the staff are employed on agreement terms (each tour currently of 2.5 years in duration) and about 66% are serving on “linked agreement” under which an officer is offered an agreement comprising two tours³¹, with a gratuity payable upon satisfactory completion of the full agreement period. The gratuity, when added to the Government’s contribution to the Mandatory Provident Fund Scheme (MPFS), equals to 25% of the total basic salary drawn during the period of the agreement.

10.6 The agreement terms provide the ICAC with flexibility in employment to meet operational needs. The Commissioner is empowered under the law to employ any staff, or terminate the appointment of an officer if he is satisfied that it is in the interests of the Commission to do so. That said, the special termination power has been exercised only three times in the past ten years. At present, over 60% of the staff have been serving in the ICAC for ten years or more.

³¹ The second tour will commence subject to the performance and conduct being satisfactory in the first tour. New appointees (about 18%) are not eligible for linked agreement.

Grade and Rank Structure

10.7 Excluding the ICAC Commissioner who is directly appointed by the Chief Executive, the ICAC disciplined services grades have six ranks at the directorate level, five ranks in the CACO grade and five ranks in the CACI grade. Details of their rank structure and existing pay scales are set out at **Appendix 23**. Unlike most other grades in the Disciplined Services, the CACO and CACI grades are not distinctly structured into the Rank and File and the Officer grades. Generally speaking, the first tier of the CACO and CACI grades are broadly comparable to the Rank and File cadre and the higher ranks are on the Officer cadre in terms of the pay ranges.

The ICAC Pay Scale

10.8 In line with the recommendations of a special review conducted by Mr Rennie³², a separate ICAC Pay Scale (IPS) was created in 1989 to recognise the special status of the ICAC and underline its independence from the civil service. Prior to that, the ICAC grades used to be remunerated on the Master Pay Scale at rates broadly related to those for the Hong Kong Police Force because of their similarities in work and the fact that the Police Force was hitherto responsible for enforcing the laws on corruption. A loose relationship of pay between the ICAC and the Police grades has largely been maintained since then.

10.9 Whilst the ICAC is independent from the civil service, the IPS has all along been adjusted in line with changes in the civil service pay scales, including the adjustments of entry pay after the 1999 and 2006 Starting Salaries Surveys, the civil service pay cuts in 2002-05, and the annual civil service adjustments based on the Pay Trend Surveys.

³² In 1988, the Rennie Committee conducted a comprehensive review on the pay and conditions of service of the Correctional Services, Customs and Excise, Fire Services, Immigration and Police Force. Afterwards, the Administration invited Mr Rennie to conduct a special review on the ICAC.

10.10 Some 544 CACO and 85 CACI grade members, as at 1 April 2008, were still receiving the monthly ICAC Post Allowance³³. The rates of the Allowance have been “frozen” at \$400, \$700 or \$1,000 per month (according to rank) since 1974, and the Allowance was ceased for new recruits who were offered appointment on or after 1 April 2000.

Relevant Considerations

Job Factors and Special Factors

10.11 In their submissions to the GSR, the ICAC management and staff provided a host of information on their work and highlighted challenges inherent in their responsibilities. Some key points are highlighted below –

- (a) Corruption is a secret, borderless crime between consenting parties without obvious crime scene. Investigation is complex and often necessitates covert surveillance and undercover operations, which are associated with high risks, hardship, stress and social segregation. Public sector corruption may involve suspects familiar with investigation and surveillance practices, hence rendering such investigation more difficult.
- (b) Investigation and subsequent prosecution processes involve intricate legal issues, more so for those relating to complex operation in the business sectors, big corporations or sophisticated corruption facilitated frauds. The staff are experiencing stress and hardship in work with increasing caseload against tight manpower, short deadlines of pre-trial preparation and court orders, burden of possible legal consequences of their action, testifying in courts and powerful defence teams.

³³ The ICAC Post Allowance was introduced when the ICAC was set up in 1974 “as a means of attracting people of the right calibre and with experience in different fields into a new, somewhat isolated, and developing organisation”. The Allowance is neither pensionable nor gratuity bearing.

- (c) The ICAC has stringent requirements on the conduct and integrity of all staff in respect of confidentiality, restrictions on personal act including investment and financing, departure from Hong Kong, political affiliation and social contacts. They have to sustain integrity and professionalism of a high order at all times and keep absolute confidentiality even on the nature of their work.

Changes Since Last Reviews

10.12 The ICAC management and staff emphasise that many changes in the past two decades have important impact on their role and mode of operation, which further heightened the level of responsibilities, workload and pressure on the staff. Some of the more significant observations are summarised below –

- (a) *New legislation and developments in law* : Changes in the legal landscape, including judgment from the appellate court and the new Interception of Communications and Surveillance Ordinance enacted in 2006, have added substantially to the demands on the ICAC's work. Also, Hong Kong has been able to uphold its culture of clean elections, and the ICAC's portfolio has grown to cover all elections from Village Representatives to the Chief Executive level.
- (b) *Changing nature and pattern in corruption* : While public sector corruption reports continue to fall, private sector cases are on the rise. Investigations of the latter demand in particular high intellectual capacity, strong analytical power and an inquisitive mind. Breadth and depth of knowledge in a diversified range of subjects is essential for handling corruption cases in any sector, trade or profession. More corruption incidents have manifested as misconduct in public office rather than simple bribery. Furthermore, corruption cases often involve dealings outside the territory, creating additional hurdles for investigators.

- (c) *Increasing sophistication with technological advancement and globalisation* : With rapid socio-economic advancement, corruption and related crimes have become increasingly complex and global in nature. Various challenges have emerged such as higher awareness on covert surveillance and investigation, more corruption complaints involving complicated transactions of public listed companies or corruption facilitated frauds, manipulation of rules and practices by professionals, high quality legal teams employed by defendants etc.
- (d) *International and Mainland collaboration* : Cross-territory anti-corruption activities have grown significantly and Hong Kong's participation through the ICAC plays a pivotal role in the Mainland, regional and international context. Requests for mutual legal assistance³⁴ and extradition have increased. International agencies such as APEC and INTERPOL have launched more joint efforts against money laundering, terrorist financing, etc.

10.13 As shown in some workload statistics of the ICAC at **Appendix 24**, there is a gradual decline in public sector corruption cases and increase in private sector corruption complaints. In 2007, private sector corruption reports constituted 66% of the total with the remaining 34% being public sector cases. Election complaints increased by ten times over the last two decades to 913 cases in 2007. Work relating to corruption prevention and community education has been on a steady trend.

One-Commission Approach

10.14 The ICAC all along emphasises a “One-Commission, Three-pronged” approach. In response to some varied opinions received in the GSR, we have taken the opportunity to revisit the matter. We note that the three ICAC departments are inseparable and

³⁴ Under the Mutual Legal Assistance in Criminal Matters Ordinance (Cap. 525), the Secretary for Justice may authorise ICAC investigators to conduct formal corruption-related enquiries in response to requests from overseas law enforcement organisations and judicial authorities. These include interviewing witnesses and suspects, examining bank accounts and documents, and restraining assets.

integral parts of a total strategy, and unity and team spirit among the three inter-dependent departments is crucial. According to the ICAC, it has since 2007 adopted common recruitment for the three departments at entry ranks, and reinforced its cross-posting arrangement to complement the policy and enable all-round development of the staff. In this light, we consider it important to continue to respect the long established “One-Commission” approach of the ICAC and reflect this in its grade and pay structures.

Recruitment

10.15 With agreement terms, the ICAC can flexibly deploy open recruitment and/or in-service appointment for filling vacancies at various levels to meet operational needs while maintaining reasonable opportunities for staff advancement. In practice, recruitment to the CACO grade is mainly conducted in the Assistant Commission Against Corruption Officer (ACACO) and CACO(Lower) (CACO(L)) ranks, with the former also being eligible for promotion to the latter. Specialist posts in the senior ranks are open to recruitment and/or in-service appointment. For the CACI grade, only the basic ranks of CACI(Main Stream) (CACI(M)) and CACI(Attendant Stream) (CACI(A)) are filled by open recruitment.

10.16 Statistics from the ICAC reflect no recruitment difficulty in the CACO or CACI grades. For instance, 1 193 and 1 853 applications were received for selecting 118 and 31 target recruits of ACACO and CACO(L) respectively based on aggregate recruitment figures in 2007. The ICAC also encountered no difficulty in recruiting specialist posts in the higher ranks.

Retention

10.17 The CACO grade has relatively high wastage and vacancy figures for some years (*Table 10.2*), particularly in the ACACO and CACO(Middle/Lower) (CACO(M/L)³⁵) ranks. In 2007, 48 ACACO (14.2%) and 19 CACO(M/L) (5.7%) left the ICAC other than natural wastage (e.g. retirement). The grade’s overall non-directorate vacancies reached 147 or 15.9% as at 1 January 2008. For the higher ranks, their wastage is considered not unreasonable

³⁵ CACO(M/L) is on through scale.

given the nature of agreement employment. For instance, four CACO(Upper) (CACO(U)) (4.3%) left the ICAC in 2007 other than natural wastage.

Table 10.2: Wastage in ACACO and CACO(M/L) ranks in the past five years

		2003	2004	2005	2006	2007
ACACO	Wastage	19	18	28	24	48
	As % of strength	4.6%	4.8%	7.3%	6.4%	14.2%
CACO(M/L)	Wastage	12	17	19	17	19
	As % of strength	3.6%	5.2%	6.2%	5.4%	5.7%

(Note: Natural wastage is excluded)

10.18 Based on the staff profile, roughly one third of the serving ACACO and CACO(L) officers are relatively “young” with three years of service or less in the ICAC, while about 44% of the ACACO and 37% CACO(L) officers have served in the Commission for ten years or more. The ICAC points out that its staff are highly sought after by the commercial sector given the latter’s increasing demand for experienced hands with proven ability and integrity to take up responsibilities on corporate governance and compliance work in the finance, insurance and banking sectors. According to the Commission, at least 70 (62%) of the 113 CACO grade officers who left the OpsD (other than natural wastage) between 2005 and 2007 were because of better offers from the private sector or other public bodies.

10.19 For the CACI grade, three CACI(M) (5%) left in 2007 other than retirement and there was only one vacancy in the CACI(M) rank (1.4%) as at 1 January 2008 with altogether two vacancies (1.7%) in the grade. Similar vacancy figures in the past few years were slightly higher but still within a reasonable range. For instance, there were eight CACI(M) vacancies (11.3%) on 1 January 2004, dropping to six vacancies (8.5%) on 1 January 2007.

Career Progression

10.20 Career progression carries lesser weight under agreement terms as this type of appointment generally implies a more flexible career structure. Nonetheless, the following features are noteworthy –

- (a) The ACACO rank, which is more akin to the Rank and File in terms of entry qualification and pay level, is eligible for promotion³⁶ to the Officer cadre of CACO(L)³⁷. Similarly, CACI(M) has direct promotion avenues to higher ranks in the CACI grade having pay levels comparable to that of the Officer cadre.
- (b) The CACO(M) and CACO(L) ranks are on through scale under which a CACO(L) can advance to the CACO(M) rank upon meeting the prescribed service criterion of four years (or exceptionally three years) and passing the necessary advancement qualifying examination.
- (c) The ICAC may flexibly launch open recruitment and/or in-service appointment in filling vacancies at higher ranks in the CACO grade. Certain CACO(U) posts in the OpsD are open to promotion from Chief Commission Against Corruption Controller (CCACC) in the same section for operational reasons.

10.21 We have looked into promotion prospects of staff in the ICAC. In very broad terms, staff profile of the CACO and CACI grades shows generally satisfactory career progression as reflected in their average length of in-rank service before promotion to next higher rank. Also, about 51% of the staff as at 1 January 2008 had yet to reach the maximum pay point in their ranks. Ratio of posts in promotion ranks are reasonable, although actual promotion opportunities are inevitably restricted by the small size of some ranks. In this respect, we have to emphasise once again the fundamental principle that promotion is not a right and is subject to a range of factors, such as availability of vacancies, operational need, age profile of staff and merit of individual contenders.

³⁶ Promotion pre-requisites include two years of service in the ACACO rank and the passing of specific promotion qualifying examination.

³⁷ The CACO(L) rank is also a recruitment rank. During 2002 to 2007, a total of 115 ACACO officers were promoted to CACO(L) rank, while there were 217 intake from recruitment in the same period.

Analysis and Recommendations

Commission Against Corruption Officer Grade

Qualifications and Related Matters

10.22 As explained in Chapter 3 (paragraphs 3.6 to 3.17), the present entry qualifications for the ACACO and CACO(L) ranks should remain unchanged. Nevertheless, we have no objection to the request for removing the sub-entry below five passes in HKCEE for the ACACO rank. The existing entry to the ACACO rank on five passes in HKCEE (on IPS 4) should remain unchanged. **(Recommendation 10.1)**

10.23 We support the ICAC management's proposal of tightening advancement of ACACO to CACO(L) by using an internal channel for appointment in place of direct promotion. This is conducive to further promoting meritocracy and is considered reasonable in view of the increasing complexity and breadth of functions of the CACO grade. We trust the management will introduce the change carefully giving due regard to possible implications on incumbent staff aspiring to progress beyond the ACACO level. Looking to the future, the management may wish to promulgate the requirement during the recruitment stage, and offer more comprehensive training for the ACACO rank to develop competent staff with potential for advancement. **(Recommendation 10.2)**

10.24 CACO(M/L) is on through scale with a relatively long pay scale from IPS 16 for entry at matriculation level to maximum pay at IPS 34. As mentioned in Chapter 3 (paragraphs 3.29 to 3.37), we welcome the ICAC's proposal to only allow those CACO(L) who passed the CACO(M) advancement qualifying examination to advance to the CACO(M) pay scale. The proposal is consistent with the general civil service practice adopted in combined establishment. We commend the ICAC in taking forward this initiative as part of its ongoing efforts to upgrade the quality of its cadre and further promote a merit-based culture. We render our full support. **(Recommendation 10.3)**

Incremental Jump

10.25 The ACACO rank has rather serious wastage problems (*Table 10.2*). The majority of those departed were due to resignation, non-renewal of contract despite offer or resolution of agreement. Staff turnover is naturally higher under agreement terms, and the wastage could have been partly attributed to recruits with higher qualifications. For instance, some 85% (41) of the ACACO who left in 2007 (natural wastage excluded) were degree-holders. That said, we see the need to contain the retention problems in the ACACO rank.

10.26 Wastage figures of CACO(M/L) (*Table 10.2*) are also on the high side in the past years. Excluding the small number of natural wastage (such as retirement), nine CACO(M) and eight CACO(L) left the ICAC in 2006, and eight CACO(M) and 11 CACO(L) left in 2007.

10.27 To improve retention, we have looked into the case for introducing incremental jumps, which have been granted to certain basic recruitment ranks in other Disciplined Services primarily to tackle retention difficulties. We are mindful of the previous deliberations of the Standing Committee back in 1991 and 2001 in not supporting proposals from the ICAC for introducing incremental jumps. The Committee was then concerned that the high wastage rate was partly attributed to the recruitment of over-qualified candidates and had reservation on the effectiveness of incremental jumps for officers on agreement terms.

10.28 In the prevailing situation, given the persistent and increasing wastage and taking into account the success of incremental jumps in alleviating early wastage in other Disciplined Services, we on balance recommend introducing one incremental jump in the second agreement in the ACACO rank and the CACO(L) rank respectively to contain the acute wastage problem in early years of their career. We believe the incremental jump will help attract quality talents and encourage contract renewals. We do not support extending incremental jump to further agreements of CACO(L) or to the CACO(M) rank, in view of the through scale and the overall favourable long term progression and prospects in the grade. **(Recommendation 10.4)**

Pay Scales

10.29 We note sophistication of the jobs and responsibilities in the CACO cadre as a result of developments in the operating environment of anti-corruption work. Having regard to the job and special factors and the other relevant considerations, we recommend enhancing the pay scales of the various ranks as follows **(Recommendation 10.5)** –

Rank	Existing Pay Scale	Recommended Pay Scale
Assistant Commission Against Corruption Officer	IPS 2–12	IPS 4*–14 (*sub-entry deleted)
Commission Against Corruption Officer (Lower)	IPS 12–34	IPS 12–28 [#] ([#] through scale modified)
Commission Against Corruption Officer (Middle)	IPS 28–34	IPS 29–35
Commission Against Corruption Officer (Upper)	IPS 35–41	IPS 36–42
Senior Commission Against Corruption Officer	IPS 42–44	IPS 43–44a

Commission Against Corruption Investigator Grade

Qualification and Related Matters

10.30 Similar to the ACACO rank, we have no objection to the request of removing the sub-entry below five passes in HKCEE for CACI(M) rank. The existing entry requirement to the CACI(M) rank on five passes in HKCEE (on IPS 4) will remain unchanged. **(Recommendation 10.6)**

10.31 We note that the ICAC has not made any request to change the entry qualifications of the CACI(A) and Commission Against Corruption Controller (CACC) ranks. The CACI(A) rank is a small group of five officers providing back-end support for the surveillance teams. As for the CACC rank, the ICAC has been filling vacancies through direct promotion from the CACI(M) rank because of unique operational need in surveillance duties.

Incremental Jump

10.32 There is no recruitment, wastage or retention problem in the CACI grade. Nonetheless, the ICAC will need to maintain the competitiveness of the CACI(M) rank in recruitment and retention vis-à-vis the ACACO rank as well as other Rank and File grades in the Disciplined Services, upkeep morale and maintain surveillance experience. We therefore recommend introducing one incremental jump in the second agreement in the CACI(M) rank. **(Recommendation 10.7)**

Pay Scales

10.33 The CACI grade specialises on surveillance duties. Having considered the job factors and special factors as well as the increasing complexity of surveillance responsibilities, we recommend enhancing the pay scales of the various ranks as follows – **(Recommendation 10.8)**

Rank	Existing Pay Scale	Recommended Pay Scale
Commission Against Corruption Investigator (Attendant Stream)	IPS 2–7	IPS 2–8
Commission Against Corruption Investigator (Main Stream)	IPS 2–12	IPS 4*–14 (*sub-entry deleted)
Commission Against Corruption Controller	IPS 12–20	IPS 12–21
Senior Commission Against Corruption Controller	IPS 22–27	IPS 23–28
Chief Commission Against Corruption Controller	IPS 28–34	IPS 29–35

The Directorate

10.34 We have received proposals for creating a new Chief CACO (CCACO) rank on IPS 45 (equivalent to D1 of the Directorate Pay Scale) as the first tier directorate in the ICAC to meet operational needs. At present, the ICAC does not have any rank on IPS 45, whilst all other Disciplined Services have directorate ranks comparable to this pay level, e.g. Chief Superintendent of Police, Chief Superintendent of Customs and Excise. With changes in the

ICAC's operating environment, we see a strong case for a new CCACO rank to be created to cope with functional requirements arising from the growing complexity and responsibilities at the directorate level, including, among other things, supervision of the use of covert surveillance and interception in ICAC investigations. We will give positive consideration to the creation of the new CCACO rank and post(s) when detailed proposals and justifications are provided by the ICAC. (**Recommendation 10.9**)

10.35 We will set out our recommendations on the ICAC directorate pay scales in Chapter 11 (paragraph 11.10).

New Forensic Accountant Grade

Operational Need

10.36 Hong Kong has seen an increasing trend in private sector corruption complaints and corruption-related fraud cases, many of which involve complex transactions in financial markets, global flow of funds and cross-border money laundering. In 2007, the ICAC processed 185 such cases, a notable 23% increase from 150 cases in 2006, involving 344 target persons and companies with 6 776 transactions at an aggregate value of \$4.91 billion. The ICAC has been able to crack down on offences committed or concealed by accounting professionals and financial controllers, leading to successful prosecution of senior executives of a number of public listed companies in recent years. As forensic accounting will continue to be a major anti-corruption priority, the ICAC has proposed to establish a new grade of Forensic Accountant (FA).

Current Arrangement

10.37 At present, the ICAC has two Financial Investigation Sections (FIS) in the OpsD specialising in financial investigations and providing independent expert testimony. The two FIS are staffed by officers in the CACO grade appointed by way of informal "streaming" arrangement. Altogether, the two FIS have two CACO(U) and eight CACO(M/L) posts, plus 12 ACACO posts at supporting level. According to the ICAC, incumbents of these CACO(U) and CACO(M/L) posts are mainly Certified Public Accountants (CPA) performing forensic accounting role by integrating knowledge and

skills on accounting, auditing and investigation. They have to give evidence in court on financial and accountancy related matters and to provide expert opinions in their field.

10.38 Past statistics do not show significant recruitment difficulties in the FIS. However, the ICAC explained that they have lost five officers since 2000 and there are grave concerns on the Commission's competitiveness in attracting and retaining quality forensic accounting personnel amidst keen demand for accounting professionals, particularly those with compliance and law enforcement experience.

Our Advice

10.39 We fully recognise the need for the ICAC to develop a special professional cadre of FA by offering a reasonably attractive package and establishing a clear career path for these experts. We are also aware that the Police Force's Commercial Crime Bureau and the Customs and Excise Department also carry out financial investigations and prosecution on commercial crimes and smuggling-related money laundering respectively. At present, they rely on the Government Treasury in arranging members of the Treasury Accountant grade to provide support for their frontline investigators.

10.40 We have considered various options and concluded that establishing a dedicated grade of FA in the ICAC will openly manifest the Commission's determination and efforts in fighting commercial corruption. With a specialist FA grade of its own, the ICAC will have the flexibility to adjust its pay and requirements to meet dynamic operational need and having regard to those prevailing for comparable professionals in the public and private sectors. We also share the view that a formal grade and rank title of FA will serve as a form of non-cash recognition.

10.41 In this light, we fully support the ICAC's request for a new FA grade. We see merit in enhancing the role of FA at the directorate level, in view of the strategic role of forensic accounting. In principle, we are agreeable to the proposed three-rank structure to be headed by a directorate FA comparable to the new CCACO rank, i.e. on IPS 45 (Chief FA) and supported by a senior professional rank

(Senior FA) and a professional rank (FA). In its preliminary proposal, the ICAC plans to create 11 posts in the new grade, comprising one Chief, two Senior and eight FA posts, to be offset by deletion of two existing posts of CACO(U) and eight posts of CACO(M/L). We will further examine the rank and pay structure appropriate for the new grade and favourably consider formal creation of the grade and posts subject to detailed proposals and justifications to be submitted by the ICAC. (**Recommendation 10.10**)

Medical and Dental Benefits for ICAC Retirees

10.42 We have looked into the requests from both the ICAC management and staff that ICAC staff should continue to be eligible for civil service medical and dental benefits after retirement³⁸. Their arguments include boosting staff morale, bringing the Commission in line with the benefits package for pensionable civil servants, and enhancing the retirement protection particularly for staff at junior levels.

10.43 In 1991, the Standing Committee considered a similar request from the ICAC and found the request unjustified. We have examined the issue taking into account previous deliberations of the Standing Committee as well as other relevant factors. The following considerations are pertinent –

- (a) *Agreement terms of employment* : Only retired civil servants in receipt of a pension are accepted as post-retirement eligible persons for civil service medical and dental benefits. Although 60% of the ICAC staff have served in the Commission for over ten years, the crux remains that they are agreement officers and not appointed on permanent terms.
- (b) *Gratuity* : The 25% gratuity payable upon completion of every contract serves to “compensate for”, among others, retirement benefits including post-retirement medical and dental benefits. The 25% gratuity rate is much higher than the general 15% top rate for civil service gratuities, and is also

³⁸ The ICAC management’s proposal covers those ICAC officers recruited before 1 June 2000, i.e. those appointed prior to the introduction of the Civil Service Provident Fund Scheme.

more favourable than the Government's voluntary contribution to the Civil Service Provident Fund.

- (c) *Read-across implications* : Extending the benefits to retired ICAC officers (and their dependents) would give rise to considerable pressure of potential claims for similar treatment from other civil servants employed on agreement terms, even from ex-staff and possibly from the pools of non-civil service contract staff employed by the Government.

10.44 We have re-considered the matter but found no legitimate ground to support the extension of civil service medical and dental benefits to agreement officers retiring from the ICAC. **(Recommendation 10.11)**

10.45 We appreciate the ICAC's concerns on post-retirement welfare of the staff against a background of longer life expectancy, rising medical costs and inflation. Indeed, health care financing is an issue with far-reaching implications concerning the entire Hong Kong population as a whole, not just the public service or the ICAC alone.

10.46 On a positive direction, we encourage the ICAC to take a broader perspective and approach its concern creatively and innovatively. For instance, the ICAC as an independent agency may explore the feasibility of setting up, with staff contribution and in partnership with commercial insurance agencies, a medical insurance scheme for the ICAC that is extendable to post-retirement years. Such a scheme is more akin to those offered by some private sector enterprises, and is likely to allow greater flexibility in terms of choices and coverage.

Unifying Fringe Benefits Package

10.47 There is also request from the staff that all ICAC staff should be allowed to enjoy the same package of fringe benefits and allowances, specifically for those that are only applicable to officers appointed before 1 October 1990.

10.48 We note the Administration has been taking steps over the years to modernise and rationalise the provision and administration of fringe benefit type of civil service allowances. As a result of various reforms, new entrants joining the service are no longer eligible for certain fringe benefit type of allowances (e.g. education allowance, sea passage) and the scope and rate of other allowances (e.g. housing allowance) have been adjusted for new recruits.

10.49 It is reasonable and understandable for the Government, as an employer, to keep its employment terms under review and introduce new terms in the light of changing circumstances without affecting the entitlements of the incumbents. We do not see any new factors or circumstances that justify any change to the present practice.

Summary of Key Recommendations

10.50 We recommend that –

- (a) the pay scales of the non-directorate ranks should be enhanced as detailed in **Appendix 25**;
- (b) the proposal to create a CCACO rank on IPS 45 at the directorate level should be supported in principle;
- (c) the proposal to create a new Forensic Accountant grade on a three-rank structure headed by a directorate rank on IPS 45 should be supported in principle; and
- (d) the proposal to extend civil service medical and dental benefits to agreement officers on retirement from the ICAC should not be supported.

Chapter 11

Disciplined Services Directorate Grades and Disciplined Services Pay Scales

Overview

11.1 Including six Heads of Disciplined Services³⁹, there were 128 directorate posts in the Disciplined Services remunerated under three disciplined services pay scales as at 1 January 2008. Details are summarised in *Table 11.1*. There are altogether 33 disciplined services directorate ranks as listed at **Appendix 26**.

Table 11.1: Directorate establishment in the Disciplined Services as at 1 January 2008

Disciplined Services	GDS(C) 1 IPS 45 PPS 55	GDS(C) 2 IPS 46 PPS 56	GDS(C) 3 IPS 47 PPS 57	IPS 48 PPS 58	GDS(C) 4	PPS 59	No. of Posts	No. of Ranks
Equivalent Points on Directorate Pay Scale	D1	D2	D3	D4/5	D6	D8	Total	
General Disciplined Services (Commander) Pay Scale								
CSD	3	4	1	-	1	-	9	5
C&ED	2	4	1	-	1	-	8	4
FSD	8	7	1	-	1	-	17	6
GFS	3	-	1	-	-	-	4	3
ImmD	2	6	1	-	1	-	10	4
<i>Sub-total</i>	<i>18</i>	<i>21</i>	<i>5</i>	<i>-</i>	<i>4</i>	<i>-</i>	<i>48</i>	<i>22</i>
ICAC Pay Scale 45 and above								
ICAC	-	9	4	1	-	-	14	6
Police Pay Scale 55 and above								
Police Force	45	14	4	2	-	1	66	5
<i>Total</i>	<i>63</i>	<i>44</i>	<i>13</i>	<i>3</i>	<i>4</i>	<i>1</i>	<i>128</i>	<i>33</i>

³⁹ The six posts are the Controller, Government Flying Service remunerated on GDS(C) 3; Commissioner of Correctional Services, Commissioner of Customs and Excise, Director of Fire Services and Director of Immigration remunerated on GDS(C) 4; and the Commissioner of Police remunerated on PPS 59. Separately, the post of Commissioner, ICAC is remunerated on Directorate Pay Scale D8.

11.2 Recruitment is not an issue as directorate officers are normally promoted through the non-directorate ranks. There is also no retention problem in the directorate grades as directorate officers generally view their career in the civil service as a life-long commitment. Their turnover rate is relatively low, other than normal wastage on retirement. For instance, the departure of all eight directorate officers who left in 2007-08 was due to retirement or completion of agreement. Natural wastage varies, depending on the age profile of the incumbents⁴⁰.

11.3 Career progression of directorate officers differs among the grades. Promotion depends on merit of individual officers and the availability of vacancies at a senior rank, which is, in turn, affected by functional needs, rank ratio and age profile of the incumbents. Given the command structure, promotion to directorate ranks is subject to keen competition.

Analysis and Recommendation

Grade Structure Review on the Directorate Grades

11.4 In tandem with the GSR of the Disciplined Services, the Standing Committee on Directorate Salaries and Conditions of Service (the Directorate Committee) has conducted a grade structure review on the directorate grades and ranks under its purview, covering the Heads of Disciplined Services. As the recommendations of the Directorate Committee may have a bearing on our consideration of the appropriate pay scales for the grades and ranks in the Disciplined Services, we have taken note of the following –

- (a) The Directorate Committee noted the long established relationship between the salary of the Heads of Disciplined Services and the comparable civilian directorate ranks in the civil service, and considered that the present salary levels of the Heads of Disciplined Services are appropriate and should be maintained.

⁴⁰ Some 55% of directorate officers in the Disciplined Services are within the age group of 51 to 55.

- (b) The Directorate Committee recommended that for officers on D1 to D8 of the Directorate Pay Scale, the current pay level be maintained, an additional increment of about 3% be added at the top end of each pay level for D1 to D8, and all increments be awarded on a biennial basis.

Review of Directorate Ranks and Pay Structure in Disciplined Services

11.5 Directorate officers in the Disciplined Services play a key leadership and management role in steering their departments to rise to new challenges, including enhanced cooperation with the Mainland and international authorities, political and legislative developments, rising public expectations, closer public and media scrutiny, civil service-wide reforms and efficiency measures, and the changing profile of workforce. The responsibilities of the directorate officers have increased in scope, volume and sophistication as a result of the many political, social, economic, legislative and organisational developments. Disciplined services directorate officers, similar to their civilian counterparts, are subject to public scrutiny and political pressure, with stringent rules restricting their personal activities such as investment, post-retirement employment and participation in political activities.

11.6 During the GSR, we have looked into the pay scales of all directorate grades and ranks in the Disciplined Services below the Heads of Services. We are guided by the consideration that the Disciplined Services are an integral part of the civil service. Responsibilities at the directorate levels in the Disciplined Services, similar to their civilian counterparts, are mainly focused on strategic, leadership and management roles, which are broadly comparable. We are also mindful that it has been the well-established practice that the pay of the disciplined services directorate bears close relativity with that of the civilian directorate grades. Having examined all relevant considerations, we recommend that the existing relativity between the pay of the disciplined services directorate with that of the civilian directorate be maintained. (**Recommendation 11.1**)

11.7 Taking into account the recommendations of the Directorate Committee and all other considerations, we recommend

maintaining the current pay level of the disciplined services directorate grades and ranks, and adding one more increment of about 3% at the end of each pay level (**Recommendation 11.2**). We also recommend standardising the grant of all increments in these directorate ranks to biennial basis. (**Recommendation 11.3**)

11.8 With the above improvements, increments for directorate officers at or below GDS(C) 3, IPS 47 and PPS 57 will be granted on a biennial basis after completion of two, four and six years of service, instead of the present arrangement of receiving increment after completion of two and five years of service. Due regard has also been given to the issue of retirement age in the Disciplined Services (paragraphs 3.53 to 3.57 in Chapter 3 are also relevant).

11.9 We have received various proposals to create new directorate ranks or posts. On the creation of new ranks, we have examined these requests and set out our views in the relevant Chapters. As regards the creation of new posts or the upgrading of existing ones, there is a well-established mechanism for the departmental management to pursue these proposals in consultation with relevant bureaux and departments. We would be pleased to consider any proposal from the Administration in due course.

The Disciplined Services Pay Scales

11.10 As a result of our recommendations on the non-directorate ranks (Chapters 3 to 10) and the directorate ranks (paragraph 11.7), there will be corresponding changes to the disciplined services pay scales. In summary, we recommend extending the Rank and File pay scales by two pay points at the top end and the Officer cadre pay scales by one pay point at the top end, and adding one more increment of about 3% at the end of each salary scale of the disciplined services directorate ranks. With these improvements, we recommend the following changes to the disciplined services pay scales (based on the pay scales as at 1 April 2008) (**Recommendation 11.4**) –

- (a) for the GDS(R), adding two new pay points to the top end as GDS(R) 28 (\$30,540) and GDS(R) 29 (\$31,750);
- (b) for the GDS(O), adding one new pay point to the top end as GDS(O) 39 (\$100,780);
- (c) for the GDS(C), adding one new increment of about 3% each at the top end of GDS(C) 1, 2 and 3 respectively;
- (d) for the IPS, adding one new pay point between the existing IPS 44 and IPS 45 as IPS 44a (\$100,780), and adding an increment of about 3% each at the end of IPS 45, 46, 47 and 48 respectively; and
- (e) for the PPS, adding one new pay point between the existing PPS 54 and PPS 55 as PPS 54a on \$100,780, and adding an increment of about 3% each at top end of PPS 55, 56, 57 and 58 respectively.

The full sets of the revised pay scales incorporating the changes recommended in paragraphs 11.7 and 11.10 are set out at **Appendix 27**.

11.11 As a result of these changes, the gap between the new maximum non-directorate pay point and the bottom of the disciplined services directorate pay scales will be revised from the present 9.1% to around 5.6%.

Summary of Key Recommendations

11.12 In summary, we recommend –

- (a) maintaining the existing relativity between the pay levels of the disciplined services directorate with that of the civilian directorate;
- (b) maintaining the current pay level of the disciplined services directorate grades and ranks, and adding one increment of about 3% at the end of each pay level;

- (c) standardising the grant of all increments in the disciplined services directorate ranks to biennial basis; and
- (d) revising the disciplined services pay scales as detailed in **Appendix 27**.

Chapter 12

Concluding Remarks

12.1 In accepting the invitation to conduct a GSR for the Disciplined Services, the Standing Committee well appreciates that the assignment is an important and challenging task. It covers 53 000 staff members in the seven Disciplined Services, which together constitute over 32% of the total establishment of the civil service. Having the benefit of visiting the Departments, talking to front-line staff, reviewing the written submissions and having rounds of informal sessions with the management and staff, we have gained a better understanding of the challenges facing each of the Disciplined Services. We would like to express our profound respect and heartfelt appreciation to the men and women in the Disciplined Services whose commitment and dedication have contributed to the stability and prosperity of Hong Kong. Today, Hong Kong remains one of the safest and least corrupt metropolitan cities in the world, riding over many challenges with success. These remarkable achievements would not have been possible without the support of our world-class, efficient and clean public service, of which the Disciplined Services is an integral and indispensable part. There are many unsung heroes whose professionalism and exemplary acts of bravery deserve our unreserved respect and recognition.

12.2 The GSR involves many stakeholders and most have high expectations as the last comprehensive reviews were conducted some twenty years ago. As stated in our terms of reference, we have endeavoured to provide adequate opportunities for the management and staff to express their views, whether in writing or during informal sessions. Whilst we understand the strong wishes, particularly of the staff representatives, to be apprised of our views, we trust they would also appreciate that it is neither appropriate nor possible for the Standing Committee, as the Chief Executive's adviser, to communicate its recommendations in full before submitting this Report.

12.3 During the GSR, we have taken into account all relevant information and considerations, and make our best judgement after balancing all factors. We have now set out our key findings, considerations and recommendations in this Report. If these recommendations are endorsed, about 80% of the disciplined services staff would have pay improvement in the short term, to varying degrees, and all would benefit in the longer term.

12.4 The submission of this Report marks the conclusion of one stage and the beginning of another. Our mandate is to present our advice to the Chief Executive, and it is entirely the prerogative of the Administration to consider whether, and to what extent, our recommendations should be accepted having regard to political, economic, financial, social and other considerations. We understand that the Administration intends to conduct an extensive consultation exercise. We hope that this Report would serve as a useful basis for this purpose.

12.5 As mentioned in earlier Chapters, pay and conditions of service are only one of the many aspects to address the recruitment, retention, morale and career progression issues facing the Disciplined Services. In our exchanges with the management and staff representatives in the GSR, we have noticed that resource constraints are among the major causes of stress and morale concerns. The civil service implemented a series of cost saving measures such as Enhanced Productivity Programme, containing the size of the civil service and the recruitment freeze at the turn of this century. All these have impact on manpower resources, succession planning and morale across the civil service.

12.6 There are opportunities where the Disciplined Services, as with many large organisations, would benefit from innovative reforms or process re-engineering to optimise deployment and efficiency to meet changing needs. However, given that the Disciplined Services generally involve labour-intensive operation, elaborate command structure, detailed enforcement procedures and limited opportunities for outsourcing, they have encountered substantial challenges in coping with increasing demand whilst fulfilling the service-wide cost saving targets. Some areas of work may warrant critical re-consideration in resource allocation. We encourage the Administration to consider whether there is scope for

increasing manpower, equipment and facilities in the Disciplined Services where necessary and justified. There may be cases for the creation and re-ranking of posts to meet functional demand, and it is for the management to pursue their case through the normal channel. Our observations in this regard are already covered in the relevant Chapters.

Acknowledgements

12.7 We wish to express our sincere gratitude to all those who have contributed to the GSR through written submissions, arrangements of visits and participation in informal sessions. The seven Disciplined Services have been most helpful in providing us with a wealth of information and clarifications. Our special thanks go to the Departmental Liaison Officers. Last but not the least, our appreciation goes to the Secretary General of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service, and her team for their tireless effort in providing the Standing Committee with excellent support throughout the review process.

Standing Committee on Disciplined Services Salaries and Conditions of Service

Terms of Reference

- I. To advise and make recommendations to the Chief Executive of the Hong Kong Special Administrative Region of the People's Republic of China in respect of the Disciplined Services on –
- (a) the principles and practices governing grade, rank and salary structures including the creation and abolition of grades and ranks at all levels;
 - (b) salary levels and structure of individual grades;
 - (c) the evaluation of jobs for the purpose of determining salaries and conditions of service;
 - (d) conditions of service and benefits other than salary that are relevant to the determination of remuneration;
 - (e) assessment of levels of, and eligibility for, allowances payable specifically to Disciplined Services staff;
 - (f) any matters affecting the Disciplined Services that require to be specially considered in relation to the machinery for the regular overall review of public service pay below the bottom point of the directorate in the general civil service;
 - (g) annual pay awards for ranks and grades remunerated at levels equivalent to or above the bottom point of the directorate in the general civil service;
 - (h) creation of permanent posts in ranks and grades remunerated at levels equivalent to or above the bottom point of the directorate in the general civil service;
 - (i) consultative machinery and procedures to enable management and staff to discuss matters within the Standing Committee's terms of reference;
 - (j) the need for special or regular reviews to be commissioned or undertaken by the Standing Committee itself, on matters within its purview; and
 - (k) matters referred to the Standing Committee by the Chief Executive or matters which the Standing Committee considers appropriate to its terms of reference.

- II. The Standing Committee shall not advise on the salaries and conditions of service of the Heads of the Disciplined Services unless specifically invited to do so by the Chief Executive.
- III. The Standing Committee shall operate through sub-committees: the Police Sub-Committee, the General Disciplined Services Sub-Committee, the Independent Commission Against Corruption (ICAC) Sub-Committee and such other sub-committees as the Standing Committee may establish. All submissions to the Standing Committee shall be considered in the first instance by the sub-committees, which shall be responsible for formulating their own recommendations separately. The Standing Committee shall oversee the work of the sub-committees, approve their recommendations (amended if the Standing Committee sees fit) and submit them to the Chief Executive.
- IV. The Standing Committee shall participate in the annual pay trend survey exercise through nominating one or two members to the Pay Trend Survey Committee.
- V. The Heads of the Disciplined Services may jointly or individually refer any matters relating to the pay and conditions of service of the Disciplined Services to the Standing Committee. In addition, the Official Side and Staff Side of the Police Force Council, the Disciplined Services Consultative Council and the ICAC Staff Consultative Committee may jointly or individually refer such matters to the Standing Committee.
- VI. The Standing Committee shall give due weight to any wider community interests, including financial and economic considerations, which in its view are relevant.
- VII. The Standing Committee shall not consider cases of individual officers nor be involved in appointments, promotions and discipline matters.
- VIII. The Standing Committee shall consider in the light of experience whether any amendments to its terms of reference are desirable, and if so, recommend appropriate changes.
- IX. In carrying out its terms of reference, the Standing Committee, through its sub-committees, shall ensure that adequate opportunities are provided for staff associations or management to express their views. The Standing Committee, through its sub-committees, may also receive views from other bodies which in its view have a direct interest.

**Membership of the
Standing Committee on Disciplined Services
Salaries and Conditions of Service**

Chairman

The Hon Henry Fan Hung-ling, SBS, JP
(Taking leave of absence from 28 October 2008)

Mr Barry Cheung Chun-yuen, JP
(Acting Chairman from 28 October 2008)

Sub-Committee Chairmen

Ms Wong Mee-chun, JP (General Disciplined Services Sub-Committee)

Mr Barry Cheung Chun-yuen, JP (ICAC Sub-Committee)

Ms Chiang Lai-yuen (Police Sub-Committee)

Members

Mr William Chan Fu-keung

Miss Elaine Chan Wing-yi

Mr Robert Philip Cutler *(until 27 November 2008)*

The Hon Ip Kwok-him, GBS, JP

Mr Michael Lee Tze-hau

Mr Mark Lin, JP

Membership of the Sub-Committees

General Disciplined Services Sub-Committee

Ms Wong Mee-chun, JP (Chairman)
Mr William Chan Fu-keung
Miss Elaine Chan Wing-yi
Mr Barry Cheung Chun-yuen, JP
Mr Robert Philip Cutler (*until 27 November 2008*)
The Hon Mr Ip Kwok-him, GBS, JP
Mr Michael Lee Tze-hau

ICAC Sub-Committee

Mr Barry Cheung Chun-yuen, JP (Chairman)
Miss Elaine Chan Wing-yi (*since 28 May 2008*)
Ms Chiang Lai-yuen
The Hon Ip Kwok-him, GBS, JP
Mr Mark Lin, JP
Ms Wong Mee-chun, JP

Police Sub-Committee

Ms Chiang Lai-yuen (Chairman)
Mr William Chan Fu-keung
Miss Elaine Chan Wing-yi
Mr Robert Philip Cutler (*until 27 November 2008*)
Mr Michael Lee Tze-hau
Mr Mark Lin, JP

List of Submissions Received
(from December 2007 to 15 November 2008)

The Committee received submissions from the following –

Correctional Services Department

- ✧ Commissioner of Correctional Services
- ✧ Correctional Services Officers' Association
- ✧ Hong Kong Chinese Civil Servants' Association – Instructor's Branch (Correctional Services)
- ✧ Hong Kong Chinese Civil Servants' Association – Technical Instructors Branch
- ✧ Hong Kong Correctional Services Department Assistant Officers General Association
- ✧ Individual staff

Customs and Excise Department

- ✧ Commissioner of Customs and Excise
- ✧ Association of Customs & Excise Service Officers
- ✧ Hong Kong Chinese Civil Servants' Association – Customs Officer Grade Branch
- ✧ Hong Kong Customs and Excise Staff General Association
- ✧ Hong Kong Customs Officers Union
- ✧ Staff Association of Customs & Excise Service Senior Officers
- ✧ Individual staff

Fire Services Department

- ✧ Director of Fire Services
- ✧ Hong Kong Fire Services Control Staff's Union
- ✧ Hong Kong Fire Services Department Ambulancemen's Union
- ✧ Hong Kong Fire Services Department Ambulance Officers Association
- ✧ Hong Kong Fire Services Department Staffs General Association
- ✧ Hong Kong Fire Services Officers Association
- ✧ Individual staff

Government Flying Service

- ✧ Controller, Government Flying Service
- ✧ Government Flying Service Aircrewman Officers Association
- ✧ Government Flying Service Aircraft Engineers Association
- ✧ Government Flying Service Aircraft Technicians Union
- ✧ Government Flying Service Pilots Union
- ✧ Individual staff

Hong Kong Police Force

- ✧ Commissioner of Police
- ✧ Police Force Council Staff Side
- ✧ Individual staff (including former staff)

Immigration Department

- ✧ Director of Immigration
- ✧ Hong Kong Immigration Assistants Union
- ✧ Hong Kong Immigration Department Staff Association
- ✧ Hong Kong Immigration Department Rank & File General Union
- ✧ Immigration Service Officers Association

Independent Commission Against Corruption

- ✧ Commissioner, ICAC
- ✧ ICAC Community Relations Department Staff Representatives
- ✧ ICAC Departmental Grades Staff Committee
- ✧ ICAC Operations Department Staff Representatives

Others

- ✧ Disciplined Services Consultative Council (Staff Side)
- ✧ Government Disciplined Services General Union
- ✧ Hong Kong Chinese Civil Servants' Association
- ✧ Hong Kong Chinese Civil Servants' Association – General Disciplined Services Consultative Committee

Visits to the Disciplined Services by Members of the Standing Committee

Correctional Services Department

- ✧ Stanley Prison on 1 March 2008
- ✧ Ma Po Ping Prison and Tong Fuk Centre on 26 April 2008

Customs and Excise Department

- ✧ Lok Ma Chau Control Point and Customs Drug Investigation Bureau on 11 January 2008
- ✧ Ports and Maritime Command, Revenue and General Investigation Bureau and Intellectual Property Investigation Bureau on 15 March 2008

Fire Services Department

- ✧ Rescue Training Centre, Tsim Sha Tsui Fire Station and Central Fireboat Station on 25 January 2008
- ✧ New Projects Division, Fire Services Communication Centre and Mobile Command Unit on 23 February 2008

Government Flying Service

- ✧ Demonstration of rescue operation at Soko Islands and visit to Headquarters on 4 January 2008

Hong Kong Police Force

- ✧ Wanchai Police Station on 16 November 2007
- ✧ Police Tactical Unit Headquarters on 30 November 2007
- ✧ Crime Wing Headquarters on 21 February 2008
- ✧ Police College on 27 February 2008
- ✧ Marine Police Headquarters on 9 May 2008

Immigration Department

- ✧ Lo Wu Control Point and Ma Tau Kok Detention Centre on 26 January 2008
- ✧ Harbour Division and Investigation Sub-division on 29 February 2008

Independent Commission Against Corruption

- ✧ Operations Department on 17 January 2008
- ✧ Corruption Prevention Department and Community Relations Department on 15 February 2008

General Disciplined Services Pay Scales
(as at 1 April 2008)

General Disciplined Services (Rank and File) Pay Scale		General Disciplined Services (Officer) Pay Scale		General Disciplined Services (Commander) Pay Scale	
Pay Point	\$	Pay Point	\$	Pay Point	\$
27	29,365	38	97,545	4	181,450
26	28,525	37	93,765		
25	27,665	36	89,995		(151,200) [#]
24	26,870	35	86,630		(146,950)*
23	26,185	34	83,420	3	142,700
22	25,460	33	80,430		
21	24,760	32	77,625		(130,300) [#]
20	24,105	31	74,845		(126,500)*
19	23,465	30	72,135	2	122,700
18	22,815	29	69,540		
17	22,150	28	66,985		(113,150) [#]
16	21,540	27	64,585		(109,700)*
15	20,940	26	62,225	1	106,400
14	20,340	25	59,885		
13	19,745	24	57,770		
12	19,150	23	55,675		
11	18,565	22	53,645		
10	17,980	21	51,850		
9	17,415	20	50,170		
8	16,830	19	48,320		
7	16,250	18	46,585		
6	15,750	17	44,665		
5	15,100	16	42,750		
4	14,685	15	40,810		
3	14,275	14	38,895		
2	13,860	13	37,030		
1	13,480	12	35,165		
1a	13,105	11	33,455		
		10	31,845		
		9	30,280		
		8	28,705		
		7	27,155		
		6	25,620		
		5	24,050		
		4	22,690		
		3	21,620		
		2	20,540		
		1	19,665		
		1a	18,820		
		1b	18,010		
		1c	17,240		
		1d	16,500		

Note

- (1) * denotes an increment on completion of two years of service in the rank.
- (2) # denotes a second increment after a further three years of service.

**Police Pay Scale
(as at 1 April 2008)**

Pay Point	\$
35	48,320
34	46,585
33	44,665
32	42,785
31	40,900
30	39,070
29	37,265
28	35,495
27	33,720
26	32,255
25	31,285
24	30,370
23	29,460
22	28,785
21	28,065
20	27,330
19	26,635
18	25,895
17	25,170
16	24,475
15	23,805
14	23,125
13	22,470
12	21,835
11	21,305
10	20,590
9	19,975
8	19,360
7	18,805
6	18,230
5	17,695
4	17,180
3	16,655
2	16,160
1	15,690
1a	15,235

Pay Point	\$
59	202,000
	(172,000)*
58	166,900
	(151,200)#
	(146,950)*
57	142,700
	(130,300)#
	(126,500)*
56	122,700
	(113,150)#
	(109,700)*
55	106,400
54	97,545
53	93,765
52	89,995
51	86,630
50	83,420
49	80,430
48	77,625
47	74,845
46	72,135
45	69,540
44	66,985
43	64,585
42	62,225
41	59,885
40	57,770
39	55,675
38	53,645
37	51,850
36	50,170

Note

- (1) PPS 55-59 are pay points for officers at the directorate level.
- (2) * denotes an increment on completion of two years of service in the rank.
- (3) # denotes a second increment after a further three years of service.

**ICAC Pay Scale
(as at 1 April 2008)**

Pay Point	\$
29	53,740
28	51,160
27	48,145
26	46,685
25	44,545
24	42,335
23	40,170
22	37,995
21	35,810
20	34,140
19	32,480
18	31,105
17	29,730
16	28,350
15	27,310
14	26,965
13	26,265
12	25,550
11	24,180
10	22,815
9	21,550
8	20,305
7	19,050
6	17,730
5	16,410
4	15,100
3	14,550
2	<u>13,995</u>
1	<u>13,490</u>

Pay Point	\$
	(172,000)*
48	166,900
	(151,200)#
	(146,950)*
47	142,700
	(130,300)#
	(126,500)*
46	122,700
	(113,150)#
	(109,700)*
45	106,400
44	97,545
43	93,765
42	89,995
41	86,630
40	83,420
39	80,370
38	77,580
37	74,775
36	72,060
35	69,240
34	66,660
33	64,055
32	61,485
31	58,875
30	56,295

Note

- (1) IPS 3 and IPS 15 are not points for pay progression.
- (2) IPS 45-48 are pay points for officers at the directorate level.
- (3) * denotes an increment on completion of two years of service in the rank.
- (4) # denotes a second increment after a further three years of service.

Disciplined Services Grades and Ranks of Correctional Services Department

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
Directorate			
Commissioner of Correctional Services	GDS(C) 4 \$181,450	1	0.02%
Deputy Commissioner of Correctional Services	GDS(C) 3 \$142,700 – \$151,200	1	0.02%
Assistant Commissioner of Correctional Services	GDS(C) 2 \$122,700 – \$130,300	4	0.07%
General Manager (Correctional Services Industries)	GDS(C) 1 \$106,400 – \$113,150	1	0.02%
Chief Superintendent of Correctional Services	GDS(C) 1 \$106,400 – \$113,150	2	0.03%
Sub-total		9	0.16%
Officer/Superintendent of Correctional Services Grade (Officer Cadre)			
Senior Superintendent of Correctional Services	GDS(O) 36 – 38 \$89,995 – \$97,545	12	0.20%
Superintendent of Correctional Services	GDS(O) 32 – 35 \$77,625 – \$86,630	37	0.62%
Chief Officer	GDS(O) 26 – 31 \$62,225 – \$74,845	62	1.04%
Principal Officer	GDS(O) 21 – 25 \$51,850 – \$59,885	223	3.75%
Officer	GDS(O) 5 – 20 \$24,050 – \$50,170	613	10.32%
Sub-total		947	15.93%
Industrial Officer (Correctional Services) Grade (Officer Cadre)			
Superintendent of Correctional Services Industries	GDS(O) 32 – 35 \$77,625 – \$86,630	3	0.05%
Chief Industrial Officer (Correctional Services)	GDS(O) 26 – 31 \$62,225 – \$74,845	9	0.15%
Principal Industrial Officer (Correctional Services)	GDS(O) 21 – 25 \$51,850 – \$59,885	21	0.35%
Industrial Officer (Correctional Services)	GDS(O) 5 – 20 \$24,050 – \$50,170	23	0.39%
Sub-total		56	0.94%

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
<i>Technical Instructor (Correctional Services) Grade (Officer Cadre)</i>			
Technical Instructor (Correctional Services)	GDS(O) 4 – 13 \$22,690 – \$37,030	111	1.87%
<i>Sub-total</i>		111	1.87%
<i>Assistant Officer Grade (Rank and File)</i>			
Assistant Officer I	GDS(R) 14 – 27 \$20,340 – \$29,365	1 868	31.45%
Assistant Officer II	GDS(R) 2 – 13 \$13,860 – \$19,745	2 778	46.77%
<i>Sub-total</i>		4 646	78.22%
<i>Instructor (Correctional Services) Grade (Rank and File)</i>			
Instructor (Correctional Services)	GDS(R) 3 – 19 \$14,275 – \$23,465	171	2.88%
<i>Sub-total</i>		171	2.88%
<i>Total</i>		5 940	100%

Note

- (1) Figures on number of posts show the position as at 1 January 2008.
- (2) The percentages may not add up to 100% due to rounding.

Examples of Workload Indicators of Correctional Services Department

Workload Indicators	1988	1998	2006	2007
Average daily number of prisoners	9 230	10 066	10 303	9 987
Occupancy rate (%)	NA	115%	108.2%	102.8%
Average number of prisoners engaged in industrial work managed by Correctional Services Industries	6 711	5 553	6 277	5 856
Commercial value of production/services managed by Correctional Services Industries	\$178.7M	\$422.8M	\$398.9M	\$412.4M
Average daily number of prisoners and inmates under re-integration cum supervision schemes	NA	2 001	1 544	1 570
Average daily number of young prisoners and inmates engaged in correctional education	NA	994	820	786
No. of cases under aftercare supervision	NA	3 359	2 748	2 899
No. of psychological counselling and welfare services sessions and visits	34 354	68 727	177 979	171 858

Source: Controlling Officer's Reports (HKSAR Government Estimates)

Recommended Pay Scales for Non-directorate Ranks of Correctional Services Department

Rank	Existing Pay Scale	Recommended Pay Scale
<i>Assistant Officer Grade</i>		
Assistant Officer II	GDS(R) 2 – 13 ^(Note 1) plus two Long Service Increments, one each upon completion of 18 and 25 years of in-rank service at GDS(R) 14 and 15 respectively	GDS(R) 2 – 14 ^(Note 1) plus four Long Service Increments, one each upon completion of 12, 18, 24 and 30 years of in-rank service at GDS(R) 15, 16, 17 and 18 respectively
Assistant Officer I	GDS(R) 14 – 27	GDS(R) 15 – 29 ^(Note 3)
<i>Officer/Superintendent of Correctional Services Grade</i>		
Officer	GDS(O) 5 – 20 ^(Note 2)	GDS(O) 5 – 21 ^(Note 4)
Principal Officer	GDS(O) 21 – 25	GDS(O) 22 – 26
Chief Officer	GDS(O) 26 – 31	GDS(O) 27 – 32
Superintendent of Correctional Services	GDS(O) 32 – 35	GDS(O) 33 – 36
Senior Superintendent of Correctional Services	GDS(O) 36 – 38	GDS(O) 37 – 39 ^(Note 3)
<i>Instructor (Correctional Services) Grade</i>		
Instructor (Correctional Services)	GDS(R) 3 – 19	GDS(R) 3 – 20
<i>Technical Instructor (Correctional Services) Grade</i>		
Technical Instructor (Correctional Services)	GDS(O) 4 – 13	GDS(O) 4 – 14
<i>Industrial Officer (Correctional Services) Grade</i>		
Industrial Officer (Correctional Services)	GDS(O) 5 – 20 ^(Note 2)	GDS(O) 5 – 21 ^(Note 4)
Principal Industrial Officer (Correctional Services)	GDS(O) 21 – 25	GDS(O) 22 – 26
Chief Industrial Officer (Correctional Services)	GDS(O) 26 – 31	GDS(O) 27 – 32
Superintendent of Correctional Services Industries	GDS(O) 32 – 35	GDS(O) 33 – 36

Note

- (1) The Assistant Officer II rank at present has two incremental jumps, first one upon completion of one year of service and second one upon five years of service subject to passing the promotion examination.
- (2) The Officer and Industrial Officer (Correctional Services) ranks at present have one incremental jump upon completion of one year of service.
- (3) New pay points of GDS(R) 28, GDS(R) 29 and GDS(O) 39 are proposed.
- (4) In addition to (2) above, two more incremental jumps, one each upon completion of five and eight years of service, are proposed for the Officer and Industrial Officer ranks subject to passing the promotion examination.

Disciplined Services Grades and Ranks of Customs and Excise Department

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
Directorate			
Commissioner of Customs and Excise	GDS(C) 4 \$181,450	1	0.02%
Deputy Commissioner of Customs and Excise	GDS(C) 3 \$142,700 – \$151,200	1	0.02%
Assistant Commissioner of Customs and Excise	GDS(C) 2 \$122,700 – \$130,300	4*	0.09%
Chief Superintendent of Customs and Excise	GDS(C) 1 \$106,400 – \$113,150	2	0.04%
Sub-total		8	0.17%
Inspector/Superintendent of Customs and Excise Grade (Officer Cadre)			
Senior Superintendent of Customs and Excise	GDS(O) 36 – 38 \$89,995 – \$97,545	17	0.37%
Superintendent of Customs and Excise	GDS(O) 32 – 35 \$77,625 – \$86,630	32	0.71%
Assistant Superintendent of Customs and Excise	GDS(O) 26 – 31 \$62,225 – \$74,845	72	1.59%
Senior Inspector of Customs and Excise	GDS(O) 21 – 25 \$51,850 – \$59,885	300	6.61%
Inspector of Customs and Excise	GDS(O) 5 – 20 \$24,050 – \$50,170	419	9.24%
Sub-total		840	18.52%
Customs Officer Grade (Rank and File)			
Chief Customs Officer	GDS(R) 23 – 27 \$26,185 – \$29,365	309	6.81%
Senior Customs Officer	GDS(R) 14 – 22 \$20,340 – \$25,460	988	21.78%
Customs Officer	GDS(R) 2 – 13 \$13,860 – \$19,745	2 391	52.71%
Sub-total		3 688	81.30%
Total		4 536	100%

Note

- (1) Figures on number of posts show the position as at 1 January 2008.
- (2) * Including one supernumerary post.
- (3) The percentages may not add up to 100% due to rounding.

Examples of Workload Indicators of Customs and Excise Department

Workload Indicators	1988	1998	2006	2007
No. of seizure cases of dutiable commodities and articles other than dutiable commodities (value)	9 905 (\$46.6M)	23 724 (\$322.1M)	38 900 (\$332.1M)	45 876 (\$368.8M)
Dangerous drugs seizure cases	304	795	638	695
Intellectual property rights investigation	-	4 234	10 725	10 578
No. of Intellectual property seizure cases (value)	920 (\$55.9M)	2 283 (\$1,543M)	9 860 (\$183.7M)	9 837 (\$185.9M)
Dutiable commodities licences/permits issued	35 574	176 782	120 246	117 668
Duty collected (value)	\$3,799M	\$7,905M	\$6,956.5M	\$7,031.4M
Duty recovered, licence fees, customs attendance fees and other related payments collected	\$4.3M	\$69.7M	\$7.2M	\$8.5M
Anti-illicit-cigarette seizure cases (cigarettes seized : '000 sticks)	-	47 (73 742)	1 567 (66 999)	965 (103 400)
Anti-illicit-fuel seizure cases (hydrocarbon oil seized : '000 litres)	-	236 (900)	1 214 (804)	1 152 (897)

Source: Controlling Officer's Reports (HKSAR Government Estimates)

Recommended Pay Scales for Non-directorate Ranks of Customs and Excise Department

Rank	Existing Pay Scale	Recommended Pay Scale
<i>Customs Officer Grade</i>		
Customs Officer	GDS(R) 2 – 13 ^(Note 1) plus two Long Service Increments, one each upon completion of 18 and 25 years of in-rank service at GDS(R) 14 and 15 respectively	GDS(R) 4 ^(Note 2) – 14 ^(Note 3) plus four Long Service Increments, one each upon completion of 12, 18, 24 and 30 years of in-rank service at GDS(R) 15, 16, 17 and 18 respectively
Senior Customs Officer	GDS(R) 14 – 22	GDS(R) 15 – 23
Chief Customs Officer	GDS(R) 23 – 27	GDS(R) 24 – 29 ^(Note 4)
<i>Inspector/Superintendent of Customs and Excise Grade</i>		
Inspector of Customs and Excise	GDS(O) 5 – 20 ^(Note 1)	GDS(O) 5 – 21 ^(Note 5)
Senior Inspector of Customs and Excise	GDS(O) 21 – 25	GDS(O) 22 – 26
Assistant Superintendent of Customs and Excise	GDS(O) 26 – 31	GDS(O) 27 – 32
Superintendent of Customs and Excise	GDS(O) 32 – 35	GDS(O) 33 – 36
Senior Superintendent of Customs and Excise	GDS(O) 36 – 38	GDS(O) 37 – 39 ^(Note 4)

Note

- (1) The Customs Officer and Inspector of Customs and Excise ranks at present have one incremental jump upon completion of one year of service.
- (2) We have no objection to the removal of sub-entry levels below five passes in HKCEE for the Customs Officer rank.
- (3) In addition to (1) above, one more incremental jump upon completion of five years of service is proposed for the Customs Officer rank subject to passing the promotion examination.
- (4) New pay points of GDS(R) 28, GDS(R) 29 and GDS(O) 39 are proposed.
- (5) In addition to (1) above, two more incremental jumps, one each upon completion of five and eight years of service, are proposed for the Inspector of Customs and Excise rank subject to passing the promotion examination.

Disciplined Services Grades and Ranks of Fire Services Department

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
Directorate			
Director of Fire Services	GDS(C) 4 \$181,450	1	0.01%
Deputy Director of Fire Services	GDS(C) 3 \$142,700 – \$151,200	1	0.01%
Chief Fire Officer	GDS(C) 2 \$122,700 – \$130,300	6	0.07%
Chief Ambulance Officer	GDS(C) 2 \$122,700 – \$130,300	1	0.01%
Deputy Chief Fire Officer	GDS(C) 1 \$106,400 – \$113,150	7	0.08%
Deputy Chief Ambulance Officer	GDS(C) 1 \$106,400 – \$113,150	1	0.01%
Sub-total		17	0.19%
Station Officer / Divisional Officer Grade (Officer Cadre)			
Senior Divisional Officer	GDS(O) 36 – 38 \$89,995 – \$97,545	30	0.34%
Divisional Officer	GDS(O) 32 – 35 \$77,625 – \$86,630	42	0.48%
Assistant Divisional Officer	GDS(O) 26 – 31 \$62,225 – \$74,845	145	1.66%
Senior Station Officer*	GDS(O) 21 – 25 \$51,850 – \$59,885	662	7.59%
Station Officer*	GDS(O) 5 – 25 \$24,050 – \$59,885		
(* Including 29 Senior Station Officer (Control)/Station Officer (Control) posts)			
Sub-total		879	10.07%
Ambulance Officer Grade (Officer Cadre)			
Senior Assistant Chief Ambulance Officer	GDS(O) 36 – 38 \$89,995 – \$97,545	3	0.03%
Assistant Chief Ambulance Officer	GDS(O) 32 – 35 \$77,625 – \$86,630	6	0.07%
Superintendent (Ambulance)	GDS(O) 26 – 31 \$62,225 – \$74,845	9	0.10%
Senior Ambulance Officer	GDS(O) 21 – 25 \$51,850 – \$59,885	41	0.47%
Ambulance Officer	GDS(O) 5 – 20 \$24,050 – \$50,170	69	0.79%
Sub-total		128	1.46%

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
<i>Fireman Grade (Rank and File)</i>			
Principal Fireman (including 58 Principal Fireman (Control) posts)	GDS(R) 23 – 27 \$26,185 – \$29,365	665	7.63%
Senior Fireman (including 119 Senior Fireman (Control) posts)	GDS(R) 14 – 22 \$20,340 – \$25,460	1 141	13.08%
Fireman	GDS(R) 3 – 13 \$14,275 – \$19,745	3 622	41.54%
<i>Sub-total</i>		5 428	62.25
<i>Ambulanceman Grade (Rank and File)</i>			
Principal Ambulanceman	GDS(R) 23 – 27 \$26,185 – \$29,365	249	2.86%
Senior Ambulanceman	GDS(R) 14 – 22 \$20,340 – \$25,460	567	6.50%
Ambulanceman	GDS(R) 3 – 13 \$14,275 – \$19,745	1 452	16.65%
<i>Sub-total</i>		2 268	26.01%
<i>Total</i>		8 720	100%

Note

- (1) Figures on number of posts show the position as at 1 January 2008, and exclude 16 Station Officer/Divisional Officer grade posts in other departments, i.e. 1 Divisional Officer, 1 Assistant Divisional Officer and 9 Senior Station Officer/Station Officer posts in the Home Affairs Department; 1 Assistant Divisional Officer and 1 Senior Station Officer/Station Officer posts in the Architectural Services Department, as well as 3 Senior Station Officer/Station Officer posts in the Social Welfare Department.
- (2) Station Officer and Senior Station Officer ranks are on through scale.
- (3) The percentages may not add up to 100% due to rounding.

Examples of Workload Indicators of Fire Services Department

Workload Indicators	1988	1998	2006	2007
All fire calls	21 817	37 846	33 268	31 638
Special service calls	13 735	20 813	21 383	22 083
Emergency ambulance calls attended by first responders	NA	NA	25 223	38 917
Turnouts of fire appliances to emergency calls	NA	154 681	121 655	115 184
Emergency move-ups of fire appliances to provide operational coverage			23 353	35 135
Complaints of imminent fire hazards received	8 639*	5 299	4 411	4 345
Fire Hazard Abatement Notices issued in respect of floating obstructions to means of escape (MOE) and locked exits	NA	2 721	449	732
Licences renewed/issued (including timber stores, dangerous goods stores and dangerous goods vehicles)	585 [#]	6 514	6 107	5 989
Fire Hazard Abatement Notices issued (other than floating obstructions to MOE and locked exits)	NA	12 432	2 039	2 264
Building plans processed	8 219	9 878	12 488	12 683
Inspection of fire service installations and equipment (including those to verify the accuracy of maintenance certificates)	9 657	38 127	86 997	90 889
Inspection of fire safety in hospitals/clinics, schools, child care centres, food premises, places of public entertainment, karaoke establishments, and drug dependent persons treatment and rehabilitation centres	NA	31 866	33 959	35 749
Inspection of fire safety in commercial premises and composite buildings			14 418	15 228
Lectures and advisory services given	379	5 236	28 228	30 185
Prosecutions instituted	1 216	540	486	574
Emergency calls for ambulance service	225 465	394 493	539 903	573 657
Urgent calls for ambulance service	196 201 [^]	69 250	34 771	36 916
Turnouts of ambulances, ambulance motor cycles and Rapid Response Vehicles to calls	NA	NA	627 979	667 505
Emergency move-ups of ambulance to provide operational coverage	NA	NA	45 630	66 619

Note

- (1) * Complaints on fire safety standards and fire hazards.
 (2) # Issue of licences for timber stores and dangerous goods stores only.
 (3) ^ Non-emergency calls for ambulance service.

Source: Controlling Officer's Reports (HKSAR Government Estimates)

Recommended Pay Scales for Non-directorate Ranks of Fire Services Department

Rank	Existing Pay Scale	Recommended Pay Scale
Fire Stream		
<i>Fireman Grade</i>		
Fireman	GDS(R) 3 – 13 ^(Note 1) plus two Long Service Increments, one each upon completion of 18 and 25 years of in-rank service at GDS(R) 14 and 15 respectively	GDS(R) 4 ^(Note 4) – 14 plus four Long Service Increments, one each upon completion of 12, 18, 24 and 30 years of in-rank service at GDS(R) 15, 16, 17 and 18 respectively
Senior Fireman	GDS(R) 14 – 22	GDS(R) 15 – 23
Principal Fireman	GDS(R) 23 – 27	GDS(R) 24 – 29 ^(Note 5)
<i>Station Officer / Divisional Officer Grade</i>		
Station Officer ^(Note 2)	GDS(O) 5 – 25 ^(Note 3)	GDS(O) 5 – 21 ^(Note 6)
Senior Station Officer ^(Note 2)	GDS(O) 21 – 25	GDS(O) 22 – 26
Assistant Divisional Officer	GDS(O) 26 – 31	GDS(O) 27 – 32
Divisional Officer	GDS(O) 32 – 35	GDS(O) 33 – 36
Senior Divisional Officer	GDS(O) 36 – 38	GDS(O) 37 – 39 ^(Note 5)
Ambulance Stream		
<i>Ambulanceman Grade</i>		
Ambulanceman	GDS(R) 3 – 13 ^(Note 1) plus two Long Service Increments, one each upon completion of 18 and 25 years of in-rank service at GDS(R) 14 and 15 respectively	GDS(R) 4 ^(Note 4) – 14 plus four Long Service Increments, one each upon completion of 12, 18, 24 and 30 years of in-rank service at GDS(R) 15, 16, 17 and 18 respectively
Senior Ambulanceman	GDS(R) 14 – 22	GDS(R) 15 – 23
Principal Ambulanceman	GDS(R) 23 – 27	GDS(R) 24 – 29 ^(Note 5)
<i>Ambulance Officer Grade</i>		
Ambulance Officer	GDS(O) 5 – 20 ^(Note 3)	GDS(O) 5 – 21 ^(Note 7)
Senior Ambulance Officer	GDS(O) 21 – 25	GDS(O) 22 – 26
Superintendent (Ambulance)	GDS(O) 26 – 31	GDS(O) 27 – 32

Rank	Existing Pay Scale	Recommended Pay Scale
<i>Ambulance Officer Grade</i>		
Assistant Chief Ambulance Officer	GDS(O) 32 – 35	GDS(O) 33 – 36
Senior Assistant Chief Ambulance Officer	GDS(O) 36 – 38	GDS(O) 37 – 39 ^(Note 5)
Mobilising and Communications Stream		
<i>Fireman Grade</i>		
Senior Fireman (Control)	GDS(R) 14 – 22	GDS(R) 15 – 23 ^(Note 8)
Principal Fireman (Control)	GDS(R) 23 – 27	GDS(R) 24 – 29 ^(Note 5)
<i>Station Officer Grade</i>		
Station Officer (Control) (Note 2)	GDS(O) 5 – 25 ^(Note 3)	GDS(O) 5 – 21 ^(Note 6)
Senior Station Officer (Control) ^(Note 2)	GDS(O) 21 – 25	GDS(O) 22 – 26

Note

- (1) The Fireman and Ambulanceman ranks at present have two incremental jumps, first one upon completion of one year of service and second one upon completion of five years of service and subject to passing the promotion examination.
- (2) The Station Officer and Senior Station Officer ranks of the Fire Stream, and the Station Officer (Control) and Senior Station Officer (Control) ranks of the Mobilising and Communications Stream, are respectively on through scale.
- (3) The Station Officer, Station Officer (Control) and Ambulance Officer ranks at present have one incremental jump upon completion of one year of service.
- (4) We have no objection to the removal of sub-entry levels below five passes in HKCEE for the Fireman and Ambulanceman ranks.
- (5) New pay points of GDS(R) 28, GDS(R) 29 and GDS(O) 39 are proposed.
- (6) Only officers who have acquired the necessary qualifications in the respective streams will advance to GDS(O) 22 and beyond.
- (7) In addition to (3) above, two incremental jumps on completion of five and eight years of service are proposed for the Ambulance Officer rank subject to acquiring the necessary qualifications for promotion.
- (8) One incremental jump on completion of five years of service is proposed for the Senior Fireman (Control) rank subject to passing the promotion examination.

Disciplined Services Grades and Ranks of Government Flying Service

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
<i>Directorate</i>			
Controller, Government Flying Service	GDS(C) 3 \$142,700 – \$151,200	1	0.60%
Chief Pilot	GDS(C) 1 \$106,400 – \$113,150	2	1.21%
Chief Aircraft Engineer	GDS(C) 1 \$106,400 – \$113,150	1	0.60%
<i>Sub-total</i>		4	2.41%
<i>Pilot Grade</i>			
Senior Pilot	GDS(O) 36 – 38 \$89,995 – \$97,545	8	4.82%
Pilot I	GDS(O) 26 – 35 \$62,225 – \$86,630	16	9.64%
Pilot II	GDS(O) 14 – 25 \$38,895 – \$59,885	13	7.83%
Cadet Pilot	GDS(O) 1b – 2 \$18,010 – \$20,540	4	2.41%
<i>Sub-total</i>		41	24.70%
<i>Air Crewman Officer Grade</i>			
Senior Air Crewman Officer	GDS(O) 36 – 38 \$89,995 – \$97,545	1	0.60%
Air Crewman Officer I	GDS(O) 26 – 35 \$62,225 – \$86,630	4	2.41%
Air Crewman Officer II	GDS(O) 17 – 25 \$44,665 – \$59,885	6	3.61%
Air Crewman Officer III	GDS(R) 7, 9 and GDS(O) 1b – 16 \$16,250 – \$42,750	16	9.64%
<i>Sub-total</i>		27	16.26%

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
<i>Aircraft Engineer Grade</i>			
Senior Aircraft Engineer	GDS(O) 36 – 37 \$89,995 – \$93,765	4	2.41%
Aircraft Engineer	GDS(O) 22 – 35 \$53,645 – \$86,630	20	12.05%
<i>Sub-total</i>		24	14.46%
<i>Aircraft Technician Grade</i>			
Chief Aircraft Technician	GDS(O) 12 – 24 \$35,165 – \$57,770	2	1.21%
Senior Aircraft Technician	GDS(O) 6 – 11 \$25,620 – \$33,455	21	12.65%
Aircraft Technician	GDS(R) 3, 5, 7, 9, 11 and GDS(O) 1 – 5 \$14,275 – \$24,050	47	28.31%
<i>Sub-total</i>		70	42.17%
<i>Total</i>		166	100%

Note

- (1) Figures on number of posts show the position as at 1 January 2008.
- (2) The percentages may not add up to 100% due to rounding.

Recommended Pay Scales for Non-directorate Ranks of Government Flying Service

Rank	Existing Pay Scale	Recommended Pay Scale
<i>Pilot Grade</i>		
Cadet Pilot	GDS(O) 1b – 2	GDS(O) 1b – 2
Pilot II	GDS(O) 14 – 25	GDS(O) 14 – 26 ^(Note 2)
Pilot I	GDS(O) 26 – 35	GDS(O) 27 – 36
Senior Pilot	GDS(O) 36 – 38	GDS(O) 37 – 39 ^(Note 3)
<i>Air Crewman Officer Grade</i>		
Air Crewman Officer III	GDS(R) 7, 9 and GDS(O) 1b – 16 ^(Note 1)	GDS(R) 7, 9 and GDS(O) 1b – 17 ^(Note 4)
Air Crewman Officer II	GDS(O) 17 – 25	GDS(O) 18 – 26
Air Crewman Officer I	GDS(O) 26 – 35	GDS(O) 27 – 36
Senior Air Crewman Officer	GDS(O) 36 – 38	GDS(O) 37 – 39 ^(Note 3)
<i>Aircraft Engineer Grade</i>		
Aircraft Engineer	GDS(O) 22 – 35	GDS(O) 22 – 36
Senior Aircraft Engineer	GDS(O) 36 – 37	GDS(O) 37 – 38
<i>Aircraft Technician Grade</i>		
Aircraft Technician	GDS(R) 3, 5, 7, 9, 11 and GDS(O) 1 – 5	GDS(R) 3, 5, 7, 9, 11 and GDS(O) 1 – 6
Senior Aircraft Technician	GDS(O) 6 – 11	GDS(O) 7 – 12
Chief Aircraft Technician	GDS(O) 12 – 24	GDS(O) 13 – 25

Note

- (1) The Air Crewman Officer III rank at present has four incremental jumps, the first two upon passing the qualifying examination at Level 3 of the crewman training, and another two upon passing the qualifying examination at Level 5 of the crewman examination.
- (2) Two incremental jumps are proposed for Pilot II who have obtained dual licences for both helicopter and fixed-wing aircraft and are required to perform Pilot I flying duties frequently. Another two incremental jumps are also proposed for Pilot II who have obtained an Instrument Rating and become qualified to operate as Captain in coastal and day offshore search and rescue in accordance with the Government Flying Service Operations Manual approved by the Civil Aviation Department and are required to perform Pilot I flying duties frequently.
- (3) New pay point of GDS(O) 39 is proposed.
- (4) In addition to (1) above, three more incremental jumps are proposed for the Air Crewman Officer III rank, one each upon passing the qualifying examination at Levels 1, 2 and 4 of the crewman training respectively.

Disciplined Services Grades and Ranks of Hong Kong Police Force

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
Directorate			
Commissioner of Police	PPS 59 \$202,000	1	0.004%
Deputy Commissioner of Police	PPS 58 \$166,900 – \$172,000	2	0.007%
Senior Assistant Commissioner of Police	PPS 57 \$142,700 – \$151,200	4	0.015%
Assistant Commissioner of Police	PPS 56 \$122,700 – \$130,300	14	0.051%
Chief Superintendent of Police	PPS 55 \$106,400 – \$113,150	45	0.163%
Sub-total		66	0.24%
Police Inspector/Superintendent Grade			
Senior Superintendent of Police	PPS 52 – 54 \$89,995 – \$97,545	87	0.32%
Superintendent of Police	PPS 48 – 51 \$77,625 – \$86,630	258	0.94%
Chief Inspector of Police	PPS 42 – 47 \$62,225 – \$74,845	508	1.84%
Senior Inspector of Police	PPS 37 – 41 \$51,850 – \$59,885	1 631	5.92%
Inspector of Police	PPS 23 – 41 \$29,460 – \$59,885		
Sub-total		2 484	9.02%
Junior Police Officer Grade			
Police Station Sergeant	PPS 21 – 29 \$28,065 – \$37,265	1 286	4.67%
Police Sergeant	PPS 14 – 22 \$23,125 – \$28,785	4 647	16.87%
Police Constable	PPS 2 – 14 \$16,160 – \$23,125	19 068	69.20%
Sub-total		25 001	90.74%
Total		27 551	100%

Note

- (1) Figures on number of posts show the position as at 1 January 2008.
- (2) Inspector of Police and Senior Inspector of Police are on through scale.
- (3) The percentages may not add up to 100% due to rounding.

Examples of Workload Indicators of Hong Kong Police Force

Workload Indicators	1988	1998	2006	2007
Response to 999 calls				
✧ Total calls	253 060	552 804	661 041	684 348
✧ Emergency calls		86 152	63 368	76 345
All types of report to police	981 744	1 077 728	1 273 454	1 303 403
Offenders arrested by uniformed officers	24 212	61 264	75 848	74 533
Overall crimes reported	79 184	71 962	81 125	80 796
Violent crimes reported	15 724	14 682	14 847	14 934
Calls received by Police Hotline	1 203	8 764	46 725	48 272
Traffic accident figures				
✧ Slight injury	11 733	10 729	12 346	12 765
✧ Fatal/serious injury	4 580	3 262	2 396	2 458
Prosecutions for speeding offences	129 535	194 811	216 198	216 945
Illegal immigrants arrested	20 987	14 613	3 173	3 007
Vietnamese illegal immigrants intercepted	18 098	900	602	622
Crowd management events	-	229	364	391

Source: Controlling Officer's Reports (HKSAR Government Estimates)

Recommended Pay Scales for Non-directorate Ranks of Hong Kong Police Force

Rank	Existing Pay Scale	Recommended Pay Scale
<i>Junior Police Officer Grade</i>		
Police Constable	PPS 2 – 14 ^(Note 1) plus two Long Service Increments, one each upon completion of 18 and 25 years of in-rank service at PPS 15 and 16 respectively	PPS 3 ^(Note 2) – 15 plus four Long Service Increments, one each upon completion of 12, 18, 24 and 30 years of in-rank service at PPS 16, 17, 18 and 19 respectively
Police Sergeant	PPS 14 – 22	PPS 15 – 23
Police Station Sergeant	PPS 21 – 29	PPS 22 – 31
<i>Police Inspector/Superintendent Grade</i>		
Inspector of Police ^(Note 3)	PPS 23 – 41 ^(Note 4)	PPS 23 – 37 ^(Note 5)
Senior Inspector of Police ^(Note 3)	PPS 37 – 41	PPS 38 – 42
Chief Inspector of Police	PPS 42 – 47	PPS 43 – 48
Superintendent of Police	PPS 48 – 51	PPS 49 – 52
Senior Superintendent of Police	PPS 52 – 54	PPS 53 – 54a ^(Note 6)

Note

- (1) The Police Constable rank at present has four incremental jumps, first one upon passing out, a second one upon completion of one year of service, a third one on completion of two years of service and a fourth one upon completion of five years of service and passing the promotion examination.
- (2) We have no objection to the removal of sub-entry levels below five passes in HKCEE for the Police Constable rank.
- (3) The Inspector of Police and Senior Inspector of Police ranks are on through scale.
- (4) The Inspector of Police rank at present has three incremental jumps, first two upon completion of one year of service and a third one on completion of two years of service.
- (5) Only officers who passed the promotion examination will advance to PPS 38 and beyond.
- (6) New pay point of PPS 54a is proposed.

Disciplined Services Grades and Ranks of Immigration Department

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
Directorate			
Director of Immigration	GDS(C) 4 \$181,450	1	0.02%
Deputy Director of Immigration	GDS(C) 3 \$142,700 – \$151,200	1	0.02%
Assistant Director of Immigration	GDS(C) 2 \$122,700 – \$130,300	6	0.12%
Senior Principal Immigration Officer	GDS(C) 1 \$106,400 – \$113,150	2	0.04%
Sub-total		10	0.20%
Immigration Officer Grade (Officer Cadre)			
Principal Immigration Officer	GDS(O) 36 – 38 \$89,995 – \$97,545	12	0.24%
Assistant Principal Immigration Officer	GDS(O) 32 – 35 \$77,625 – \$86,630	24	0.48%
Chief Immigration Officer	GDS(O) 26 – 31 \$62,225 – \$74,845	84	1.67%
Senior Immigration Officer	GDS(O) 21 – 25 \$51,850 – \$59,885	365	7.25%
Immigration Officer	GDS(O) 5 – 20 \$24,050 – \$50,170	1 172	23.28%
Sub-total		1 657	32.92%
Immigration Assistant Grade (Rank and File)			
Chief Immigration Assistant	GDS(R) 22 – 26 \$25,460 – \$28,525	538	10.69%
Senior Immigration Assistant	GDS(R) 13 – 21 \$19,745 – \$24,760	1 959	38.91%
Immigration Assistant	GDS(R) 3 – 12 \$14,275 – \$19,150	871	17.30%
Sub-total		3 368	66.90%
Total		5 035	100%

Note

- (1) Figures on number of established posts show the position as at 1 January 2008.
- (2) The percentages may not add up to 100% due to rounding.

Examples of Workload Indicators of Immigration Department

Workload Indicators	1988	1998	2006	2007
No. of entry visa processed	42 406	89 993	143 943	165 135
No. of visit visa/permit (including iPermit) processed	NA	423 750	421 031	433 447
Passengers/vehicles/vessels examined (including land, sea and air)	64 028 491	128 470 527	222 093 150	238 406 380
No. of applications for extension of stay	666 555	1 193 272	248 037	274 262
Operations conducted by the Immigration Task Force (including investigation of forgery and illegal migration cases)	-	3 448	28 711	30 795
Investigations conducted	24 560	65 746	66 030	58 203
Offenders prosecuted	4 914	24 887	15 365	11 037
Torture claim cases received	-	-	514	1 583
Identity cards and certificates of registered particulars issued	1 489 553	554 278	527 063	597 868
Identity cards issued under the territory-wide identity card replacement exercise	NA	NA	1 521 272	524 491
Verification of eligibility of permanent identify card application	NA	89 770	63 729	61 428
Birth/death/marriage/adoption certificates issued	147 536	106 856	121 675	126 184
No. of applications for passport	203 416	423 048	496 736	538 723
Requests for assistance by Hong Kong residents in distress outside Hong Kong and by their family members	NA	570	1 818	1 474
Telephone calls received and made via '1868' hotline	NA	NA	110 148	105 313

Source: Controlling Officer's Reports (HKSAR Government Estimates)

Recommended Pay Scales for Non-directorate Ranks of Immigration Department

Rank	Existing Pay Scale	Recommended Pay Scale
<i>Immigration Assistant Grade</i>		
Immigration Assistant	GDS(R) 3 – 12 ^(Note 1) plus two Long Service Increments, one each upon completion of 18 and 25 years of in-rank service at GDS(R) 13 and 14 respectively	GDS(R) 3 – 13 plus four Long Service Increments, one each upon completion of 12, 18, 24 and 30 years of in-rank service at GDS(R) 14, 15, 16 and 17 respectively
Senior Immigration Assistant	GDS(R) 13 – 21	GDS(R) 14 – 22
Chief Immigration Assistant	GDS(R) 22 – 26	GDS(R) 23 – 28 ^(Note 2)
<i>Immigration Officer Grade</i>		
Immigration Officer	GDS(O) 5 – 20 ^(Note 1)	GDS(O) 5 – 21 ^(Note 3)
Senior Immigration Officer	GDS(O) 21 – 25	GDS(O) 22 – 26
Chief Immigration Officer	GDS(O) 26 – 31	GDS(O) 27 – 32
Assistant Principal Immigration Officer	GDS(O) 32 – 35	GDS(O) 33 – 36
Principal Immigration Officer	GDS(O) 36 – 38	GDS(O) 37 – 39 ^(Note 2)

Note

- (1) The Immigration Assistant and Immigration Officer ranks at present have one incremental jump upon completion of one year of service.
- (2) New pay points of GDS(R) 28 and GDS(O) 39 are proposed.
- (3) In addition to (1) above, two more incremental jumps, one each upon completion of five and eight years of service, are proposed for the Immigration Officer rank subject to passing the promotion examination.

Disciplined Services Grades and Ranks of ICAC

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
Directorate			
Director of Operations, Commission Against Corruption	IPS 48 \$166,900 – \$172,000	1	0.10%
Deputy Director of Operations, Commission Against Corruption	IPS 47 \$142,700 – \$151,200	2	0.19%
Senior Assistant Director of Community Relations, Commission Against Corruption	IPS 47 \$142,700 – \$151,200	1	0.10%
Senior Assistant Director of Corruption Prevention, Commission Against Corruption	IPS 47 \$142,700 – \$151,200	1	0.10%
Assistant Director, Commission Against Corruption	IPS 46 \$122,700 – \$130,300	8	0.77%
Secretary to the Commission Against Corruption	IPS 46 \$122,700 – \$130,300	1	0.10%
Sub-total		14	1.36%
Commission Against Corruption Officer Grade			
Senior Commission Against Corruption Officer	IPS 42 – 44 \$89,995 – \$97,545	41	3.93%
Commission Against Corruption Officer (Upper)	IPS 35 – 41 \$69,240 – \$86,630	113	10.84%
Commission Against Corruption Officer (Middle)	IPS 28 – 34 \$51,160 – \$66,660	378	36.28%
Commission Against Corruption Officer (Lower)	IPS 12 – 34 \$25,550 – \$66,660		
Assistant Commission Against Corruption Officer	IPS 2 – 12 \$13,995 – \$25,550	380	36.47%
Sub-total		912	87.52%

Rank	Pay Scale as at 1 April 2008	No. of Posts	% of Total
<i>Commission Against Corruption Investigator Grade</i>			
Chief Commission Against Corruption Controller	IPS 28 – 34 \$51,160 – \$66,660	6	0.58%
Senior Commission Against Corruption Controller	IPS 22 – 27 \$37,995 – \$48,145	13	1.25%
Commission Against Corruption Controller	IPS 12 – 20 \$25,550 – \$34,140	21	2.02%
Commission Against Corruption Investigator (Main Stream)	IPS 2 – 12 \$13,995 – \$25,550	71	6.81%
Commission Against Corruption Investigator (Attendant Stream)	IPS 2 – 7 \$13,995 – \$19,050	5	0.48%
<i>Sub-total</i>		116	11.14%
<i>Total</i>		1 042	100%

Note

- (1) IPS 3 and IPS 15 are not points for pay progression.
- (2) Figures on number of posts show the position as at 1 January 2008 and exclude 15 frozen/reserve posts.
- (3) Commission Against Corruption Officer (Middle) and (Lower) ranks are on through scale.
- (4) The percentages may not add up to 100% due to rounding.

Examples of Workload Indicators of ICAC

Workload Indicators	1988	1998	2006	2007
Corruption reports received (excluding election reports)	2 253	3 555	3 339	3 600
✧ Concerning public sector	1 100	1 695	1 302	1 224
✧ Concerning private sector	1 153	1 860	2 037	2 376
Election complaints received	90	459	57	913
Total caseload during the year	1 652	3 774	4 022	5 054
✧ Investigations completed	1 161	2 268	2 584	2 799
✧ Investigations carried forward	491	1 506	1 438	2 255
Assignment reports produced	61	102	96	92
Areas of corruption prevention awaiting study	74	221	254	266
Government departments/public bodies reached	57	110	96	118
Visits made to secondary schools and Tertiary Institutes reached	-	479	492	445

Source: Controlling Officer's Reports (HKSAR Government Estimates) and ICAC Annual Reports

Recommended Pay Scales for Non-directorate Ranks of ICAC

Rank	Existing Pay Scale	Recommended Pay Scale
<i>Commission Against Corruption Officer Grade</i>		
Assistant Commission Against Corruption Officer	IPS 2 – 12	IPS 4 ^(Note 2) – 14 ^(Note 3)
Commission Against Corruption Officer (Lower) ^(Note 1)	IPS 12 – 34	IPS 12 – 28 ^(Notes 3, 4)
Commission Against Corruption Officer (Middle) ^(Note 1)	IPS 28 – 34	IPS 29 – 35
Commission Against Corruption Officer (Upper)	IPS 35 – 41	IPS 36 – 42
Senior Commission Against Corruption Officer	IPS 42 – 44	IPS 43 – 44a ^(Note 5)
<i>Commission Against Corruption Investigator Grade</i>		
Commission Against Corruption Investigator (Attendant Stream)	IPS 2 – 7	IPS 2 – 8
Commission Against Corruption Investigator (Main Stream)	IPS 2 – 12	IPS 4 ^(Note 2) – 14 ^(Note 3)
Commission Against Corruption Controller	IPS 12 – 20	IPS 12 – 21
Senior Commission Against Corruption Controller	IPS 22 – 27	IPS 23 – 28
Chief Commission Against Corruption Controller	IPS 28 – 34	IPS 29 – 35

Note

- (1) The Commission Against Corruption Officer (Lower) and Commission Against Corruption Officer (Middle) ranks are on through scale.
- (2) We have no objection to the removal of sub-entry levels below five passes in HKCEE for the Commission Against Corruption Investigator (Main Stream) and Assistant Commission Against Corruption Officer ranks.
- (3) One incremental jump is proposed for the second agreement in the Commission Against Corruption Investigator (Main Stream), Assistant Commission Against Corruption Officer and Commission Against Corruption Officer (Lower) ranks.
- (4) Only officers who passed the advancement qualifying examination will advance to IPS 29 and beyond.
- (5) New pay point of IPS 44a is proposed.

Current Disciplined Services Directorate Ranks

Disciplined services pay scales	Comparable civilian directorate ranks	Directorate ranks in the Disciplined Services
GDS(C) 1 IPS 45 PPS 55	D1 ^(Note 1)	Chief Aircraft Engineer Chief Pilot Chief Superintendent of Correctional Services Chief Superintendent of Customs and Excise Chief Superintendent of Police Deputy Chief Ambulance Officer Deputy Chief Fire Officer General Manager (Correctional Services Industries) Senior Principal Immigration Officer
GDS(C) 2 IPS 46 PPS 56	D2	Assistant Commissioner of Correctional Services Assistant Commissioner of Customs and Excise Assistant Commissioner of Police Assistant Director of Immigration Assistant Director, Commission Against Corruption Chief Ambulance Officer Chief Fire Officer Secretary to the Commission Against Corruption
GDS(C) 3 IPS 47 PPS 57	D3	Controller, Government Flying Service Deputy Commissioner of Correctional Services Deputy Commissioner of Customs and Excise Deputy Director of Fire Services Deputy Director of Immigration Deputy Director of Operations, Commission Against Corruption Senior Assistant Commissioner of Police Senior Assistant Director of Community Relations, Commission Against Corruption Senior Assistant Director of Corruption Prevention, Commission Against Corruption
IPS 48 PPS 58	D4/D5 ^(Note 2)	Deputy Commissioner of Police Director of Operations, Commission Against Corruption
GDS(C) 4	D6	Commissioner of Correctional Services Commissioner of Customs and Excise Director of Fire Services Director of Immigration
PPS 59	D8	Commissioner of Police

Note

- (1) The salaries at the minimum and maximum pay points GDS(C) 1 / IPS 45 / PPS 55 are about 3% higher than those of D1 on the Directorate Pay Scale.
- (2) PPS 58 and IPS 48 start with the second pay point of D4 and end at the pay point of D5 on the Directorate Pay Scale.

Recommended General Disciplined Services Pay Scales 2008-09

General Disciplined Services (Rank and File) Pay Scale		General Disciplined Services (Officer) Pay Scale		General Disciplined Services (Commander) Pay Scale	
Pay Point	\$	Pay Point	\$	Pay Point	\$
29*	31,750	39*	100,780		(186,900)*
28*	30,540	38	97,545	4	181,450
27	29,365	37	93,765		
26	28,525	36	89,995		(155,750)*
25	27,665	35	86,630		(151,200)
24	26,870	34	83,420		(146,950)
23	26,185	33	80,430	3	142,700
22	25,460	32	77,625		
21	24,760	31	74,845		(134,200)*
20	24,105	30	72,135		(130,300)
19	23,465	29	69,540		(126,500)
18	22,815	28	66,985	2	122,700
17	22,150	27	64,585		
16	21,540	26	62,225		(116,550)*
15	20,940	25	59,885		(113,150)
14	20,340	24	57,770		(109,700)
13	19,745	23	55,675	1	106,400
12	19,150	22	53,645		
11	18,565	21	51,850		
10	17,980	20	50,170		
9	17,415	19	48,320		
8	16,830	18	46,585		
7	16,250	17	44,665		
6	15,750	16	42,750		
5	15,100	15	40,810		
4	14,685	14	38,895		
3	14,275	13	37,030		
2	13,860	12	35,165		
1	13,480	11	33,455		
1a	13,105	10	31,845		
		9	30,280		
		8	28,705		
		7	27,155		
		6	25,620		
		5	24,050		
		4	22,690		
		3	21,620		
		2	20,540		
		1	19,665		
		1a	18,820		
		1b	18,010		
		1c	17,240		
		1d	16,500		

Note

- (1) * denotes new pay points or increments recommended.
- (2) On the GDS(C) Pay Scale, the figures in brackets represent an increment on completion of every two years of service in the rank. GDS(C) 4 is applicable to four Heads of Disciplined Services, who are under the ambit of the Standing Committee on Directorate Salaries and Conditions of Service.

Recommended Police Pay Scale 2008-09

Pay Point	\$
38	53,645
37	51,850
36	50,170
35	48,320
34	46,585
33	44,665
32	42,785
31	40,900
30	39,070
29	37,265
28	35,495
27	33,720
26	32,255
25	31,285
24	30,370
23	29,460
22	28,785
21	28,065
20	27,330
19	26,635
18	25,895
17	25,170
16	24,475
15	23,805
14	23,125
13	22,470
12	21,835
11	21,305
10	20,590
9	19,975
8	19,360
7	18,805
6	18,230
5	17,695
4	17,180
3	16,655
2	16,160
1	15,690
1a	15,235

Pay Point	\$
	(208,050)*
59	202,000
	(177,150)*
	(172,000)
58	166,900
	(155,750)*
	(151,200)
	(146,950)
57	142,700
	(134,200)*
	(130,300)
	(126,500)
56	122,700
	(116,550)*
	(113,150)
	(109,700)
55	106,400
54a*	100,780
54	97,545
53	93,765
52	89,995
51	86,630
50	83,420
49	80,430
48	77,625
47	74,845
46	72,135
45	69,540
44	66,985
43	64,585
42	62,225
41	59,885
40	57,770
39	55,675

Note

- (1) * denotes new pay points or increments recommended.
- (2) PPS 55-59 represent 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. PPS 59 is applicable to the Commissioner of Police, who is under the ambit of the Standing Committee on Directorate Salaries and Conditions of Service.

Recommended ICAC Pay Scale 2008-09

Pay Point	\$	Pay Point	\$
32	61,485		(177,150)*
31	58,875		(172,000)
30	56,295	48	166,900
29	53,740		
28	51,160		(155,750)*
27	48,145		(151,200)
26	46,685		(146,950)
25	44,545	47	142,700
24	42,335		
23	40,170		(134,200)*
22	37,995		(130,300)
21	35,810		(126,500)
20	34,140	46	122,700
19	32,480		
18	31,105		(116,550)*
17	29,730		(113,150)
16	28,350		(109,700)
15	27,310	45	106,400
14	26,965		
13	26,265	44a*	100,780
12	25,550	44	97,545
11	24,180	43	93,765
10	22,815	42	89,995
9	21,550	41	86,630
8	20,305	40	83,420
7	19,050	39	80,370
6	17,730	38	77,580
5	16,410	37	74,775
4	15,100	36	72,060
3	14,550	35	69,240
2	13,995	34	66,660
1	13,490	33	64,055

Note

- (1) ICAC Pay Scale (IPS) Point 3 and IPS 15 are not points for pay progression.
- (2) * denotes new pay points or increments recommended.
- (3) IPS 45-48 represent 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.

Abbreviations

ACACO	Assistant Commission Against Corruption Officer
ACAO	Assistant Chief Ambulance Officer
ACMO	Air Crewman Officer
ACMO III	Air Crewman Officer III
ADO	Assistant Divisional Officer
ADO(C)	Assistant Divisional Officer (Control)
AE	Aircraft Engineer
AIO	Assistant Immigration Officer
Ambn	Ambulanceman
AO	Ambulance Officer
AO I	Assistant Officer I
AO II	Assistant Officer II
APEC	Asia-Pacific Economic Cooperation
APIO	Assistant Principal Immigration Officer
AT	Aircraft Technician
C&E	Customs and Excise
C&ED	Customs and Excise Department
CAC	Commission Against Corruption
CACC	Commission Against Corruption Controller
CACI	Commission Against Corruption Investigator
CACI(A)	Commission Against Corruption Investigator (Attendant Stream)
CACI(M)	Commission Against Corruption Investigator (Main Stream)
CACO	Commission Against Corruption Officer
CACO(L)	Commission Against Corruption Officer (Lower)
CACO(M/L)	Commission Against Corruption Officer (Middle/Lower)
CACO(U)	Commission Against Corruption Officer (Upper)
CCACC	Chief Commission Against Corruption Controller
CCACO	Chief Commission Against Corruption Officer

CCO	Chief Customs Officer
CEPA	Closer Economic Partnership Arrangement
CIA	Chief Immigration Assistant
CO	Customs Officer
CPA	Chartered Public Accountant
CPD	Corruption Prevention Department (ICAC)
CRD	Community Relations Department (ICAC)
CS	Chief Superintendent
CSD	Correctional Services Department
CSI	Correctional Services Industries
CSPF	Civil Service Provident Fund
CSR	Civil Service Regulation
DD	Deputy Director
Directorate Committee	Standing Committee on Directorate Salaries and Conditions of Service
DO	Divisional Officer
DQ	Departmental Quarters
EMA II	Emergency Medical Assistant II
FA	Forensic Accountant
FIS	Financial Investigation Section
Fn	Fireman
FR	First Responder
FSA	Fire Safety Ambassador
FSD	Fire Services Department
GDS(C)	General Disciplined Services (Commander) Pay Scale
GDS(O)	General Disciplined Services (Officer) Pay Scale
GDS(R)	General Disciplined Services (Rank and File) Pay Scale
GFS	Government Flying Service
GSR	Grade Structure Review
HA	Hospital Authority
HKCEE	Hong Kong Certificate of Education Examination

HKPF	Hong Kong Police Force
HKSAR	Hong Kong Special Administrative Region
IA	Immigration Assistant
ICAC	Independent Commission Against Corruption
ImmD	Immigration Department
Inst	Instructor
INTERPOL	International Criminal Police Organisation
IO	Immigration Officer
IP	Inspector of Police
IPS	ICAC Pay Scale
ISO	International Organisation of Standardisation
JPO	Junior Police Officer
JRA	Job-related Allowance
LSI	Long Service Increment
MC Stream	Mobilising and Communications Stream
MPFS	Mandatory Provident Fund Scheme
OpsD	Operations Department (ICAC)
PAmbn	Principal Ambulanceman
PC	Police Constable
PFn	Principal Fireman
PFn(C)	Principal Fireman (Control)
PIO	Principal Immigration Officer
PLS	Pay Level Survey
PPS	Police Pay Scale
QG	Qualification Group
RHKAFF	Royal Hong Kong Auxiliary Air Force
SACAO	Senior Assistant Chief Ambulance Officer
SAmbn	Senior Ambulanceman
SAO	Senior Ambulance Officer
SACMO	Senior Air Crewman Officer
SDO	Senior Divisional Officer

SDSC	Special Disciplined Services Contribution
SFn	Senior Fireman
SFn(C)	Senior Fireman (Control)
SGT	Sergeant
SIA	Senior Immigration Assistant
SIO	Senior Immigration Officer
SIP	Senior Inspector of Police
SP	Superintendent
SPC	Senior Police Constable
SPIO	Senior Principal Immigration Officer
SRS	Special Rescue Squad
SS	Senior Superintendent
SSGT	Station Sergeant
SSS	Starting Salaries Survey
SStnO	Senior Station Officer
SStnO(C)	Senior Station Officer (Control)
Standing Committee	Standing Committee on Disciplined Services Salaries and Conditions of Service
StnO	Station Officer
StnO(C)	Station Officer (Control)
TI	Technical Instructor
WTO	World Trade Organisation

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HONG KONG
STANDING COMMISSION ON CIVIL SERVICE
SALARIES AND CONDITIONS OF SERVICE

REPORT No.43

GRADE STRUCTURE REVIEW

CHAIRMAN
MR NICKY LO KAR-CHUN, JP

NOVEMBER 2008

公務員薪俸及服務條件常務委員會
Standing Commission on Civil Service Salaries and Conditions of Service

本會檔號 Our Ref.: JS/SC9/1

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27 November 2008

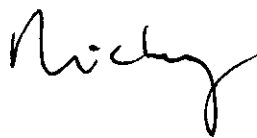
The Honourable Donald Tsang, GBM
The Chief Executive
Hong Kong Special Administrative Region
People's Republic of China
Government House
Hong Kong

Dear Sir,

At the invitation of the Administration, the Standing Commission on Civil Service Salaries and Conditions of Service has conducted two grade structure reviews: one on the Veterinary Officer grade, and one on the Government Counsel grade and the related Legal Aid Counsel and Solicitor grades.

----- On behalf of the Standing Commission, I have the honour to submit our Report No. 43: Grade Structure Review, which contains our findings and recommendations.

Yours faithfully,



(Nicky Lo Kar-chun)
Chairman

Standing Commission on Civil Service
Salaries and Conditions of Service

HONG KONG
STANDING COMMISSION ON CIVIL SERVICE
SALARIES AND CONDITIONS OF SERVICE

REPORT No. 43

GRADE STRUCTURE REVIEW

NOVEMBER 2008

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Abbreviations

AFCD	Agriculture, Fisheries and Conservation Department
APGC	Assistant Principal Government Counsel (a deleted DL1 rank in the Government Counsel grade)
The Commission	The Standing Commission on Civil Service Salaries and Conditions of Service
DoJ	Department of Justice
DPGC	Deputy Principal Government Counsel
FEHD	Food and Environmental Hygiene Department
GC	Government Counsel
GSR	Grade Structure Review
IP	intellectual property
IPD	Intellectual Property Department
JSPS	Judicial Service Pay Scale
LAC	Legal Aid Counsel
LAD	Legal Aid Department
LCSD	Leisure and Cultural Services Department
M&HO	Medical and Health Officer
MPS	Master Pay Scale

ORO	Official Receiver's Office
PGC	Principal Government Counsel
PLS	pay level survey
PVO	Principal Veterinary Officer (a proposed D1 rank in the Veterinary Officer grade)
QG	Qualification Group
SGC	Senior Government Counsel
SLAC	Senior Legal Aid Counsel
SVO	Senior Veterinary Officer
USG	Unified Solicitor Grade
VO	Veterinary Officer

Summary of Recommendations

Paragraph

The Veterinary Officer Grade

The Veterinary Officer (VO) rank

- | | |
|--|------|
| (1) The starting pay should be raised by two points from Master Pay Scale (MPS) 29 to MPS 31 to recognise a significant increase in the complexity of work and level of responsibilities of the VO rank, and to ease the persistent recruitment and retention difficulties. | 3.14 |
| (2) The existing three omitted points at MPS 31, 35 and 38 should be repositioned to MPS 33, 37 and 40 accordingly. | 3.16 |
| (3) The maximum pay point should remain at MPS 44. | 3.17 |
| (4) Normal conversion arrangement should be adopted for the proposed adjustment to the starting pay for the VO rank. The Administration should also draw up the conversion arrangement for the proposed repositioning of omitted points, having regard to the established practice as appropriate. | 3.18 |

The Senior Veterinary Officer (SVO) rank

- | | |
|---|------|
| (5) The pay scale for the SVO rank (MPS 45 – 49) should remain unchanged. | 3.19 |
|---|------|

Other issues

- (6) To address the recruitment and retention issues of the VO grade, the Administration is invited to –
- (a) explore the feasibility of offering bonded traineeships to veterinary students in universities and work out the implementation details; 3.21
 - (b) review whether it is appropriate to expand the lists of overseas veterinary qualifications registrable in Hong Kong; and in the long term, explore with local universities the desirability and feasibility of introducing veterinary training in Hong Kong; 3.23 – 3.24
 - (c) review whether it is functionally justified to create a new tier beyond the SVO rank; 3.27
 - (d) review whether any of the VO posts should be upgraded based on functional justifications; and 3.29
 - (e) provide more advanced training opportunities for the VO grade with adequate training reserve and funding support. 3.31

The Government Counsel Grade

The Government Counsel (GC) rank

- | | | |
|-----|--|-----------------------|
| (7) | The starting point and the maximum point of the GC rank should remain unchanged at MPS 32 and MPS 44 respectively. | 4.26 & 4.35 |
| (8) | The existing omitted point of the GC rank at MPS 37 should be repositioned to MPS 36, and an additional omitted point be introduced at MPS 40 to address the recruitment and retention issues, subject to a review of the continued need for the additional omitted point three years after implementation. The Administration should draw up the conversion arrangement for the repositioned and additional omitted points, having regard to the established practice as appropriate. | 4.30 – 4.31
& 4.46 |

The Senior Government Counsel (SGC) rank

- | | | |
|------|--|-------------|
| (9) | The pay scale for the SGC rank (MPS 45 – 49) should remain unchanged. | 4.39 – 4.40 |
| (10) | There is a prima facie case for reviewing some of the SGC posts to determine whether they are functionally justified to be upgraded to the next higher rank beyond the senior professional rank. Subject to the view of the Standing Committee on Directorate Salaries and Conditions of Service, one option would be to re-create a rank at DL1 on the Directorate (Legal) Pay Scale in the GC grade to accommodate those SGC positions considered justified for upgrading. | 4.41 – 4.42 |

The Legal Aid Counsel (LAC) and Solicitor Grades

- | | |
|---|------|
| (11) Recommendations at (7), (8) and (9) should apply to the LAC and Solicitor grades. | 4.62 |
| (12) In line with the recommendation at (10) above, the Director of Intellectual Property is invited to consider whether some of its Senior Solicitor posts are functionally justified for upgrading to the next higher rank beyond the senior professional rank. | 4.62 |

Other Issues

- | | |
|--|------|
| (13) To attract, retain and motivate the staff in the legal grades, the Administration is invited to – | |
| (a) conduct regular establishment reviews to meet the changing developments; | 4.66 |
| (b) be more responsive to staff concerns about the working environment; | 4.68 |
| (c) take steps to streamline and expedite the recruitment process; and | 4.69 |
| (d) provide more continuing professional development opportunities. | 4.70 |

Review of Omitted Points

- | | |
|---|------|
| (14) As a general point, the continued need for omitted points in all non-directorate civilian grades should be kept under regular review having regard to the changing recruitment and retention situation of individual grades. | 4.31 |
|---|------|

Chapter 1

Introduction

Background

1.1 On 20 December 2007, the Secretary for the Civil Service invited the Standing Commission on Civil Service Salaries and Conditions of Service (the Commission) to conduct two Grade Structure Reviews (GSR): one on the Veterinary Officer (VO) grade, and one on the Government Counsel (GC) grade and the related Legal Aid Counsel (LAC) grade and Solicitor grade; and to submit its findings and recommendations to the Chief Executive. The Commission accepted the invitation on 21 December 2007. This report sets out the Commission's findings and recommendations.

1.2 Unlike the overall reviews conducted by the Commission in 1979 and 1989 that embraced all major grades and ranks under the purview of the Commission, the GSR has a well-defined scope. Since the Administration has already established the broad comparability of the pay level of non-directorate civilian grades with private sector pay in the 2006 Pay Level Survey (PLS), the GSR is intended to focus on selected non-directorate civilian grades with proven recruitment and retention difficulties and problems that have not been and could not be addressed through the service-wide PLS. Based on the advice of Heads of Grades and Heads of Departments and having critically examined the information provided, the Secretary for the Civil Service considered that the GC grade and the VO grade warrant a review by the Commission in view of their clearly demonstrated recruitment and retention difficulties. The Secretary for the Civil Service further recommended that the GSR on the GC grade should also include two related grades, namely the LAC grade and the Solicitor grade, given their similarity in work nature, job duties, responsibilities, grade structure and qualifications for appointment with the GC grade, although there has been no recruitment and retention difficulties with the two related grades in the past few years.

General Remarks

1.3 In undertaking the GSR, we were mindful that pay and conditions of service could not, and should not, be the only solution to tackle recruitment and retention problems. Our exchanges with staff representatives have reaffirmed our belief that many civil servants are dedicated professionals with a strong sense of responsibility. They are committed to serving the community, and they take great pride in their public service. Apart from a reasonable remuneration package, more recognition and appreciation of good performance, coupled with better prospect of professional development, would go a long way to enhancing a sense of achievement among the staff, motivating them to continue to render high standards of service to the society. Caring management practices and a cordial working environment would also enhance morale and foster a sense of belonging. Against this background, we have, where appropriate, ventured to touch on issues that may not be directly related to the grade structure per se, hoping that we can address the issues using a holistic approach in enabling the relevant grades to recruit, retain and motivate talent.

Acknowledgements

1.4 We would like to express our sincere gratitude to both the management and staff representatives of the grades concerned for providing us with information and written submissions which have been of considerable assistance to our deliberation. During our visits to departments, we have received every co-operation and assistance from both the departmental management and staff associations/representatives. We have been able to gain a better understanding of the operation of the departments and the problems faced by the grades concerned as well as the problems affecting staff. In the course of our review, we have also met with the Senior Civil Service Council to exchange views on the GSR for the selected non-directorate civilian grades. We wish to extend our sincere thanks to all those who have contributed to our review.

1.5 Our appreciation also goes to the Secretary General and the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service for their hard work and unfailing support throughout the GSR.

Chapter 2

General Approach and Principles

Scope of the Review

2.1 As stated in Chapter 1, the GSR focuses on two specific grades, namely the Veterinary Officer (VO) grade and the Government Counsel (GC) and related grades. Having regard to the Administration's invitation, we agree that –

- (a) the GSR should pay special attention to the recruitment and retention difficulties of the grades concerned;
- (b) the GSR would focus primarily on the pay scale (e.g. the starting pay, omitted points and maximum pay) and the structure of the grades concerned, having regard to their duties and responsibilities as well as other relevant factors;
- (c) the Commission would also examine other issues which it comes across and which it considers to be relevant to the GSR; and
- (d) when the Commission comes across issues which it considers falling outside the ambit of the GSR, but are nonetheless of relevance to the efficient and effective management of the grades, the Commission would bring them to the Administration for attention and follow-up.

Guiding Principles and Key Considerations

2.2 Taking into account the terms of reference of the Commission (**Appendix A**), and building on the experiences of past reviews, we have decided that the GSR should have due regard to the following guiding principles and key considerations –

- (a) the Government's pay policy for the civil service is to offer sufficient remuneration to attract, retain and motivate staff of suitable calibre to provide the public with an effective and efficient service; and to ensure that civil service remuneration is regarded as fair by both civil servants and the public they serve;
- (b) the identified grades are an integral part of the civil service of the Hong Kong Special Administrative Region;
- (c) the established pay principles, such as the qualification benchmark system for determining entry pay and the broadbanding principle¹ for determining the pay scale for higher ranks, reflect the outcome of detailed deliberation in previous reviews, notably the 1989 Salary Structure Review. These principles provide a solid foundation for reviews of individual grades. The Commission would have due regard to these reviews, as well as changes and developments since the last review in the work nature, job duties, responsibilities and workload of these grades and ranks, and in the public expectation of these grades consequential upon the changing social, economic and political landscape;
- (d) the recruitment, morale, retention and career progression situation of each grade; and
- (e) any wider community interest, including financial and economic considerations, which in the Commission's views are relevant.

Mode of Operation

2.3 The Commission (membership at **Appendix B**) conducted the GSR through a combination of Commission meetings, visits, invitation and examination of written submissions and discussion with stakeholders.

¹ Under the "broadbanding principle", the pay and rank structure of senior professional ranks are "broadbanded" with a common pay scale, irrespective of the particular type of qualification associated with individual grades. Details are set out in paragraphs 4.82 to 4.84, Standing Commission Report No. 23: First Report on 1989 Salary Structure Review.

2.4 We invited written submissions from the relevant Heads of Grades and Heads of Departments, and received a total of 12 submissions (as listed in **Appendix C**). We also organised four visits to departments, during which the Commission had meetings with departmental management and staff associations/representatives of the grades under review (as listed in **Appendix D**).

2.5 We invited the Senior Civil Service Council and the Model Scale 1 Staff Consultative Council to express their views. The Commission held an informal meeting with the Senior Civil Service Council to listen to its views and suggestions on the GSR.

2.6 In our deliberations, we have taken full account of the views of management and staff associations/representatives, and have, as required by our terms of reference, also given due weight to wider community interest. We would like to stress that all the representations received by us have been carefully considered, although it is not possible to record in our report each and every point raised.

Chapter 3

Veterinary Officer Grade

Overview

The Veterinary Officer grade

3.1 The Veterinary Officer (VO) grade is a professional grade under the management of the Agriculture, Fisheries and Conservation Department (AFCD). The Director of Agriculture, Fisheries and Conservation is the Head of Grade.

3.2 The duties of the VO in the AFCD include prevention and control of animal diseases, as well as enforcement of legislation concerning the import of livestock, the protection of wild birds and mammals, the prevention of cruelty to animals and the prevention of rabies, avian influenza and zoonotic diseases in Hong Kong. The AFCD also deploys VO to serve in the Food and Environmental Hygiene Department (FEHD) and the Leisure and Cultural Services Department (LCSD) to provide veterinary services in the areas of food safety and animal management in parks respectively.

Pay and rank structure

3.3 The VO grade consists of two ranks: the VO rank and the Senior Veterinary Officer (SVO) rank. As at 1 April 2008, the VO grade had an establishment of 26 posts (nine SVO and 17 VO posts), and a strength of two SVO and 15 VO, primarily in the AFCD but also in the FEHD and the LCSD.

3.4 The VO grade is classified under Qualification Group (QG) 8: Professional and Related Grades (Group I)². The current pay scale for the VO rank is Master Pay Scale (MPS) 29 – 44 with omitted points at MPS 31, 35 and 38. The pay scale of the SVO rank is MPS 45 – 49. In the past decades, the VO grade has not experienced any major changes in

² This group comprises grades which normally require the membership of a relevant professional institution or qualifications traditionally accepted as comparable.

pay scale and rank structure. In the 1989 Salary Structure Review, the Commission recommended no change to the pay scales for the VO grade. Following the 1999 Civil Service Starting Salaries Review, the starting pay point of the VO rank was adjusted from MPS 29 to MPS 24. The entry pay was subsequently revised to MPS 29 after the 2006 Starting Salaries Survey.

Relevant Considerations

Major changes since the last review

3.5 Over the past two decades, the work of the VO and SVO ranks has increased in terms of scope, workload and complexity. A strong public veterinary service is critical to the provision of high level professional advice in the areas of food safety, public health, animal welfare and management. Some key factors contributing to the increasing challenges are highlighted below –

- (a) Food safety – There has been an increasing emphasis on “farm to table” food safety, resulting in a greater need for closer liaison and co-operation with the Mainland authorities and overseas food producers and exporters. It is also increasingly prevalent to have animal parts in food and consumer products for import and export. Consequently, the workload in licensing and control of animal products has increased tremendously.
- (b) Public health – In view of the fact that avian influenza outbreak and other international public health crises affect Hong Kong and the Mainland, prevention and control of emerging infectious diseases are accorded high priority. The globalisation of trade has also increased the risks of trans-boundary movements of exotic and emerging disease agents. With these developments, the VO grade has to play an increasingly important role in managing animal disease outbreak, providing accurate and timely information on animal diseases and ensuring rapid diagnosis and effective prevention of emerging infectious diseases with public health implications.

- (c) Animal management and animal welfare – With the increasing pet population in Hong Kong, there is a growing demand for government veterinary services, particularly in regulating the pet trade, stepping up urban animal management, safeguarding animal welfare and promoting public education on responsible pet ownership.
- (d) Higher quality and professional standards – With the advent of science and technology, veterinary science has become increasingly sophisticated with more specialisation (e.g. laboratory-based activities) using advanced techniques and requiring higher standards in compliance with the quality management and accreditation regulation by the Veterinary Surgeons Board of Hong Kong.

3.6 Having considered the submissions and discussed with the management and staff members, we have reached the view that the scope of the work and responsibilities of the VO grade has indeed increased. We note that the increasing demand for government veterinary service is recognised and reflected in the additional resources, expanding the total establishment of the VO grade from 17 posts (six SVO and 11 VO posts) as at 1 April 2006 to 26 posts (nine SVO and 17 VO posts) as at 1 April 2008. However, the recruitment has not kept up with the expansion, as elaborated in the ensuing paragraphs.

Recruitment

3.7 The AFCD is facing recruitment difficulties, partly attributable to the increased local demand for veterinary service for the vastly expanded pet population in Hong Kong³ and the competition for veterinarians from overseas countries. To cast a wider net in recruitment, the AFCD has made efforts to relax the permanent residency and language proficiency requirements. Notwithstanding these efforts, the Department has not been able to identify sufficient candidates to meet its target. Figures for the three recent recruitment exercises are shown in the following table.

³ The number of dog licences (valid for three years) issued by the AFCD increased by 76% from 28 400 in 1997 to 50 053 in 2007. According to a Thematic Household Survey conducted by the Census and Statistics Department, it was estimated that about 198 000 dogs and 99 000 cats were kept as pets in Hong Kong in 2005.

Year of Recruitment	Target Number of Recruits	Number of Applications	Number of Offers Made	Number of Offers Declined	Candidates Reported for Duty
2005	5	28	6	1	5
2007 (May)	16	24	5	0	3
2007 (Sept)	11	50	8	Pending #	Pending #

Position as at 19.10.2008

3.8 We note that, similar to governments in other jurisdictions, the AFCD has to face great challenges in recruitment. The AFCD is competing in a global market for a small pool of suitable candidates because of the absence of veterinary education in Hong Kong and the high international mobility of veterinarians. Furthermore, most veterinary training programmes in universities focus on preparing students for private practice in small animals and large animals, with relatively little emphasis on public health and regulatory role. This further reduces the pool of graduates having the commitment and skills to take up public sector employment. In addition, there are significant differences in the nature of veterinary work in the private sector as compared with the public sector. Members of the VO grade consider that the work nature of the VO grade is uniquely multi-faceted and strenuous, and involves long and irregular working hours. Whilst most veterinarians in private practice tend to focus on clinical practice on small animals, those in government departments play a critical regulatory role in safeguarding public health in Hong Kong through prevention, surveillance and enforcement.

Retention

3.9 Based on the figures from the AFCD, the unnatural wastage rates⁴ of the VO grade were 17.6%, 7.7% and 11.8% in the three years from 2005-06 to 2007-08. Because of the relatively small size of the VO grade and the absence of veterinary courses in Hong Kong, any loss of VO staff has a serious impact on the total strength of staff available to cope with the duties and responsibilities expected of the VO grade, resulting in a heavier burden on the VO grade members who continue their service.

⁴ "Unnatural wastage rate" refers to the total number of officers of a specific rank/grade resigning from the civil service plus those leaving the civil service following completion of contract in a particular period (e.g. 1 April 2005 to 31 March 2006), divided by the total strength of that rank/grade at the beginning of the period (i.e. 1 April 2005).

Career progression

3.10 On average, it takes a VO about eight years to be promoted to the SVO rank. Out of the 15 serving VO, six are remunerated at or below the mid-point, and nine are above the mid-point of the pay scale of VO rank (including four who have reached the maximum point of MPS 44). With the creation of two SVO posts in the AFCD and one SVO post in the FEHD in 2007-08, and the retirement/completion of contract of three SVO in 2005-06 and in 2007-08, six VO are currently acting in SVO vacancies. We have the impression that the existing VO grade staff are over-stretched, partly due to the persistent recruitment difficulties and high unnatural wastage, potentially resulting in a vicious cycle for the grade. The staff representatives are concerned that the present pay scale and the staffing situation may not be sufficiently attractive to trawl new recruits to share the responsibilities of the grade.

Analysis and Recommendations

3.11 We have received two submissions from the AFCD management and the VO grade members. They have both proposed to increase the starting salary and the number of omitted points. The management has also suggested that the maximum pay should be raised.

The VO rank

General principle

3.12 As mentioned in paragraph 3.4, the VO grade is classified under Group I of Qualification Group (QG) 8: Professional and Related Grades, which normally requires the membership of a professional institution for appointment. MPS 27 is the nominal benchmark starting pay for this group. In determining the starting pay, the Commission has due regard to the level of professional accountability, complexity of work and other relevant considerations.⁵ At present, the starting pay for the entry rank of different grades varies, taking into account the length of

⁵ Standing Commission Report No. 23: First Report on 1989 Salary Structure Review, paragraphs 4.46 to 4.47

training or experience required to obtain the relevant professional qualification.⁶

Starting pay point

3.13 The AFCD management has proposed to raise the starting point of the VO rank by three points from MPS 29 to MPS 32. The staff representatives have also made similar proposals to increase the starting salary of the VO rank.

3.14 Having regard to the Department's justifications that the major changes in the work nature, job duties and responsibilities have brought about a significant increase in the complexity of work and level of responsibilities of the VO rank, and that the persistent recruitment difficulties of the VO grade have affected the efficient and effective delivery of government veterinary services, we **recommend** that the starting point of the VO rank be raised by two points from MPS 29 to MPS 31. The proposed new starting point (MPS 31) takes into account the relativity with other professional grades in the same QG, having due regard to their training routes and post-qualification requirements. The increase is justified in recognition of the persistent recruitment difficulties faced by the VO rank and the enhanced role of the VO rank in terms of workload, scope and complexity.

Omitted points

3.15 To address the retention issue, the AFCD management has proposed that the number of omitted points available to the VO rank be increased from three to four.

3.16 The VO rank already has three omitted points and we do not see any strong justifications to introduce additional omitted points. In view of the proposed change of the starting point, we **recommend** that the existing omitted points at MPS 31, 35 and 38 be repositioned to MPS 33, 37 and 40 accordingly. With the higher entry pay, coupled with repositioned omitted points, a newly recruited VO will be eligible for housing allowances after two years of service upon reaching MPS 34.

⁶ Standing Commission Report No. 25: Second Report on 1989 Salary Structure Review, paragraphs 4.46 to 4.47

This will go some way to enhancing recruitment and containing wastage in early years.

Maximum pay point

3.17 As another measure to address the retention issue, the management has requested that the pay scale of the VO rank be extended by two additional points (MPS 44A and 44B), along the lines of the pay scale for the Medical and Health Officer (M&HO) rank. It should be noted that the arrangements for the M&HO rank stemmed from unique circumstances that do not prevail in the VO rank. According to the data provided by the AFCD, it takes a VO about eight years to be promoted to the SVO rank. This is not considered unfavourable when compared with other professional grades. We note that the increase in establishment of the VO grade has been justified on functional grounds. In line with the broadbanding principle and the pay structure for all professional ranks (with the only exception of the M&HO rank), we **recommend** that the maximum point for the VO rank should remain unchanged at MPS 44.

Conversion arrangements

3.18 In implementing any proposals to increase entry pay, there is a need to consider the conversion arrangements for incumbent staff at the relevant ranks. The overriding principle is that no one should receive less pay on conversion to the new scale. In line with the established practice, we **recommend** that normal conversion be adopted. Under normal conversion, where a civil servant's pay is less than the minimum of the revised scale, he/she should receive the new minimum; where a civil servant's pay is equivalent to or above the new minimum, he/she should advance to the next point of the revised scale, subject to this not being above the scale maximum. In implementing the proposal to reposition omitted points, the Administration should draw up the conversion arrangement for serving staff, having regard to the established practice as appropriate.

The SVO rank

3.19 As outlined in paragraph 2.2, one of the pay principles adopted in previous reviews is the broadbanding principle. Under this principle, the major criterion for setting the pay scales of higher ranks in a grade is the level of responsibility exercised by officers of those ranks. In

these ranks, the managerial, administrative or professional responsibilities are the most important aspects of the duties performed and they tend to outweigh other features of individual grades. For the highest ranks of the non-directorate civil service, the particular type of qualification associated with an individual grade is of little relevance in pay determination. All senior professional ranks are therefore broadbanded with a common pay scale. In line with this principle, the existing pay scale for the SVO rank (MPS 45 – 49) is broadbanded with, and hence identical to, that of all other senior professional ranks in the group. We **recommend** that the pay scale for the SVO rank should remain unchanged.

Other Issues

3.20 During the course of the GSR for the VO grade, we have come across a few issues that, whilst may not be directly related to the grade structure per se, but nevertheless could be explored to help alleviate the recruitment and retention problems facing the VO grade. We set out these issues in the ensuing paragraphs and **recommend** that the Administration explore them in the appropriate channel.

To offer bonded traineeships to veterinary students

3.21 Until 1994, the Government offered bonded training scholarships to selected students aspiring to pursue approved veterinary science degree programmes in overseas universities with a view to taking up permanent employment in the VO rank after graduation. The training scholarship programme was ceased in view of the difficulties for a small VO grade in planning and reserving posts for trainees for five years. There were also the risks that trainees might decide not to join the Government by refunding the costs. We understand that the AFCD is exploring the possibility of introducing a bonded traineeship targeting veterinary students studying in their third to fifth years. Given that veterinary science courses are not available in local universities and global competition for talent is intense, we support the AFCD's initiatives to be more proactive in attracting potential graduates for recruitment to the VO rank. We encourage the AFCD, in consultation with relevant departments, to work out the implementation details for the bonded traineeships.

Lists of registrable qualifications

3.22 The recruitment difficulties of the VO grade partly stem from the limited pool of registered veterinary surgeons in Hong Kong. As at 1 April 2008, the total number of registered veterinary surgeons in Hong Kong was 460. In this connection, a review of the lists of registrable veterinary qualifications may be timely. Under section 5(b) of the Veterinary Surgeons Registration Ordinance (Chapter 529), the Veterinary Surgeons Board of Hong Kong shall set and review the qualification standards for registration as a veterinary surgeon. If the qualification obtained by an applicant is not one of the veterinary qualifications recognised by the Board⁷ for registration purpose, the applicant may request for an individual assessment by the Hong Kong Council for Academic Accreditation and Vocational Qualifications. We note that of the 25 applications for individual assessment received since 1998, 19 (76%) were approved. This high percentage may be an indication of possible scope for expansion of the lists of registrable qualifications.

3.23 The current lists of registrable qualifications were drawn up following a review of the veterinary qualifications of selected universities by the then Hong Kong Council for Academic Accreditation in 1998. It may be opportune for the Administration, in consultation with the Veterinary Surgeons Board of Hong Kong, to consider the possibility of expanding the lists of registrable veterinary qualifications.

3.24 There seems to be increasing local demand for VO in recent years as evidenced by the increasing pet population in Hong Kong. In the long term, the Administration may wish to explore with local universities the desirability and feasibility of introducing veterinary training in Hong Kong.

To create a new rank of Principal Veterinary Officer (PVO) (D1) and to create three new PVO posts

3.25 In view of the ongoing need to provide high-level professional advice to guide the development of policies and implement appropriate measures in the areas of food safety, emerging animal disease, animal disease diagnosis, animal welfare and urban animal management, the

⁷ The lists of veterinary qualifications registrable in Hong Kong include qualifications awarded by a number of universities in the United Kingdom, USA, Canada, Australia, New Zealand, South Africa and Taiwan.

Director of Agriculture, Fisheries and Conservation has proposed to create a new rank of PVO (D1) and to create three new PVO posts (including two for the AFCD and one for the FEHD).

3.26 The Commission holds the view that the need for a new rank must be justified on functional grounds. Both the grade management and the staff representatives have highlighted the absence of a rank at the directorate level to oversee the entire VO grade. They have advised that the creation of a rank beyond the senior professional level in the VO grade would be in line with the ranking structure in overseas countries. The creation of the PVO rank would enable the AFCD to engage more experienced veterinarians as mentors for the VO grade. In the long run, the additional posts would also provide a better career path and promotion prospect for the VO grade.

3.27 Given the important role of the VO grade in public health and food safety, we consider that there is a need for more senior and well-experienced members to lead the grade and represent Hong Kong in liaison and coordination with senior members of the profession in other jurisdictions. There seems to be a prima facie case to review whether it is functionally justified to establish another tier beyond the SVO level to provide high-level professional advice to guide the development of the relevant policies and implement the appropriate measures. Whilst noting that the creation of a directorate rank is outside the ambit of the Commission, we **recommend** that the Administration conduct an early review in consultation with the Standing Committee on Directorate Salaries and Conditions of Service in this regard.

Better human resource planning

3.28 Given the small size of the VO grade and the high mobility of the grade, it is intrinsically difficult to have seamless human resource management. However, the mismatch of the demand and supply of suitable candidates for the VO grade has highlighted the importance of human resource planning. It is the responsibility of the departmental management to monitor closely the manpower needs in the light of its commitments as well as the long-term market supply and demand of qualified veterinary practitioners. Where a lack of qualified candidates for appointment is anticipated, the departmental management should assess their manpower needs and plan the training and recruitment of new staff correspondingly.

3.29 As a separate but related issue, it is up to the AFCD to evaluate whether any of the VO posts should be upgraded having regard to the additional responsibilities and complexity of the functions of the post-holders. Should such proposals materialise, it will give more recognition to the experienced VO and go some way to addressing the retention issue of the VO grade.

Professional development and advanced training

3.30 Views have been expressed that the lack of local or off-shore advanced training opportunities and the absence of training reserve for the VO grade have constrained the opportunity for them to acquire higher veterinary qualifications, hampering their career development and capacity to play a better role as regulator of public health. The staff representatives have advised that the governments of some jurisdictions provide opportunities for government veterinarians to acquire further training after five years' service.

3.31 We consider these concerns legitimate. With increasing complexity and importance of the VO's role, it is reasonable to consider providing or sponsoring advanced training to enhance the professional skills and knowledge of the VO grade. Better training opportunities will create a win-win situation for the staff concerned, the department and the community at large. Such training opportunities will not only enhance the professionalism of the staff and the department but also boost the morale and instil a sense of achievement and recognition among the VO grade, and potentially alleviate wastage. We therefore encourage the AFCD to take active steps in planning and launching advanced training programmes to enrich the career and professional development of the VO grade, as soon as the staffing position allows, by providing training reserve and funding support.

Chapter 4

Government Counsel Grade and the Related Legal Aid Counsel Grade and Solicitor Grade

Overview

The Government Counsel grade

4.1 The Government Counsel (GC) grade is the legal professional grade in the Department of Justice (DoJ). The Secretary for Justice is the Head of the GC Grade. The GC grade members work in one of the five distinct legal divisions: Civil, International Law, Law Drafting, Legal Policy and Prosecutions Divisions. They perform a wide range of duties in support of the DoJ's mission, including –

- (a) serving as the Government's principal legal adviser;
- (b) having ultimate responsibility for decisions to prosecute criminal offences in Hong Kong;
- (c) acting as the defendant in all civil actions brought against the Government;
- (d) drafting all legislation proposed by the Government and vetting all non-government legislation submitted by non-government bodies;
- (e) advising the Government on whether proposed legislation and policies are compatible with the Basic Law, international human rights standards and established legal principles;
- (f) advising on, and promoting understanding of, the law on the Mainland;
- (g) playing an active role in law reform; and

- (h) providing legal advice and support on public international law and matters in relation to legal co-operation between Hong Kong and other jurisdictions.

The DoJ also deploys GC to serve in the Legal Advisory Division in the Development Bureau.

Two related legal professional grades

4.2 The Legal Aid Counsel (LAC) and the Solicitor grades perform specialised functions. The LAC grade provides legal aid services to the public in legal proceedings by processing legal aid applications, providing litigation service to the aided persons, monitoring the assigned-out cases and supporting an independent Official Solicitor's Office. The Director of Legal Aid is the Head of Grade.

4.3 The Solicitor grade is broadly classified into two streams: those who belong to the Unified Solicitor Grade (USG) and those who work in the Intellectual Property Department (IPD). The USG comprises legal officers in four departments, namely the Official Receiver's Office (ORO), the Companies Registry, the Land Registry and the Legal Advisory and Conveyancing Office in the Lands Department. The Official Receiver is the Head of the USG whereas the Director of Intellectual Property is the Head of the Solicitor Grade in the IPD.

4.4 The Solicitor grade in the IPD specialises in intellectual property (IP) law. The grade undertakes advisory and quasi-judicial functions. Since 1998, the IPD has taken over IP-related legal advisory matters from the DoJ, and has played an important role in safeguarding IP rights in Government contracts, conducting major reviews of IP-related legislation, maintaining the protection of IP rights to the highest international standards and handling an increasing number of IP-related hearings.

Pay and rank structure

4.5 The GC and the two related LAC and Solicitor grades are classified under Qualification Group (QG) 8: Professional and Related Grades (Group I). These grades have similar rank and pay structure. At the non-directorate level, there are two ranks: the GC and SGC ranks for the GC grade; the LAC and Senior LAC (SLAC) ranks for the LAC grade;

and the Solicitor and Senior Solicitor ranks for the Solicitor grade. The distribution of responsibilities and line of command differ among the grades –

- (a) For the GC grade, the job descriptions of SGC and GC are similar in scope, although SGC are assigned with more important and complicated tasks. SGC do not supervise GC.
- (b) Similar to the GC grade, the job descriptions of the LAC and SLAC ranks of the LAC grade are similar but SLAC are deployed to deal with more complicated and important cases. Although SLAC do not directly supervise LAC, many of them are team leaders who assist section heads in managing their teams.
- (c) For the Solicitor grade, Senior Solicitors have a bigger and more complex portfolio than that of Solicitors, and have supervisory role over Solicitors.

4.6 The current pay scale for the GC rank is Master Pay Scale (MPS) 32 – 44 with omitted points at MPS 34, 37 and 38. The pay scale for the SGC rank is MPS 45 – 49. In the 1989 Salary Structure Review, having regard to the increase in the scope and complexity of the duties performed by the then “Crown Counsel” (now known as GC) rank and in view of its persistent problems in recruitment and retention, the Commission recommended two measures that gave the GC rank pay advantages over other grades and ranks in the same QG8 (Group I) –

- (a) the entry pay was increased by one pay point, resulting in its being five points higher than the benchmark salary of QG8; and
- (b) one additional omitted point was given, increasing the number of omitted points to three.

The same changes were applied to the LAC and Solicitor ranks.

4.7 Following the 1999 Civil Service Starting Salaries Review, the starting pay point of the GC rank was adjusted downwards from MPS 32 to

MPS 27. It was subsequently revised to MPS 32 after the 2006 Starting Salaries Survey.

Establishment and strength

4.8 The establishment and strength of the three legal grades as at 1 April 2008 are as follows –

Grade		Rank	Establishment	Strength	Vacancy	
					No.	%
Government Counsel (GC)		GC	84	71	13	15
		SGC	194	171	23	12
		Subtotal	278	242	36	13
Legal Aid Counsel (LAC)		LAC	33	33	0	0
		SLAC	25	25	0	0
		Subtotal	58	58	0	0
Solicitor	Unified Solicitor Grade (USG)	Solicitor	14	16	-2	-14
		Senior Solicitor	32	30	2	6
		Subtotal	46	46	0	0
	IPD	Solicitor	10	9	1	10
		Senior Solicitor	8	4	4	50
		Subtotal	18	13	5	28
Total			400	359	41	10

The GC Grade – Relevant Considerations

4.9 In conducting the GSR for the GC grade, we have looked into a host of factors including major changes since the 1989 Salary Structure Review in the work nature, job duties and responsibilities of the grade, as well as the recruitment, retention and career progression situation.

Major changes since the last review

4.10 In its submission, the DoJ has highlighted the significant changes since the last review in the landscape within which the DoJ operates and renders its services. The GC grade has encountered new

challenges arising from the return of sovereignty to China, the implementation of the Basic Law and ancillary constitutional issues, bilingual drafting of legislation, the increasing number of complex civil cases (e.g. Initial Public Offerings of government-owned corporations), the emergence of new complex legislation requiring advice on criminal investigation and prosecution, etc. Some key factors contributing to the increasing diversity and complexity of the Department's work are highlighted below –

- (a) In the past decade, large projects have grown not just in quantity and size but also in complexity. Examples include the reform of banking and securities and futures legislation and major public works projects. Some of these tasks are precedent setting in nature, giving rise to new and complex legal issues not previously visited.
- (b) Members of the public are becoming more aware of their rights and are turning to the Courts to resolve political, economic and social problems. The DoJ has been placed under immense pressure amidst the controversies and judicial challenges surrounding the legality of Government's actions. There has been a significant increase in public law litigation. Statutory appeals have grown both in number and in scale.
- (c) In the area of constitutional law, there are growing numbers of controversial litigation cases requiring substantial legal input to consider the Basic Law and human rights implications. The implementation of the Basic Law and its interpretation by the Courts also give rise to a large number of novel and complex issues particularly in relation to human rights and political development.
- (d) Prosecutorial work has also increased in volume, diversity and complexity. In the past decade, the number of criminal cases in the Court of Final Appeal increased substantially as compared to the number of criminal cases in the Privy Council in the previous decade. The emergence of sophisticated and complex crimes, coupled with the more stringent rules and guidelines on various

prosecution matters, require prosecutors to devote extra time and effort in providing legal support to law enforcement agencies, and in handling trials and appeals.

4.11 Having evaluated the submissions and discussed with the management and staff members, we share the view that the role and responsibilities of the GC grade have increased in scope and complexity, although we note that some of these underlying changes are also prevalent in the public and private sectors, having significant implications on Hong Kong as a whole. We understand that the DoJ has attempted to cope with it through an expansion of the establishment. The total establishment of the GC grade has increased from 239 posts (162 SGC and 77 GC posts) as at 1 April 2005 to 278 posts (194 SGC and 84 GC posts) as at 1 April 2008. However, the Department has encountered recruitment difficulties.

Recruitment

4.12 The DoJ has advised that it has experienced persistent recruitment difficulties in filling vacancies at the entry rank. First, it could not identify sufficient suitable candidates to meet its target. Secondly, in the past eight recruitment exercises (except the one in 2001), between 7% and 26% of candidates declined the offer of appointment. Figures for the recent three recruitment exercises are set out in the following table.

Year of Recruitment Exercise	Target Number of Recruits	Applications Received/ Applicants Interviewed	Number of Offers Made	Number of Offers Declined	Candidates Reported for Duty
2005	26	272 / 266	22	4	18
2006	44	279 / 270	36	7	29
2007	33	237 / 209	26	3	14 [#]

[#] Position as at 19.10.2008

Retention

4.13 Based on the figures from the DoJ, the unnatural wastage rate of the non-directorate GC ranks is higher than the service-wide unnatural wastage rate for non-directorate officers. As shown in the following table,

the unnatural wastage rate of the SGC rank ranged from 0% in 2004-05 to 3.8% in 2006-07. The corresponding rate for the GC rank increased from 0% in 2003-04, peaked at 5.3% in 2004-05, then steadily declined to 1.4% in 2007-08.

Year	Resignations				Unnatural Wastage Rate	
	GC Rank		SGC Rank		GC Grade	Civil Service
	No.	%	No.	%		
2004-05	4	5.3	0	0	1.7%	0.5%
2005-06	3	4.2	2	1.3	2.2%	0.5%
2006-07	2	3.2	6	3.8	3.6%	0.5%
2007-08	1	1.4	2	1.3	1.4%	0.6%
Total	10	-	10	-	-	-

4.14 We observe that of the 20 GC/SGC who resigned from the DoJ from 2004-05 to 2007-08, eight (40%) remained in the public sector, including three who joined the Judiciary, one who switched to a related grade in another department and four who left for public organisations. It appears that the DoJ has been a source of talent for the Judiciary and public organisations. If this emerging trend continues, the DoJ may wish to take this into account in its human resource planning.

Career progression

4.15 The GC grade has more SGC (194) than GC (84) at a rank ratio of 0.43 GC : 1 SGC. As a result, the career progression of GC compares favourably with that of other related legal grades. On average, it takes a GC between five and seven years to be promoted to the SGC rank. At the SGC rank, a large proportion (64%) has remained at the maximum pay point for three years or more. For those promoted to Deputy Principal Government Counsel (DPGC) rank (DL2) between 2004-05 and 2006-07, their average length of service since appointment to the basic rank was 12 years. The DoJ has advised that the slower progression at the SGC rank and beyond was due to limited directorate counsel vacancies.

Pay survey for the legal sector

4.16 In conducting the current GSR, we have considered the need for conducting a pay level survey for the legal sector. In the 1989 Salary Structure Review, the Commission engaged the Pay Survey and Research Unit of the Commission Secretariat to carry out a survey to compare civil service and private sector pay. However, the situation is different from that in 1989. The Administration has recently implemented an improved pay adjustment mechanism for the civil service, with a six-yearly Pay Level Survey (PLS) as the cornerstone, to ensure broad comparability in pay between the civil service and the private sector as a whole. The last PLS was conducted in 2006, and the SGC and GC ranks were among the benchmark ranks covered by the survey. The 2006 PLS confirmed the broad comparability of pay between non-directorate civilian grades and their counterparts in the private sector. Given that such broad comparability has been established, it is not appropriate to attempt to match the pay level of a particular grade with that of its private sector counterpart. Against this background, we do not see the need for conducting a separate survey for the legal professionals in the context of the GSR. Nevertheless, we have noted the various surveys on the remuneration of legal practitioners, including those enclosed in the submissions received.

The GC Grade – Analysis and Recommendations

4.17 We have received five submissions from the DoJ management and the GC grade members as listed in **Appendix C**. We have carefully considered these proposals and views expressed at the Commission meetings. Our views are set out in the following paragraphs.

Proposal to introduce a separate legal pay scale

4.18 We have received proposals from the departmental management and the staff representatives to introduce a separate legal pay scale, modelled on the Judicial Service Pay Scale (JSPS)⁸, for the GC grade and related legal grades. It has been suggested that a separate legal pay scale would give more flexibility in dealing with staff retention and other related problems. With a separate pay scale, the starting pay, increments and pay scale could be set with reference to the remuneration of the private

⁸ The JSPS is a pay scale for judges and judicial officers.

sector legal practitioners and judicial officers with similar years of professional standing. It would go some way to benchmarking with the private sector in attracting and retaining counsel of high calibre. The scale could also be lengthened to give recognition to the contribution of experienced GC and to attract experienced lawyers to join the GC grade despite the less promising promotion prospects.

4.19 The proposal to introduce separate pay scales for individual grades is not a novel concept. In the 1989 Salary Structure Review, the Commission also received proposals for separate pay scales for grades facing recruitment and retention problems. The Commission noted that any move to introduce pay scales separate from the common structure of individual grades or groups of grades would have serious repercussions on the rest of the civil service, and would give rise to great confusion and arguments about relativities between grades and could result in disintegration of the entire system. The Commission therefore decided to preserve the common structure whilst considering each case on its merits and exercising flexibility, where warranted, within the system to deal with particular situations.⁹

4.20 The Commission's concerns and arguments against the introduction of separate pay scales for individual grades remain valid today. At present, most civilian grades and ranks are remunerated according to the MPS. Founded on the qualification benchmark system and broadbanding principles, the MPS represents a broad framework which has stood the test of time. It also strikes a fine balance, giving due weight to external relativities or broad comparability with the private sector and internal relativities within the civil service.

4.21 References to the JSPS should be viewed with caution, as the JSPS was introduced in recognition of judicial independence, the constitutional role and responsibilities of judges and judicial officers and the unique feature that judges are prohibited from returning to private practice in Hong Kong. By contrast, the GC grade is an integral part of the civil service having similarities with other civilian professional grades remunerated under the MPS.

⁹ Standing Commission Report No. 23: First Report on 1989 Salary Structure Review, paragraph 4.17

4.22 In view of the foregoing considerations, we do not support the introduction of a separate pay scale for the legal grades. We consider it appropriate to tackle the problem within the existing framework.

The GC grade

4.23 At the outset, we wish to confirm our support for the DoJ's view that the Government needs lawyers of high calibre in order to provide high quality legal support to the Government in handling matters involving significant legal, policy, financial and constitutional repercussions. In this connection, we note a relatively large number of applicants for the GC rank but a small number of offers made. Viewing from a positive light, the large number of candidates suggests that the GC position remains attractive to many applicants, particularly those who aspire to pursue a meaningful career in the public service. We are, however, mindful that the DoJ is unable to identify a sufficient number of suitable candidates for appointment.

4.24 To attract and retain lawyers of high calibre, we consider it necessary to adopt a holistic approach. The remuneration for the GC grade must be structured in such a way as to offer sufficient incentives, commensurate with the quality of legal advice and degree of responsibility expected of the GC grade. However, the recruitment and retention problems of the GC grade cannot be solved by pay adjustment alone, given the high pay levels enjoyed by some of the top lawyers in the private sector and the limitation of the current civil service pay structure to match such levels. We note that such pay levels in the private sector may also fluctuate significantly from time to time depending on the economic cycle. We believe that, apart from remuneration, the grade structure should provide a reasonable career path for aspiring and competent lawyers who are interested in serving the community through Government service. This should enable them to progress through the ranks and develop a rewarding public service career. We will highlight later in this chapter other recruitment and management measures which may help in this regard.

The GC rank

Starting pay point

4.25 The DoJ management has proposed to raise the starting point of GC by two points to MPS 34 so that all new recruits upon first

appointment would be entitled to receive a Non-accountable Cash Allowance¹⁰. The staff representatives have also made similar proposals to increase the starting salary of the GC rank.

4.26 Whilst recognising the challenges facing the GC and related grades, it is noteworthy that out of 34 grades in QG8 (Group I), the GC, LAC and Solicitor ranks, alongside the Medical and Health Officer (M&HO) rank, are among the professional grades with the highest starting salary (MPS 32)¹¹. The current entry pay is five points above the benchmark of MPS 27 for professional and related grades. In examining the salary scales of the Professional and Related Grades in the 1989 Salary Structure Review, the Commission had regard to the training and experience required to acquire the full professional status as well as other relevant factors such as overall job weight, working conditions, scope and level of responsibilities, recruitment and retention problems. Similar to the M&HO rank, the GC and related ranks take a total of six years of training and experience to acquire the full professional status. Additional pay points were added to the starting salary in the past in recognition of the recruitment and retention difficulties. The present entry level has already struck a fine balance, having due regard to the relativities among the professional grades within this qualification group and other relevant considerations. We therefore find it difficult to justify any further increase beyond the current level.

Omitted points

4.27 The provision of omitted points for certain ranks reduces the length of time needed to reach the scale maximum and help to recruit and retain those staff. In the 1989 Salary Structure Review, the Commission considered that the provision of omitted points should be retained as it was useful in tackling recruitment and retention problems.¹² Following the

¹⁰ Non-accountable Cash Allowance is a housing benefit for new appointees to the civil service who are offered appointment on or after 1 June 2000.

¹¹ The only exception is the Surveyor of Ships with a pay scale of MPS 34 – 44, with an omitted point at MPS 36. The starting pay for Surveyors of Ships is much higher than the benchmark, given the length of time necessary to obtain the qualification (Master, Chief Officer or Chief Engineer) and post-qualification experience as well as the high level of responsibility involved. The Surveyor of Ships grade comprises the Nautical Stream and the Ship Stream. For the Nautical Stream, candidates are required to have two years' experience at the rank of Chief Officer or above on sea going ships, in addition to the prescribed degree in Nautical Studies or equivalent. For the Ship Stream, candidates should have four years' relevant experience after obtaining corporate membership of a naval architect institution acceptable to the Director of Marine.

¹² Standing Commission Report No. 23: First Report on 1989 Salary Structure Review, paragraph 4.90

Review, the number of omitted points for the GC rank and the related LAC and Solicitor ranks was increased from two to three, positioned at MPS 34, 37 and 38. The additional omitted point was specifically introduced on account of recruitment and retention difficulties of the GC rank.

4.28 The DoJ management has proposed, on the basis of a proposed new entry pay of MPS 34, to reposition the first omitted point from MPS 34 to MPS 35 and to introduce one additional omitted point at MPS 43 so that GC with six years of post-qualification experience would be rewarded with a higher pay point (i.e. MPS 44). We have also received proposals to provide five omitted points at MPS 35, 37, 39, 41 and 43 so that incremental pay levels would be better aligned with the private legal sector.

4.29 Out of a total of 781 ranks in 291 non-directorate civilian grades, only 74 ranks are provided with omitted points in their pay scales. Having examined the rationale and the general pattern of 51 ranks provided with omitted points in QG8, we observe that the present allocation of three omitted points in the GC rank is already one of the more generous arrangements among the professional grades.

4.30 To address the recruitment and retention difficulties, we consider that attracting capable lawyers interested in developing a career in the public service to join the GC rank is the most important first step. We consider it justified to use omitted points as a tool to enhance the attractiveness of the pay scale of the GC rank. We therefore **recommend** that the existing omitted point at MPS 37 be advanced to MPS 36 to help alleviate wastage in the early years. We further **recommend** the introduction of an extra omitted point at MPS 40 as an additional incentive to retain experienced GC.

4.31 The introduction of omitted points is intended to address recruitment and retention difficulties, and the situation may change over time. We **recommend** that in the case of the GC rank, the need for the additional omitted point be reviewed three years after implementation. We further **recommend** that as a general point, the continued need for omitted points in other grades should be kept under regular review having regard to the changing recruitment and retention situation of individual grades.

Maximum pay point

4.32 The DoJ management has proposed to extend the maximum pay point of GC from MPS 44 to MPS 44B. With a longer pay scale, the Department would be in a better position to tap experienced lawyers from the private sector for appointment as GC, particularly in areas that require more experienced counsel. With less promising promotion prospect for GC, the long pay scale with annual increments may ease the pressure for promotion. We have also received proposal from the staff representatives to increase the maximum pay for the GC rank by at least 10% so as to bring the GC pay scale closer to the pay range in the market sector.

4.33 In line with the broadbanding principle, the maximum pay point for the professional rank is set at MPS 44. The only exception is the M&HO rank with MPS 44B as its maximum pay point. The exceptional arrangement was recommended in the 1989 Salary Structure Review to address an unprecedented wastage problem encountered by the rank at that time. In 1988-89, around 140 M&HO left the grade, resulting in a wastage rate of about 11%. There were more M&HO than Senior M&HO. The M&HO to Senior M&HO ratio was 2.96 : 1 as at 1 November 1989. The unique circumstances of the M&HO rank do not prevail in the GC rank.

4.34 We have reviewed whether there is a case for extending the pay scale by additional pay points as incentives to retain experienced officers in the GC rank. Consistent with the observation in the 1989 Salary Structure Review, we do not see convincing grounds, in the case of civilian grades, to grant additional increments purely to reward long service and loyalty. The fundamental principle is to pay for the job. Should there be functional justifications to upgrade certain posts to the next higher level, the promotion opportunities will be enhanced correspondingly.

4.35 In the case of the GC grade, it is noteworthy that there are more SGC than GC. Hence, there is no lack of promotion opportunities for meritorious GC to gain promotion to SGC level within a reasonable period of time. The DoJ also has the liberty to conduct direct recruitment of suitably qualified lawyers to the SGC rank. Out of 71 GC rank officers, only ten (14%) are at the maximum pay point of MPS 44. The percentage for the GC rank is significantly lower than the civil service average: out of 90 952 staff on the MPS, a total of 73 335, or 80.6%, were

on the maximum point as at 31 December 2007. Given that sufficient avenues are available to attract, retain and motivate meritorious GC, we **recommend**, on balance, that the maximum pay point of the GC rank should remain unchanged at MPS 44.

The SGC rank

4.36 The DoJ management has proposed that the pay scale of the SGC rank should be extended beyond MPS 49 until it reaches the bottom of the Directorate (Legal) Pay Scale (DL1) pay points.

4.37 We appreciate the tremendous challenges facing the DoJ in retaining some members of the SGC rank. The current SGC rank has a short five-point scale. In line with the arrangement for other senior professional ranks, there is no omitted point. Many of the grade members would have exhausted the ten-year entitlement to housing allowances. A large proportion of SGC (64%) remain at the SGC rank after reaching the maximum pay for three years or more. Their promotion opportunities are limited.

4.38 We have considered the case for extending the pay scale of the SGC rank beyond MPS 49 on an exceptional basis. In this connection, we note that the work of the GC grade covers a wide range of duties, many of which are unique to the public service. The SGC is the core rank in the GC grade, accounting for about 70% of the total non-directorate establishment of the grade. Many serving SGC staff have accumulated a wealth of valuable legal experience in very specialised fields, and are highly sought after by the private sector. To address the retention issue, extending the pay range for SGC will go some way to improving the remuneration package of the experienced SGC and potentially alleviating the wastage situation.

4.39 Notwithstanding the above considerations, we note that the unnatural wastage rate of the SGC rank has been kept within a reasonable range. More importantly, we are mindful that the GC grade is an integral part of the civil service. At present, the maximum point of the SGC pay scale is also the maximum point of the MPS, which is the pay scale applicable to most civilian grades. Extending beyond the maximum point will alter the configuration of the whole MPS. Furthermore, the pay at the senior professional level is broadbanded because the managerial, administrative or professional responsibilities are the most important

aspects of the duties performed and they tend to outweigh other features of individual grades. Under the broadbanding principle, all the senior professional ranks have an identical pay scale of MPS 45 – 49. It may be difficult to justify an extension of the pay scale exclusively for the SGC rank and related ranks, whilst leaving all other senior professional ranks at MPS 45 – 49. The internal relativities between grades are important in maintaining the stability of the civil service. A fundamental change to the MPS and a departure from the broadbanding principle would create far-reaching repercussions for other grades and the civil service as a whole. We therefore have grave reservation about the proposal to extend the pay scale of the SGC rank beyond MPS 49.

4.40 Indeed, given that there is only a 11.5% differential between the MPS and the Directorate Pay Scale, the room for introducing additional pay points beyond MPS 49 is limited, and such a proposal would be unlikely to bring any material improvement to the retention situation of the SGC rank. The far-reaching repercussions of the fundamental departure from the established system outweigh the likely benefit of the proposal to introduce extra pay points exclusively for the SGC rank.

4.41 When we take a closer look at the role and responsibilities of the SGC rank, we consider that there is scope for exploring the possibility of addressing the retention issue from a holistic and longer-term perspective by re-examining the grade structure of the GC grade. As evident from the written submissions and briefings for the Commission, the role and responsibilities of the GC grade have increased substantially in terms of scope and complexity over the past two decades. As the core rank of the GC grade, the SGC rank bears the brunt and is expected to rise to the new challenges with competence and confidence. We notice that the SGC rank is invariably the focal point in rendering advice on civil, constitutional and international law matters, handling prosecution and civil litigation cases, providing support to policy bureaux at the meetings of the Executive Council and the Legislative Council Panels and Bills Committees. There seems to be a prima facie case for reviewing some of the SGC posts to determine whether they are functionally justified to be upgraded to the next higher rank beyond the senior professional rank. We believe that the creation of such a higher rank for those appropriate positions will help the DoJ retain experienced and capable officers to handle the more important and complicated tasks required of the GC grade.

4.42 We understand that there used to be an Assistant Principal Government Counsel (APGC) rank at DL1 on the Directorate (Legal) Pay Scale (DL1) with a small number of posts in the DoJ. On the recommendation of the DoJ, the Legislative Council approved the deletion of the rank in January 2000. However, DL1 rank is maintained for the other two related LAC and Solicitor grades, and the post-holders play a pivotal role in handling complex cases and providing professional leadership. Subject to the view of the Standing Committee on Directorate Salaries and Conditions of Service, one option is to re-create a rank at DL1 level in the GC grade to accommodate those SGC positions considered functionally justified for upgrading. Such an option, if pursued, would also have the incidental benefit of enhancing the avenue for the DoJ to retain and motivate meritorious and experienced SGC.

Proposal to allow overlapping pay scales across ranks

4.43 The DoJ has proposed that the pay scale of the SGC rank should be allowed to overlap with the first pay point of the DPGC rank, and that the pay scale of the GC rank should overlap with that of the SGC rank.

4.44 Overlapping of pay points between two successive ranks does exist in certain grades but it is an exception rather than the rule in the civilian grades. This arrangement acknowledges that an experienced officer doing a good job can be of more value than a newcomer to a job in the rank above.¹³ In the case of the GC and SGC ranks, we do not see any strong justifications for overlapping because ample avenues are available for meritorious GC to gain promotion to the SGC rank.

4.45 In the case of the SGC rank and DPGC rank (which is pitched at DL2), the read-across implications of overlapping pay points between the directorate and non-directorate ranks should be considered carefully having regard to the functional roles of successive ranks, the implications for other professional grades, and the demarcation of non-directorate and directorate ranks.

Summary of recommendations on the GC and SGC ranks

4.46 In summary, we **recommend** that the GC pay scale should be a nine-point scale from MPS 32 (\$46,230) to MPS 44 (\$77,675), with four

¹³ Standing Commission Report No. 23: First Report on 1989 Salary Structure Review, paragraph 4.85

omitted points at MPS 34, 36, 38 and 40. The Administration should draw up the conversion arrangement for the repositioned and additional omitted points for serving staff, having regard to the established practice as appropriate.

4.47 As regards the SGC rank, we **recommend** that the pay should be maintained at the current level. We further propose that the challenges facing the SGC rank be examined using a holistic approach taking into account the long-term development of the grade. There is a prima facie case for reviewing some of the SGC posts to determine whether they are functionally justified to be upgraded to the next higher rank beyond the senior professional level. We **recommend** that the DoJ, in conjunction with the Administration, should actively explore options in this direction.

Two Related LAC and Solicitor Grades

4.48 Consistent with the approach for the GC grade, we have also examined the LAC grade and Solicitor grade by looking at the major changes since the 1989 Salary Structure Review in the work nature, job duties and responsibilities of the grade, as well as the recruitment, retention and career progression situation.

The LAC grade

4.49 The functions of the Legal Aid Department (LAD) have remained broadly the same in the past two decades. However, the LAD has to face increasing caseload, more demanding clients who are well aware of their rights, the inquisitive and critical media, as well as tight control on their budget and establishment due to the civil service-wide efficiency savings drive.

4.50 Figures show that the LAC grade has not encountered any recruitment difficulties. The LAC grade was one of the grades included in the Voluntary Retirement Scheme II and was subject to a recruitment freeze from March 2003 to March 2008. In an open recruitment exercise conducted in October 2007, the LAD aimed to fill 13 LAC vacancies. Among the 86 applicants, 50 fulfilled the requirements stipulated in the recruitment advertisement. After interviews and written examinations, offers were made to nine candidates. Among them, six were in fact non-civil service counsel already working in the LAD. In the recruitment

exercise conducted in May 2008 to fill nine vacancies, 68 applications were received, and seven candidates were found suitable.

4.51 The LAC grade has not encountered any retention difficulties at the non-directorate level. As shown in the following table, two SLAC left in 2005-06. According to the grade management, the challenges to handle more demanding clients are the main causes for the resignation of some experienced staff.

Year	Resignations		Unnatural Wastage Rate	
	LAC Rank	SLAC Rank	LAC Grade	Civil Service
2004-05	0	0	0%	0.5%
2005-06	0	2	3.5%	0.5%
2006-07	0	0	0%	0.5%
2007-08	0	0	0%	0.6%

4.52 The LAC grade has a reasonable career progression. The LAC to SLAC ratio is 1.32 : 1. The LAD has advised that on average it takes about six years and nine months for an LAC to be promoted to the SLAC rank, and it takes an SLAC about ten years and three months to be promoted to the directorate rank.

The Solicitor grade

The Unified Solicitor Grade (USG)

4.53 Over the past decade, the functions of the USG have remained broadly the same, although the ORO has experienced fluctuations in workload in tandem with the economic development.

4.54 The USG has not encountered any recruitment or retention difficulties. The ORO has conducted three recruitment exercises since 1995, and has been able to meet the target number of recruits in all three exercises (7, 9 and 14 in 1995, 1997 and 2006 respectively). From 2004-05 to 2007-08, only one Senior Solicitor resigned. No Solicitor rank officer resigned during these four years.

4.55 Like the GC grade, the USG has more Senior Solicitors than Solicitors. The Solicitor to Senior Solicitor ratio is 0.4 : 1 in the USG. It

takes about seven and a half years for a Solicitor to be promoted to the Senior Solicitor rank, and about 11 years for a Senior Solicitor to be promoted to the directorate rank. Career progression is considered reasonable.

The Solicitor grade in the IPD

4.56 The Solicitor grade in the IPD is a core professional grade in the IPD. Over the past decade, the IP law and related issues have increased in scope and complexity. IP law is a fast emerging specialty, and its IP lawyers are highly sought after by the market in Hong Kong, the Mainland and overseas. The Solicitor grade in the IPD plays a pivotal role in handling complicated legal and technical issues that require extensive research into and comparative analysis of the systems in other jurisdictions. Along with the popularity of the Internet, copyright protection in the digital environment is an important issue which demands a high degree of professional input from the Solicitor grade in the IPD.

4.57 The IPD has encountered recruitment difficulties in recent years. As shown in the following table, the IPD could not always identify sufficient suitable candidates to meet its target. This is further aggravated by the fact that some offers have been declined, resulting in a relatively high vacancy rate and heavier workload for other colleagues.

Year of Recruitment Exercise	Target Number of Recruits	Number of Offers Made	Number of Offers Declined	Candidates Reported for Duty
2005	6	3	1	2
2006	7	7	1	6
2007	5	4	1	3
2008	6	Pending [#]	Pending [#]	Pending [#]

[#] Position as at 19.10.2008

4.58 We note from some serving IPD staff that they are attracted to the job because they find the job meaningful and an ideal platform to develop expertise in the IP field.

4.59 The IPD is losing talent. Despite the small number of resignations, the unnatural wastage rates were high given the small size of the grade. Figures are shown in the following table.

Year	Resignations		Unnatural Wastage Rate	
	Solicitor Rank	Senior Solicitor Rank	Solicitor Grade	Civil Service
2004-05	1	0	11.1%	0.5%
2005-06	0	0	0%	0.5%
2006-07	1	0	14.3%	0.5%
2007-08	2 [#]	0	14.3%	0.6%

[#] Exclude one staff on transfer to other bureau/department

4.60 The Solicitor (IPD) to Senior Solicitor (IPD) ratio is 1.25 : 1. The IPD has advised that on average it takes about three and a half years for a Solicitor to be promoted to the Senior Solicitor rank, and it takes a Senior Solicitor about eight years to be promoted to the directorate rank. The situation will change depending on the profile of the incumbent members and openings at senior levels.

Analysis and recommendations

4.61 We have considered whether the changes proposed for the GC grade should be applicable to the related grades. On the basis of information provided above, the problems faced by the LAC and Solicitor grades (except the Solicitor grade in the IPD) do not appear to be serious. However, we are also mindful of the similarities among the legal grades –

- (a) The entry qualifications for the GC, LAC and Solicitor ranks are virtually identical. A qualified legal practitioner can in fact apply for the three ranks using the same set of qualifications.
- (b) There are similarities in the work responsibilities between the GC rank and the LAC and Solicitor ranks.
- (c) If the improvement were to be introduced to the GC rank but not the LAC and Solicitor ranks, the problems currently faced by the GC rank could be shifted to the LAC and Solicitor ranks over time.

4.62 On balance, we **recommend** that the proposed changes to the pay scale of the GC rank should also be applicable to the LAC and

Solicitor ranks. The proposals at the SGC rank do not apply to the LAC and Solicitor grades. We understand that the Solicitor grade already has a DL1 rank, with eight posts in the USG stream but no post in the IPD. We are advised that the Senior Solicitor rank and the Solicitor rank in the IPD have since 2000 been handling some substantive hearings¹⁴ and registrability hearings hitherto handled by an Assistant Director and Senior Solicitors respectively. Subject to the view of the Standing Committee on Directorate Salaries and Conditions of Service, there seems to be a prima facie case for the department to review whether certain Senior Solicitor posts in the IPD are functionally justified for upgrading to the next higher rank beyond the senior professional level. We **recommend** that the IPD, in conjunction with relevant bureaux and departments, should actively explore options in this direction.

Other Issues

4.63 As mentioned in the beginning of our report, we firmly believe that pay and conditions of service could not, and should not, be the only solution to tackle recruitment and retention problems. In the course of our review, we have received representations on issues that may not be directly related to the grade structure per se, but are nevertheless relevant in attracting, retaining and motivating the staff. We highlight the key aspects for the Administration to consider what, if any, follow-up action is appropriate.

Better manpower planning

4.64 Both the management and staff representatives of the legal grades have expressed their concern about poor promotion prospect and suggested creating more posts to improve the situation. In the case of the GC grade, there is a suggestion for fixing the ratio of SGC to DPGC at 4 : 1 to ensure a reasonable level of supervision and a realistic promotion prospect.

4.65 It has always been our position that the creation of posts must be justified on functional grounds. In the 1989 Salary Structure Review, the Commission reviewed the representations on promotion prospects, and

¹⁴ Substantive hearings are inter-parte hearings involving complex legal and IP issues. Registrability hearings are ex-parte hearings called by trademark applicants if they are not able to overcome the Registrar's objection to the registrability of their trademarks.

advised against setting a common or standard ratio between the numbers of posts of consecutive ranks in the civil service because of the disparate functional and operational requirements of different grades. The Commission pointed out that only the grade management concerned could properly assess the staffing requirements and seek the necessary provision.¹⁵ Indeed, we observe that the rank ratios vary considerably among the legal grades. The ratios of GC : SGC and Solicitor : Senior Solicitor in the USG are both about 0.4 : 1, whereas the corresponding ratios in the LAC grade and the Solicitor (IPD) grade are about 1.32 : 1 and 1.25 : 1 respectively.

4.66 It is the responsibility of the grade and departmental management to conduct regular establishment reviews. We understand that there is already well-established mechanism for conducting stocktaking exercises at regular intervals. We encourage all relevant grades and departments to keep their grades under reviews to meet the changing developments.

Other human resource issues

4.67 In the course of the GSR, we have received views from the management and staff on various issues that have an impact on staff morale. The issues include housing benefits, leave and working environment. The Home Financing Allowance and Non-accountable Cash Allowance are subject to a ten-year limit. Officers who have exhausted their entitlement are faced with a reduction in take-home pay. As to the leave entitlement, officers employed under the new civil service terms are entitled to 18 days of annual leave, which is much shorter than those appointed before June 2000. Some officers have also suggested that the management should take positive steps to improve the working environment (e.g. by providing air conditioning during weekends, if necessary) so that staff can feel that their service and well-being are valued.

4.68 Some of the above issues such as housing benefits and leave entitlement are part and parcel of the terms of appointment, and changes would entail service-wide implications that require careful consideration. Other issues such as working environment, which may be peculiar to individual departments, are worthy of consideration. We encourage the grade and departmental management to be more responsive to staff

¹⁵ Standing Commission Report No. 23: First Report on 1989 Salary Structure Review, paragraph 6.45

concerns, for instance, by providing air conditioning if work after office hours or during weekends becomes inevitable. A healthier working environment is conducive to improving staff morale and enhancing the efficiency and effectiveness of service.

4.69 Indeed, we consider it necessary to adopt a holistic approach to attract and retain lawyers of high calibre in the civil service. Apart from pay and conditions of service, an efficient recruitment process will also put the Government in a stronger position in the competition with the private sector for talent. We note that in the past few years, the recruitment of legal officers took about five to nine months from placement of an advertisement to making the first offer. This may have put the Government in a disadvantageous position in competing for talents. As candidates of high calibre may apply for a number of jobs concurrently and receive multiple offers, it is important for the Government to make offers more expeditiously in order to secure the appointment. The recruitment process should therefore be well timed, scheduled and completed within a reasonable duration. We note that the DoJ and the civil service in general are taking steps to streamline and expedite the recruitment process.

4.70 The staff representatives have suggested that the Administration should improve their training opportunities and provide attachment arrangements with other legal departments, policy bureaux and overseas organisations. Continuing professional development is key to a rewarding and fulfilling career which we believe is an important factor for retaining competent lawyers who are interested in serving the community through Government service. We consider it important for members of the GC and SGC ranks to have opportunities to visit related organisations in other jurisdictions, attend seminars and training courses, participate in international legal conferences to develop their expertise, further broaden their horizon and help build a network with their overseas counterparts. We trust that these measures would boost the morale of the staff, encourage them to develop a fulfilling career in the civil service, and better equip them to meet future challenges in the administration of justice.

Standing Commission on Civil Service Salaries and Conditions of Service

Terms of Reference

I. To advise and make recommendations to the Chief Executive in respect of the non-Directorate Civil Service, other than the Judiciary and the Disciplined Services, on –

- (a) the principles and practices governing grade, rank and salary structure;
- (b) the salary and structure of individual grades;
- (c) whether overall reviews of pay scales (as opposed to reviews of the salary of individual grades) should continue to be based on surveys of pay trends in the private sector conducted by the Pay Survey and Research Unit, or whether some other mechanisms should be substituted;
- (d) the methodology for surveys of pay trends in the private sector conducted by the Pay Survey and Research Unit, subject to advice under I(c) and having regard to the advice of the Pay Trend Survey Committee;
- (e) matters relating to those benefits, other than salary, which the Commission advises as being relevant to the determination of the civil service remuneration package, including the introduction of new benefits or proposed changes to existing benefits;
- (f) suitable procedures and machinery to enable staff associations and staff to discuss with management their views on matters within the terms of reference of the Commission;
- (g) the circumstances in which it would be appropriate for the Commission itself to consider any issue, and how staff associations and management might present their views to the Commission in such circumstances; and
- (h) such matters as the Chief Executive may refer to the Commission.

II. The Commission shall keep the matters within its terms of reference under continuing review, and recommend to the Chief Executive any necessary changes.

III. The Commission shall give due weight to any wider community interest, including financial and economic considerations, which in its view are relevant.

IV. The Commission shall give due weight to the need for good staff relations within the Civil Service, and in tendering its advice shall be free to make any recommendations which would contribute to this end.

V. In considering its recommendations and advice, the Commission shall not prejudice the 1968 Agreement between the Government of the Hong Kong Special Administrative Region and the Main Staff Associations (1998 Adapted Version).

VI. The staff associations making up the Staff Side of the Senior Civil Service Council and the Model Scale 1 Staff Consultative Council may jointly or individually refer matters relating to civil service salaries or conditions of service to the Commission.

VII. The heads of departments may refer matters relating to the structure, salaries or conditions of service of individual grades to the Commission.

VIII. The Commission shall not consider cases of individual officers.

IX. The Commission may wish to consider in the light of experience whether changes in its composition or role are desirable.

X. In carrying out its terms of reference, the Commission should ensure that adequate opportunities are provided for staff associations and management to express their views. The Commission may also receive views from other bodies which in its view have a direct interest.

Membership of the Commission

Chairman

Mr Nicky Lo Kar-chun, JP

Members

Mr Owen Chan Shui-shing (since 1.8.2008)

Mr Barry Cheung Chun-yuen, JP (since 1.1.2008)

Professor the Honourable Anthony Cheung Bing-leung, BBS, JP (until 31.12.2007)

Ms Virginia Choi Wai-kam

Dr Miranda Chung Chan Lai-foon (since 1.1.2008)

Professor Ho Lok-sang

The Honourable Jeffrey Lam Kin-fung, SBS, JP (since 1.1.2008)

Mr Mark Lettenbichler (until 1.1.2008)

Mrs Eleanor Ling Lee Ching-man, SBS, JP (until 31.3.2008)

Mr Andy Lo Kwong-shing

Mr Mak Ping-on (until 31.12.2007)

Mr Pang Yiu-kai, SBS, JP (since 1.4.2008)

Mr Howard Young, SBS, JP (until 31.12.2007)

List of Submissions Received

Grade / Departmental Management

Director of Administration and Development, Department of Justice

Director of Agriculture, Fisheries and Conservation

Director of Intellectual Property

Director of Legal Aid

Official Receiver

Staff Associations / Grade Representatives

Departmental Consultative Committee Representative for Government Counsel, Civil Division of the Department of Justice

Departmental Consultative Committee Representative for Government Counsel and Senior Government Counsel in Law Drafting Division of the Department of Justice

Intellectual Property Department Departmental Consultative Committee

Legal Aid Counsel Association

Local Government Counsel Association

Others

One submission on behalf of 72 counsel appointed since 2000

One submission on behalf of some Veterinary Officer grade members

List of Departments Visited and Staff Consultative Council / Grade Representatives Met by the Commission

Departments	Date
Agriculture, Fisheries and Conservation Department	14 March 2008
Department of Justice	28 April 2008
Intellectual Property Department	7 April 2008
Legal Aid Department	14 April 2008
Staff Consultative Council / Grade Representatives	Date
Senior Civil Service Council	29 May 2008
Staff representatives of the Veterinary Officer grade	14 March 2008
Staff representatives of the Government Counsel grade	28 April 2008 and 27 October 2008
Staff representatives of the Solicitor grade in the Intellectual Property Department	7 April 2008
Staff representatives of the Legal Aid Counsel grade	14 April 2008

Master Pay Scale

(w.e.f. 1 April 2008)

Point	\$	Point	\$
49	92,720	24	32,055
48	89,505	23	30,615
47	86,395	22	29,235
46 (44B)	83,370	21	27,910
45 (44A)	80,485	20	26,585
44	77,675	19	25,320
43	74,970	18	24,120
42	71,880	17	22,985
41	68,915	16	21,880
40	66,060	15	20,835
39	63,335	14	19,835
38	60,535	13	18,885
37	57,875	12	17,805
36 (33C)	55,265	11	16,760
35 (33B)	52,815	10	15,785
34 (33A)	50,475	9	14,890
33	48,400	8	13,985
32	46,230	7	13,120
31	44,155	6	12,310
30	42,175	5	11,580
29	40,290	4	10,845
28	38,470	3	10,190
27	36,740	2	9,565
26	35,095	1	8,985
25	33,520	0	8,455

