

LEGISLATIVE COUNCIL BRIEF

Grade Structure Review for the Disciplined Services Grades

INTRODUCTION

At the meeting of the Executive Council on 2 October 2018, the Council **ADVISED** and the Chief Executive (CE) **ORDERED** that –

- (a) the Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) should be invited to conduct a Grade Structure Review (GSR) for the disciplined services grades¹, and the Standing Committee on Directorate Salaries and Conditions of Service (SDCS) should be invited to advise on the salaries and conditions of service of the heads of the seven departments/agency; and
- (b) in future, a GSR should be conducted for the disciplined services grades once every ten years.

JUSTIFICATIONS

2. The last GSR for the disciplined services was conducted in 2008. The review originated from the Pay Level Survey (PLS) conducted for the civil service by the Government in 2006. The disciplined services grades were not covered in the scope of the survey in view of the absence of market comparators. The results of the PLS were applied to the disciplined services on the basis of their then prevailing pay relativities with the civilian grades. In November 2007, SCDS accepted the Government's invitation to conduct a GSR for all the disciplined services to examine whether this set of relativities was still valid and appropriate. SDCS was also invited to advise on the structure and pay scales of the civilian directorate grades and the salaries of the heads of the disciplined services.

3. SCDS recommended vide its report published in November

¹ The disciplined services grades are in seven departments/agency, namely, the Correctional Services Department, Customs and Excise Department, Fire Services Department, Government Flying Service, Immigration Department, Hong Kong Police Force and Independent Commission Against Corruption.

2008 on the GSR for disciplined services grades, among other things, raising the scale minima/maxima, enhancing Long Service Increments, introducing additional incremental jumps, introducing/enhancing the job-related allowances for certain disciplined services ranks, etc. SCDS also recommended that a system should be put in place for reviewing the grade structure and pay levels of the disciplined services grades on a regular basis. Insofar as the heads of the disciplined services are concerned, SDCS considered their then salary levels appropriate and recommended no change.

4. CE-in-Council subsequently accepted most of the recommendations made by SCDS as well as SDCS and decided that, for greater flexibility, GSRs or comprehensive reviews of the structure, pay and conditions of service of the disciplined services grades should be conducted as and when necessary if there are: (a) proven recruitment and retention problems; or (b) significant changes in the job nature, responsibilities, etc. of the disciplined services grades (the GSR policy guidelines). CE-in-Council further decided that the Administration, or the departmental management or staff side of any disciplined services grade, could request the conduct of GSR with justifications.

5. In recent years, different stakeholders including the staff side and departmental management of the disciplined services have urged the Administration to conduct a GSR for the disciplined services grades on grounds that there are recruitment and retention difficulties, or that there have been substantial changes to the nature of their work. Members of the disciplined services grades also consider that the Improved Civil Service Pay Adjustment Mechanism (Improved Mechanism) implemented since 2007 has no regard to the “uniqueness” of the disciplined services grades which have no comparable positions in the private sector.

Recruitment and Retention Situation

6. On recruitment, the number of applications submitted for disciplined services positions has been exceeding the recruitment targets over the years, demonstrating that positions in the disciplined services grades remain very attractive to job applicants. On retention, the three-year average resignation and vacancy rates of the disciplined services grades indicate a stable overall situation, although we are mindful that the manpower situation faced by certain grades is relatively more acute and warrants special attention.

Job Nature and Responsibility

7. Different staff side representatives of the disciplined services grades opine that their grades have been shouldering heavier workload and bearing more complex responsibilities since the 2008 GSR. The Administration fully recognises the work and contribution of the

disciplined services grades. We do not dispute the fact that they are facing mounting workloads and pressure. Their responsibilities have become more complex, as evidenced by the growing demand and expectation from the public, the need to keep pace with the evolving changes in statutory requirements or guidelines, the heterogeneous developments in the societal environment, etc. However, the challenges faced by other civil service grades have also increased. The claim by the disciplined services that their job nature has changed significantly is hard to substantiate, as the nature of the professional duties that they discharge has remained essentially the same. Assessed against the existing GSR policy guidelines, the case for conducting a GSR for the disciplined services grades on their changes in job nature and responsibilities is not strong.

Lack of Comparable Jobs in Private Sector

8. The Government's pay policy for the civil service (including the disciplined services) 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 civil service remuneration is regarded as fair by both the civil servants and the public that they serve by maintaining broad comparability between civil service and private sector pay. To implement this policy, civil service pay is compared with market pay on a regular basis through three different types of surveys under the Improved Mechanism² endorsed by CE-in-Council in 2007. In the absence of comparable jobs in the private sector, the disciplined services grades are currently not covered by the PLS and SSS where broadly comparable jobs in the private sector are selected for matching with civil service jobs to ascertain their pay levels and starting salaries respectively. The results of the surveys are applied to the disciplined services grades according to internal relativities that exist between them and the civilian grades. The disciplined services staff side consider that the current arrangement fails to recognise their "uniqueness". They consider the arrangement unjust and that an independent pay adjustment mechanism should be established to measure disciplined services pay since no comparison could be drawn by the existing pay surveys between civil service disciplined services grades and any relevant private sector jobs.

9. Considering that the duties of the majority of positions of the disciplined services grades are not found in the private sector, and with the lapse of ten years since the last GSR in 2008, to carry out another

² The Improved Mechanism comprises (a) the annual Pay Trend Survey to ascertain year-on-year pay adjustment movements in the private sector; (b) the triennial Starting Salaries Survey (SSS) to compare the starting salaries of civil service civilian grades with the entry pay of jobs in the private sector requiring similar qualifications; and (c) the six-yearly PLS to ascertain whether civil service pay is broadly comparable with private sector pay.

comprehensive GSR for the disciplined services grades to examine whether the existing set of internal relativities is still valid and appropriate is justifiable on policy grounds. CE-in-Council decided that SCDS and SDCS should be invited to conduct a GSR for all disciplined services grades, with SDCS focusing on the heads of the disciplined services. Drawing reference from the 2008 GSR, the GSR should focus on the appropriate pay scale for each of the grades and ranks in each disciplined service; examine the grade structure for individual disciplined services and any other issues which the SCDS and SDCS may come across and which they consider to be relevant to the GSR. Given the comprehensive scope of the review and the emphasis on ensuring sufficient and thorough consultation with stakeholders, we anticipate that the GSR will take around 18 months to complete.

10. CE-in-Council decided, at the same time, that GSR for the disciplined services grades should be conducted on a regular basis to tackle the current situation that no comparable jobs are available in the private sector for most of the disciplined services grades. This is to ensure that their remuneration, pay scales and grade structures, etc. are keeping up with the times. CE-in-Council agreed that a ten-year interval between each round of comprehensive GSR for the disciplined services grades appropriate considering the time required for undertaking the review and consultation with stakeholders. This arrangement would be in addition to the existing GSR policy guidelines which will continue to apply to individual grades (for civilian and disciplined services alike) facing recruitment and retention difficulties, or having experienced substantial changes in job nature or responsibilities.

IMPLICATIONS OF THE DECISION

11. The decision is in conformity with the Basic Law, including the provisions concerning human rights. It has no economic, environmental, family, gender, productivity or sustainability implications. The financial implications arising from the pay-related recommendations of the GSR for the disciplined services grades will depend on the final recommendations by SCDS and SDCS. As for the necessary financial and manpower resources for conducting the review, they will be sought by the Administration in accordance with the established mechanism.

PUBLIC CONSULTATION

12. The decision is a response to the request made by the disciplined services staff side on different occasions.

PUBLICITY

13. A spokesperson will be available to answer media enquiries. We will brief the Legislative Council Panel on Public Service on 15 October 2018.

14. Enquiries on this brief should be addressed to Mr Benjamin MOK, Principal Assistant Secretary for the Civil Service (Tel: 2810 3112).

**Civil Service Bureau
October 2018**