

BRIEF FOR THE LEGISLATIVE COUNCIL

**2002 CIVIL SERVICE PAY ADJUSTMENT
PUBLIC OFFICERS PAY ADJUSTMENT BILL**

INTRODUCTION

At the meeting of the Executive Council on 28 May 2002, the Council ADVISED and the Chief Executive ORDERED that –

- (a) we should adjust civil service pay as originally proposed, i.e. a pay reduction of 4.42% for the directorate and the upper salary band, 1.64% for the middle salary band and 1.58% for the lower salary band with effect from 1 October 2002; and

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- (b) the Public Officers Pay Adjustment Bill, at Annex A, should be introduced into the Legislative Council (LegCo).

BACKGROUND AND ARGUMENT

Previous Executive Council Decision

2. On 22 May 2002, the Council ADVISED and the Chief Executive ORDERED that –

- (a) an offer of a pay reduction of 4.42% for the directorate and the upper salary band, 1.64% for the middle salary band, and 1.58% for the lower salary band, with effect from 1 October 2002, should be put to the staff sides of the four central consultative councils;
- (b) agreement in principle should be given to the draft Public Officers Pay Adjustment Bill;
- (c) a copy of the draft Bill should be provided to the staff sides of the central consultative councils for comment concurrently when making the pay offer;
- (d) the Chief Executive in Council's approval of the Bill, with the rates of adjustment specified for the respective salary bands, should be sought if following consideration of the reaction of the

staff sides to the pay offer it is eventually decided that civil service pay should be reduced; and

- (e) pending further consideration of the new arrangement for determining the pay and conditions of service for judges and judicial officers, the pay reduction currently proposed for civil servants will not be applied to judges and judicial officers.

We notified the staff sides of the four central consultative councils of the pay offer on 22 May and provided them with a copy of the draft Bill for comment.

Reaction of the Staff Sides of the Central Consultative Councils

3. The staff side of the Senior Civil Service Council (SCSC) considered that this year's pay adjustment exercise had been conducted in haste and that the Administration had not respected the spirit of consultation. It commented that the Administration had already made up its mind on the matter as it had prepared the draft legislation for implementing a civil service pay reduction before making known its pay adjustment decision to the staff sides. The staff side said that it was prepared to further discuss with the Administration. But if no agreement could be reached, they suggested that a Committee of Inquiry should be set up under the 1968 Agreement signed between the HKSARG and the main staff associations¹. It reiterated that a pay freeze for 2002-03 would be appropriate.

4. The staff side of the Model Scale One Consultative Council (Mod I Council) reiterated its original proposal of a pay freeze and objected to the

¹ The 1968 Agreement was signed between the Hong Kong Government and the Hong Kong Chinese Civil Servants Association (HKCCSA), the Association of Expatriate Civil Servants (AECS) and the Senior Non-Expatriate Officers Association (SNEOA). Clause 7(1) of the 1968 Agreement stipulates that "If the Chairman of the Council and the leader or leaders of the Staff Side jointly declare that there are no prospects of reaching agreement on any matter within the scope of this Agreement, existing administrative channels shall first be used in an effort to enable agreement to be reached, failing which an independent Committee of Inquiry will be appointed by the Chief Executive, provided the Chief Executive so decides and the Associations so request, and provided the matter in dispute is not one which, in the opinion of the Chief Executive: -

- (a) is trivial;
- (b) is a matter of settled public policy; or
- (c) affects the security of the HKSAR;

and provided further that the Chief Executive may at any time, if he considers that the prospects for reaching agreement have materially improved, direct that the matter in dispute be referred back to the Council for reconsideration."

proposed legislative approach to implement a pay reduction. It expressed concern that the proposed pay reduction legislation would set a precedent for the Government to further cut back the conditions of service of civil servants, in particular pension benefits, in future by legislative means.

5. The staff side of the Disciplined Services Consultative Council (DSCC) said that it respected the established pay adjustment mechanism. But it objected to the proposed legislative approach to implement a pay reduction. It proposed that the civil service pay adjustment exercise this year should be held in abeyance pending the completion of the comprehensive review of civil service pay policy and system. The negative pay trend indicators this year could then be considered in the context of the new pay adjustment mechanism to be put in place. It said that the proposed approach was in line with the treatment for judges and judicial officers and that the savings originally envisaged to be obtained from the pay reduction could be recouped through productivity enhancement measures.

6. The staff side of the Police Force Council (PFC) has not submitted any views on the pay offer to the Administration and has refused to continue discussions with the Administration on this year's civil service pay adjustment.

B - D 7. The three letters from the staff sides are at Annexes B to D.

Consideration

8. The staff sides of SCSC and the Mod I Council have counter-proposed a pay freeze across-the-board while DSCC has proposed to hold this year's pay adjustment exercise in abeyance. The three councils object to the proposed legislative approach to implement civil service pay reduction. Since we made the pay offer on 22 May 2002, the Secretary for the Civil Service has explained to staff and the public on various occasions the need for legislation to implement a reasonable and justified decision made under the established pay adjustment mechanism. In response to staff concerns that the proposed legislation will set a precedent for the Government to further cut back the conditions of service of civil servants in future, we have explained that the proposed legislation aims to cater specifically for the 2002 civil service pay adjustment and will not cover other conditions of service of the civil service.

9. On the comment of the staff side of the SCSC that the Administration did not respect the consultation mechanism in this year's pay adjustment exercise, we should point out that we have, in strict accordance

with the established consultation procedures, invited the staff sides to submit a pay claim and invited their views on the pay offer. As regards the suggestion of the staff side of SCSC to set up a Committee of Inquiry as provided under the 1968 Agreement¹, the Chief Executive will consider such a request when received.

10. On the proposal of the DSCC that we should hold the 2002 civil service pay adjustment exercise in abeyance pending the completion of the comprehensive review of civil service pay policy and system, we should point out that the comprehensive review being carried out by the Standing Commission on Civil Service Salaries and Conditions of Service, the Standing Committee on Disciplined Services Salaries and Conditions of Service and the Standing Committee on Directorate Salaries and Conditions of Service is a full-scale review which will take some time to complete. The Government has committed, and the staff sides have hitherto accepted, that we should follow the established mechanism for this year's civil service pay adjustment exercise. We do not see any justification for the approach now proposed by DSCC.

11. For the community at large, it was generally felt that the proposed pay adjustment rates were acceptable although some (particularly the business sector) considered the pay offer too modest compared with the situation in the private sector. There continued to be criticisms against certain perceived shortcomings of the existing pay trend survey methodology and the Government was urged to introduce a new pay adjustment arrangement which would be more sensitive to pay movements in the private sector. A number of editorials and academics which commented on the proposed legislative approach supported it. In response to suggestions from some civil service staff unions that they would take strong protest action against the proposed legislative approach, the general media reaction was that civil servants should look at the matter rationally and objectively and that staff and management should work together for a satisfactory solution.

12. Having considered all relevant factors, we consider that the proposed pay adjustment, which is in line with the net pay trend indicators of the 2001-02 Pay Trend Survey, is reasonable and has struck a balance between the concerns of civil servants and the wider interests of the community. We therefore decide that the size of this year's pay adjustment should be as originally offered to the staff sides.

The Bill

13. We will introduce the Public Officers Pay Adjustment Bill, at Annex A, into the LegCo. We have set out in the Brief for the Legislative Council issued on 22 May 2002 the justifications for a legislative approach to implement the civil service pay reduction.

14. Compared with the draft Bill which is attached to the Brief for the Legislative Council issued on 22 May 2002, we have made the following changes in the Bill at Annex A –

- (a) we have specified the rates of adjustment for the respective salary bands in the long title and Schedule 2 of the Bill;
- (b) the rate of adjustment for the Director of Audit is specified in clause 6 and the Explanatory Memorandum of the Bill;
- (c) for clarity, clause 4 of the Bill now refers specifically to the ICAC officers and the ICAC Pay Scale. Consequential amendments are made to clause 2, clause 5, clause 7, Schedule 1, Schedule 2 and the Explanatory Memorandum of the Bill;
- (d) subsection (2) in clause 9 of the draft Bill² about restrictions on claims for compensation, damages or other remedies is deleted because strictly speaking this provision is unnecessary and has previously been included in the Bill for the avoidance of doubt;
- (e) clause 9 is amended such that the contracts of employment of public officers are to be read as expressly authorising the adjustments to pay and allowances made by the Bill; and
- (f) Schedule 3 is amended such that in addition to pay, the allowances of judicial officers will not be subject to the pay reduction.

15. The key provisions of the Bill are set out below –

- (a) Clause 2 defines the terms used in the Bill.

² Clause 9(2): “For the avoidance of doubt, it is declared that –

- (a) a public officer is not entitled to compensation or damages only because of a reduction made to the pay or the amount of any allowance payable to that officer by this Ordinance;
- (b) a public officer is not entitled to exercise any contractual right or remedy, only because of a reduction made to the pay or the amount of an allowance payable to that officer made by this Ordinance.”

- (b) Clause 3 reduces the pay pertaining to a point on the civil service pay scales by the relevant percentage specified in Schedule 2 to the Bill.
- (c) Clause 4 reduces the pay pertaining to a point on the ICAC Pay Scale by the relevant percentage specified in Schedule 2 to the Bill.
- (d) Clause 5 reduces the pay of public officers who are not civil servants or ICAC officers but whose pay is determined or adjusted in accordance with or by reference to a civil service pay scale by the relevant percentage specified in Schedule 2 to the Bill.
- (e) Clause 6 reduces the rate of salary payable to the Director of Audit by a specified percentage.
- (f) Clause 7 reduces the allowances payable to public officers where the allowance rate is determined or adjusted in accordance with or by reference to a civil service pay scale or the ICAC Pay Scale.
- (g) Clause 8 makes it clear that the Bill does not operate to prohibit or affect any adjustments made after 1 October 2002 to the pay or the amounts of allowances payable to public officers.
- (h) Clause 9 provides that the contracts of employment of public officers are to be read as expressly authorizing the adjustments made by the Bill.
- .
- (i) Clause 10 and Schedule 3 provide that the pay of certain public officers and allowances will not be affected by the Bill.
- (j) Clause 11 empowers the Chief Executive in Council to amend Schedule 3.

Legislative Timetable

16. It is our intention to obtain the LegCo's approval of the 2002-03 civil service pay adjustment within the current legislative session. The legislative timetable is -

| | |
|--|--|
| Publication in the Gazette | 31 May 2002 |
| First reading and commencement of Second Reading Debate | 5 June 2002 |
| Resumption of Second Reading debate, committee stage and Third Reading | To be notified, but no later than 10 July 2002 |

IMPLICATIONS ON THE SUBVENTED SECTOR

17. We have set out in the Brief for the Legislative Council issued on 22 May 2002 the implications of the 2002 civil service pay adjustment on the subvented sector. In short, the annual civil service pay adjustment has an impact on government's funding to the subvented sector, in that some subvented organisations receive subventions which are price-adjusted on the basis of formulae including a factor of civil service pay adjustment. Subject to LegCo's approval of the Public Officer's Pay Adjustment Bill on a reduction in civil service pay, we shall similarly reduce such subventions. This is, therefore, a matter of funding. The question of pay for subvented staff is generally a matter between the subvented organisations and their employees.

IMPLICATIONS ON STARTING SALARIES FOR CIVIL SERVICE RECRUITS

18. The 2002 civil service pay adjustment will not apply to officers who are remunerated on delinked starting salaries. We have set out the reasons for this in the Brief for Legislative Council issued on 22 May 2002. The Bill has provided for such exemption.

BASIC LAW IMPLICATIONS

19. The Department of Justice has advised that the Bill is consistent with the Basic Law.

HUMAN RIGHTS IMPLICATIONS

20. The Department of Justice has advised that the Bill has no human rights implications.

BINDING EFFECT OF THE LEGISLATION

21. The Bill does not contain any express binding effect provision, but it will bind the SARG by necessary implication.

FINANCIAL AND STAFFING IMPLICATIONS

22. The estimated full-year savings arising from proposed pay adjustment in terms of salary and allowances is estimated to be \$3,102 million.

| | \$ million |
|-----------------------------|--------------|
| (a) Civil Service | 1,488 |
| (b) Subvented Organisations | 1,609 |
| (c) Auxiliaries | 5 |
| Total | 3,102 |

The estimated savings in 2002-03 will be \$1,551 million.

23. There are no staffing implications.

ECONOMIC IMPLICATIONS

24. The results of the 2001-02 Pay Trend Survey reflected that employers in the private sector had generally reduced the pay of their employees in the preceding year. The civil service pay reduction, which is considered very modest, should have little impact on the labour market. Currently, the civil service makes up about 5% of the total workforce and civil service emoluments account for about 10% of the overall employment remuneration in the economy. Assuming that the subvented sector will also reduce the pay of their staff in accordance with the civil service pay adjustment, the civil service and employees in subvented organisations together account for about 10% of the total workforce and their emoluments account for about 20% of the overall employment remuneration in the economy.

PUBLICITY

25. The Secretary for the Civil Service will brief the staff sides of the four central consultative councils as well as the four major service-wide staff associations in the afternoon on 28 May 2002. The Secretary for the Civil Service will write to all civil servants to inform them of the Chief Executive in Council's decision and to further explain the rationale for implementing the pay reduction by legislation. A press release will be issued on the same day. A spokesman will be available to answer media enquiries.

SUBJECT OFFICER

26. Enquiries on this brief should be addressed to Miss Angelina Fung, Principal Assistant Secretary for the Civil Service (tel: 2810 3112) or Miss Gloria Lo, Assistant Secretary for the Civil Service (tel: 2810 3259).

Civil Service Bureau
28 May 2002

2002 Civil Service Pay Adjustment

Public Officers Pay Adjustment Bill

Annexes

- Annex A Public Officers Pay Adjustment Bill
- Annex B Letter from the Staff Side of the Model Scale 1 Staff
Consultative Council dated 24 May 2002
- Annex C Letter from the Staff Side of the Disciplined Services
Consultative Council dated 25 May 2002
- Annex D Letter from the Staff Side of the Senior Civil Service
Council dated 24 May 2002
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PUBLIC OFFICERS PAY ADJUSTMENT BILL

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A BILL

To

Adjust with effect on and from 1 October 2002 the pay of public officers paid in accordance with civil service pay scales or the ICAC pay scale by reducing the pay pertaining to each point on those pay scales by –

- (a) in the case of points on those scales the monthly salary pertaining to which is, on 30 September 2002, below \$15,520, 1.58%;
- (b) in the case of points on those scales the monthly salary pertaining to which is, on 30 September 2002, \$15,520 or above but does not exceed \$47,590, 1.64%;
- (c) in the case of points on those scales the monthly salary pertaining to which is, on 30 September 2002, above \$47,590, 4.42%;

with effect on and from the same date to adjust the pay of public officers whose pay is determined in accordance with or by reference to a point on one of those pay scales or whose pay is adjusted in accordance with or by reference to adjustments to one of those pay scales by the corresponding percentages; to provide that with effect on and from the same date the amounts of the allowances payable to public officers that are determined in accordance with or by reference to a point on one of those pay scales or which are adjusted in accordance with or by reference to adjustments to one of those pay scales are to be determined or adjusted in accordance with or by reference to points on those scales as so adjusted; and for connected purposes.

Enacted by the Legislative Council.

PART 1
PRELIMINARY

1. Short title

This Ordinance may be cited as the Public Officers Pay Adjustment Ordinance.

2. Interpretation

In this Ordinance, unless the context otherwise requires –

“allowance” (津貼) means any remuneration, other than pay, payable to a public officer;

“civil service pay scales” (公務員薪級表) means any pay scale specified in Part 1 of Schedule 1;

“ICAC officer” (廉署人員) means a public officer who is an officer within the meaning of section 2 of the Independent Commission Against Corruption Ordinance (Cap. 204);

“ICAC pay scale” (廉署人員薪級表) means the pay scale specified in Part 2 of Schedule 1;

“pay” (薪酬) includes salary, wages, a consultancy fee, a training allowance and an honorarium;

“relevant percentage” (有關百分率) –

- (a) in relation to a point on the civil service pay scales, means the percentage specified in Part 1 of Schedule 2 in respect of that point;
- (b) in relation to a point on the ICAC pay scale, means the percentage specified in Part 2 of Schedule 2 in respect of that point.

PART 2
CIVIL SERVANTS

3. Adjustment of pay of civil servants

(1) The civil service pay scales are, on 1 October 2002, adjusted by reducing the pay pertaining to each point on each of the civil service pay scales by the relevant percentage with each result, if it is not a multiple of \$5, rounded up to the nearest \$5.

(2) The pay payable to a civil servant in accordance with the civil service pay scales as adjusted under subsection (1) is payable with effect on and from 1 October 2002.

(3) Where the pay of a civil servant (not being a civil servant falling within subsection (2)) is –

- (a) determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales;
- (b) adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales; or
- (c) determined and adjusted as mentioned in paragraphs (a) and (b) respectively,

then, with effect on and from 1 October 2002, the pay payable to the civil servant shall be determined, adjusted, or determined and adjusted, as the case may be, in accordance with or by reference to the civil service pay scales as adjusted under subsection (1).

PART 3

PUBLIC OFFICERS OTHER THAN CIVIL SERVANTS

4. Adjustment of pay of ICAC officers

(1) The ICAC pay scale is, on 1 October 2002, adjusted by reducing the pay pertaining to each point on that scale by the relevant percentage with each result, if it is not a multiple of \$5, rounded up to the nearest \$5.

(2) The pay payable to an ICAC officer in accordance with the ICAC pay scale as adjusted under subsection (1) is payable with effect on and from 1 October 2002.

(3) Where the pay of an ICAC officer (not being an ICAC officer falling within subsection (2)) is –

- (a) determined in accordance with or by reference to, directly or indirectly, a point on the ICAC pay scale;
- (b) adjusted in accordance with or by reference to, directly or indirectly, adjustments to the ICAC pay scale; or
- (c) determined and adjusted as mentioned in paragraphs (a) and (b) respectively,

then, with effect on and from 1 October 2002, the pay payable to the ICAC officer shall be determined, adjusted, or determined and adjusted, as the case may be, in accordance with or by reference to the ICAC pay scale as adjusted under subsection (1).

5. Adjustment of pay of certain public officers who are not civil servants or ICAC officers

Subject to section 6, where the pay of a public officer (not being a civil servant or ICAC officer) is –

- (a) determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales or the ICAC pay scale;

- (b) adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales or the ICAC pay scale; or
- (c) determined and adjusted as mentioned in paragraphs (a) and (b) respectively,

then, with effect on and from 1 October 2002, the pay payable to the public officer shall be determined, adjusted, or determined and adjusted, as the case may be, in accordance with or by reference to the civil service pay scales as adjusted under section 3(1), or the ICAC pay scale as adjusted under section 4(1), as the case requires.

6. Adjustment of rate of salary of Director of Audit

(1) Notwithstanding section 4A of the Audit Ordinance (Cap. 122) or any order made under that section, the rate of salary of the Director of Audit is, on 1 October 2002, adjusted by being reduced by 4.42% with the result, if it is not a multiple of \$5, rounded up to the nearest \$5.

(2) The salary payable to the Director of Audit in accordance with the rate of salary as adjusted under subsection (1) is payable with effect on and from 1 October 2002.

(3) This section shall not prejudice the operation of any order made under section 4A of the Audit Ordinance (Cap. 122) after 1 October 2002.

PART 4

ALLOWANCES

7. Adjustment of allowances

Where the amount of an allowance payable to a public officer is –

- (a) determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales or the ICAC pay scale;
- (b) adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales or the ICAC pay scale; or
- (c) determined and adjusted as mentioned in paragraphs (a) and (b) respectively,

then, with effect on and from 1 October 2002, the amount of the allowance payable to the public officer, in so far as the allowance is payable for or attributable to any period beginning on or after that date, shall be determined, adjusted, or determined and adjusted, as the case may be, in accordance with or by reference to the civil service pay scales as adjusted under section 3(1), or the ICAC pay scale as adjusted under section 4(1), as the case requires.

PART 5

GENERAL PROVISIONS

8. Future adjustments

The adjustments made by this Ordinance to the pay, and the amounts of any allowances, payable to public officers do not prohibit or affect any adjustment to the pay or the amounts of any allowances payable to public officers made after 1 October 2002.

9. Express authority for adjustments

The contracts of employment of public officers are to be read as expressly authorizing the adjustments to pay and the amounts of the allowances made by this Ordinance.

PART 6

EXEMPTIONS AND AMENDMENT OF SCHEDULE

10. Exempted public officers and allowances

(1) This Ordinance does not apply to the pay or the pay and allowances, as the case may be, of the public officers or classes of public officer specified in Schedule 3.

(2) This Ordinance does not apply to the allowances specified in Schedule 3.

11. Amendment of Schedule 3

The Chief Executive in Council may, by notice published in the Gazette, amend Schedule 3.

SCHEDULE 1

[s. 2]

PAY SCALES

PART 1

CIVIL SERVICE PAY SCALES

1. Master Pay Scale – point 0 to point 49
2. Model Scale 1 Pay Scale – point 0 to point 13
3. Police Pay Scale – point 1a to point 59
4. General Disciplined Services (Commander) Pay Scale – point 1 to point 4
5. General Disciplined Services (Officer) Pay Scale – point 1d to point 38
6. General Disciplined Services (Rank and File) Pay Scale – point 1a to point 27
7. Directorate Pay Scale – point D1 to point D10
8. Directorate (Legal) Pay Scale – point DL1 to point DL7

9. Training Pay Scale – point 1 to point 16
10. Technician Apprentice Pay Scale – point 0 to point 4
11. Craft Apprentice Pay Scale – point 0 to point 4

PART 2
ICAC PAY SCALE

Independent Commission Against Corruption Pay Scale – point 1 to point 48

SCHEDULE 2
RELEVANT PERCENTAGES

[s. 2]

PART 1
CIVIL SERVICE PAY SCALES

| Item | Points on the civil service pay scales | Relevant percentage |
|------|--|---------------------|
| 1. | Points on the civil service pay scales the monthly salary pertaining to which is, on 30 September 2002, below \$15,520 | 1.58% |
| 2. | Points on the civil service pay scales the monthly salary pertaining to which is, on 30 September 2002, \$15,520 or above but does not exceed \$47,590 | 1.64% |
| 3. | Points on the civil service pay scales the monthly salary pertaining to which is, on 30 September 2002, above \$47,590 | 4.42% |

PART 2
ICAC PAY SCALE

| Item | Points on the ICAC pay scale | Relevant percentage |
|------|--|---------------------|
| 1. | Points on the ICAC pay scale the monthly salary pertaining to which is, on 30 September 2002, below \$15,520 | 1.58% |
| 2. | Points on the ICAC pay scale the monthly salary pertaining to which is, on 30 September 2002, \$15,520 or above but does not exceed \$47,590 | 1.64% |
| 3. | Points on the ICAC pay scale the monthly salary pertaining to which is, on 30 September 2002, above \$47,590 | 4.42% |

SCHEDULE 3

[ss. 10 & 11]

EXEMPTED PUBLIC OFFICERS AND ALLOWANCES

1. This Ordinance does not apply so as to adjust the pay of a public officer who is remunerated on a salary, being a starting salary, that is not linked to the annual civil service pay adjustment.
2. This Ordinance does not apply so as to adjust the pay or allowances of a judicial officer -
 - (a) holding a judicial office -
 - (i) specified in Schedule 1 to the Judicial Officers Recommendation Commission Ordinance (Cap. 92);
 - or

- (ii) known as Senior Deputy Registrar, High Court; or
- (b) appointed by the Chief Justice.

Explanatory Memorandum

The object of this Bill is to reduce with effect on and from 1 October 2002 the pay and the amount of the allowances payable to certain public officers by –

- (a) in the case of officers whose monthly salary is, on 30 September 2002, below \$15,520, 1.58%;
- (b) in the case of officers whose monthly salary is, on 30 September 2002, \$15,520 or above but does not exceed \$47,590, 1.64%;
- (c) in the case of officers whose monthly salary is, on 30 September 2002, above \$47,590, 4.42%.

2. Clause 2 defines the terms used in the Bill.
3. Clause 3 reduces the pay pertaining to the points on the civil service pay scales set out in Part 1 of Schedule 1 by the percentage specified in Part 1 of Schedule 2 in respect of each point. The civil servants affected by the reduction include all civil servants subject to the civil service pay scales as well as all civil servants whose pay is determined or adjusted in accordance with or by reference to the civil service pay scales.
4. Clause 4 reduces the pay pertaining to the points on the ICAC pay scale set out in Part 2 of Schedule 1 by the percentage specified in Part 2 of Schedule 2 in respect of each point. The public officers affected by the reduction include all ICAC officers subject to the ICAC pay scale as well as all ICAC officers whose pay is determined or adjusted in accordance with or by reference to the ICAC pay scale.
5. Clause 5 reduces the pay of public officers who are not civil servants or ICAC officers but whose pay is determined or adjusted in accordance with or by

reference to the civil service pay scales or the ICAC pay scale. The reduction parallels the reduction to the pay scale to which the pay of the public officer concerned is linked.

6. Clause 6 reduces the rate of salary payable to the Director of Audit by 4.42%.

7. Clause 7 reduces the amounts of the allowances payable to public officers where the amount of the allowance concerned is determined or adjusted in accordance with or by reference to the civil service pay scales or the ICAC pay scale. The reduction parallels the reduction to the pay scale to which the amount of the allowance concerned is linked.

8. Clause 8 makes it clear that the Bill does not operate to prohibit or affect any adjustments made after 1 October 2002 to the pay or the amounts of allowances payable to public officers.

9. Clause 9 provides that the contracts of employment of public officers are to be read as expressly authorizing the adjustments made by the Bill.

10. Clause 10 and Schedule 3 specify the public officers whose pay or allowances will not be affected by the Bill.

11. Clause 11 empowers the Chief Executive in Council to amend Schedule 3.

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第一標準薪級公務員評議會
MODEL SCALE 1 STAFF CONSULTATIVE COUNCIL
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公務員事務局局長
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王局長：

2002年公務員薪酬調整

職方得悉政府初步決定按照薪酬趨勢調查淨指標調整本年度的公務員薪酬，首長級和高層公務員減薪4.42%、中層減薪1.64%及低層減薪1.58%。

在仔細考慮各項因素後，職方認為本年度全體公務員應凍薪，理由已詳述於二零零二年五月十五日呈交予公務員事務局局長的信件內。

另外，職方反對以立法形式，明文調低公務員的薪酬。我們認為，公務員現時已有一套完整及行之有效的薪酬調整機制；過往，亦有例子顯示，政府在沒有立法的情況下，不跟隨薪酬趨勢調查的結果而調整員工薪酬，如1991年低層、中層及高層的薪酬趨勢調查淨指標分別為12.09%、12.49%及11.88%，但最終全體公務員只加薪10.43%。

職方認為政府不應立法減薪，因為員工極之擔憂此例一開，政府亦可立法削減公務員的其他福利，尤其是退休金；立法減薪可帶來深遠的影響，亦令員工士氣進一步下降。

職方重申本年度全體公務員應凍薪，及反對立法減薪。

第一標準薪級公務員評議會
職方主席龍榮發



二零零二年五月二十四日

紀律部隊評議會(職方)
Disciplined Services Consultative Council
(Staff Side)

本函檔號: SS/DSCC/P-3

Room 139
Central Government Offices
East Wing
Lower Albert Road
Hong Kong
Tel. No. 2810 2703
Fax No. 2537 6937

中環下亞厘畢道
中區政府合署西座十樓
公務員事務局局長
王永平先生

王局長:

二零零二年公務員薪酬調整

多謝你五月二十二日的來信。正如職方當日給你的信件指出，職方強烈反對政府透過立法以調整公務員薪酬。

職方在薪酬調整的事情上一直採取理性和克制的態度。職方一向強調尊重機制，願意按既定原則和做法與政府商討薪酬調整，正面及積極面對今年薪酬趨勢調查出現負數的結果。如今政府建議以立法方式強行剝奪公務員作為僱員在契約下的權利，且定下了不良的先例，公務員的薪酬及服務條件變得毫無保障，管職雙方的溝通實已崩潰。種種情況使職方感到非常不滿。

政府飛行服務隊機師工會
Government Flying Service
Pilots' Union

政府飛行服務隊空勤主任協會
Government Flying Service
Aircrewman Officers Association

政府飛行服務隊飛機工程師會
Government Flying Service
Aircraft Engineers Association

政府飛行服務隊飛機技術員工會
Government Flying Service
Aircraft Technicians Union

懲教事務職員協會(高級組)
Correctional Services
Officers' Association
(Senior Section)

懲教事務職員協會(初級組)
Correctional Services
Officers' Association
(Junior Section)

香港海關官員協會
Association of Customs &
Excise Service Officers

香港海關關員工會
Hong Kong Customs
Officers' Union

香港消防處制帽職員會
Hong Kong Fire Services
Central Staffs' Union

香港消防處救護員會
Hong Kong Fire
Services Department
Ambulance Staffs' Union

香港消防處救護主任協會
Hong Kong Fire Services
Department Ambulance
Officers Association

香港消防主任協會
Hong Kong Fire Services
Officers Association

香港消防處職工總會
Hong Kong Fire Services Department
Staffs General Association

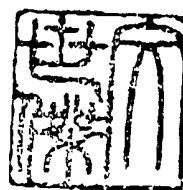
香港入境事務助理員工會
Hong Kong Immigration
Assistants Union

入境事務主任協會
Immigration Service
Officers Association

職方建議，今年的薪酬調整工作暫時擱置，待現時進行中的公務員薪酬政策和制度檢討完成，確立了整體薪酬政策和制度後，便按照新機制作出決定。現時的薪酬趨勢調查所得的負數指標，連同新機制下所考慮的準則可一併處理。因擱置薪酬調整而未能節省的開支，可透過推行進一步的資源增值計劃予以彌補。上述建議的好處詳列如下：

- (一) 公務員與司法人員可獲同一處理方法，做法較為公平；
- (二) 在管職雙方同意的新機制下通盤處理公務員薪酬，可避免雙方為立法問題所帶來的爭議；
- (三) 為未來新制度所設立的靈活性，將可利用作處理現時薪酬爭議的出路，使薪酬制度的轉變能順利和平穩地過渡，減輕衝擊。

職方懇切期望當局慎重考慮上述建議，職方亦樂意與當局詳細研究落實建議的細節。



紀律部隊評議會職方主席文世傑

二零零二年五月二十五日

Annex D

Senior Civil Service Council (Staff Side)

ASSOCIATION OF EXPATRIATE
CIVIL SERVANTS
OF HONG KONG

HONG KONG
CHINESE CIVIL SERVANTS'
ASSOCIATION

SENIOR NON-EXPATRIATE
OFFICERS'
ASSOCIATION

RM. 138
CENTRAL GOVERNMENT OFFICES
EAST WING,
LOWER ALBERT ROAD,
HONG KONG.

TEL. NO.: 2810 2813

FAX NO.: 2537 8630

Mr Joseph W. P. Wong, GBS, JP
Secretary for the Civil Service

24 May 2002

Room 1024B, 10/F., West Wing
Central Government Offices, HK

Dear Mr Wong,

2002 Civil Service Pay Adjustment

I refer to your letter of 22 May 2002 setting out the Chief Executive-in-Council's decision to reduce pay for the Civil Service.

In the first instance the Staff Side considers that the spirit of consultation has not been respected in this year's pay adjustment exercise. This is evidenced by the fact that the normal process of consultation and negotiation, to arrive at an agreement on the appropriate pay adjustment, has neither been respected nor conducted in an open-minded and constructive manner. Rather, the process has been conducted with undue haste and gives the clear impression that the Government has already made up its mind. The "draft Public Officers Pay Adjustment Bill" was drafted and announced well before the Administration's decision was made known to the Staff Side.

Even at this late stage the Staff Side still wishes to discuss the matter with the Administration with a view to resolving our differences rather than precipitously tabling the draft Bill in the Legislative Council. If at the end no agreement can be reached we believe the established mechanism of invoking a Committee of Inquiry to settle the matter, as enshrined in the 1968 Agreement, should be followed. It is our strong view that legislation should not be contemplated when

established procedures are available which will produce a solution. At risk is the trust and good working relationship which exists between the Administration and the Staff Side of the Senior Civil Service Council and by extension, all civil servants. We believe an agreement can be reached if sincerity and goodwill are exercised by both sides.

Finally, in accordance with the tight deadline imposed for forwarding our reaction to the Government's pay offer, we maintain that a pay freeze is the most appropriate solution for the 2002/03 year. This would result in less negative effects for all and would avoid the "triple-lose" situation which we have previously mentioned. We therefore earnestly request the Administration to reconsider its decision and to sit down with the Staff Side in the true spirit of genuine consultation.

Yours sincerely,

Cecilia So

(Cecilia SO Chui-kuen)
Staff Side Chairman
Senior Civil Service Council