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POLICE FORCE COUNCIL
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協會複號 OUR REF:(33) IN SS/C 1/12 PT 13 水件編號 Your REF:

19th June 2009

The Honourable Donald Tsang, GBM The Chief Executive Hong Kong SAR.

Dear Mr. TSANG,

Independent Review on the Pay Trend Survey 2009

We write to petition you to set up an independent review and seek your appointment of a committee to inquire into a dispute between the Police Force Council Staff Side (PFC SS) along with any other members of the Staff Councils on the Pay Trend Survey Committee (PTSC) and the Official Side of the Committee over certain aspects of the civil service pay system and the handling of both pay claims and pay offers.

Having regard to the improved methodology on Civil Service Pay approved by the Chief Executive in Council in 2007, we seek a committee to make inquiries that will:

- (a) Review the methodology and conduct of the 2009 Pay Trend Survey (PTS) including matters of inclusion and exclusion in the survey field and the interpretation of findings.
- (b) Review and advise specifically on the 2009 Pay Trend Indicators and any revisions that may be necessary.
- (c) Consider the issues arising from any recalculation of pay indicators.
- (d) Consider issues relating to the reporting mechanisms for the deliberations of the Pay Trend Survey Committee (PTSC) and PTS results to the administration and the Chief Executive in Council.
- (e) Consider the mechanisms for the handling of submissions relating

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to pay claims and pay offers as part of the improved methodology on civil service pay.

- (f) Consider the methodology and findings of the 2008 Pay Trend Survey and comment on their validity for making pay adjustments in 2008.
- (g) Any other matters of relevance and make recommendations.

Our request for an independent review is founded upon overwhelming evidence uncovered in meetings with the Pay Survey Research Unit (PSRU) and Joint Secretariat, SCCS between 25th May and 5th June. Controller PSRU has failed to disclose sufficient information to members of the PTSC in respect of 20 companies excluded from the 2009 Pay Trend Indicator (PTI) calculation. The disclosure in respect of company L080 was only supplied selectively. Members of PTSC did not have a full picture of the circumstances surrounding the exclusion of the company from the 2008 PTS and inclusion in this year's PTS. We have the following observations on the conduct and results of the 2008 and 2009 PTS:

- (a) Two companies included in the 2009 Pay Trend Indicator (PTI) calculation were not endorsed for the 2009 PTS survey field; The company (and L057) have not been endorsed by the PTSC for inclusion in the 2009 PTS survey field. The claim by the Secretary General that the companies were endorsed at the 72nd PTSC meeting is wrong, as evidenced by the minutes of that meeting. The claim by the Controller that the two companies were endorsed by way of the Paper No. PTSC/3/2009/I issued on 4th May 2009 is equally wrong. Companies were not endorsed by way of any meeting or by way of any signed reply slip and to assume otherwise is wrong.
- (b) One of those companies, L080 in the 2009 PTS, was excluded from the 2008 PTI calculation on the grounds that it did not meet the methodology criteria under paragraph 11(a)(iii) and paragraph 11(d) of the agreed methodology. However, initial information supplied by the company L080 in March 2008, and viewed by PFC SS, showed that the company met the selection criteria;
- (c) The PSRU, in a letter accompanying the 2008 PTS report, dated 14th May 2008, failed to disclose the actual reasons for exclusion of

company L080, even thought his was the first time a company has been excluded for these reasons;

- (d) From 29th July 2008 until March 2009, the company L080 maintained it could not take part in the 2009 PTS for the same reasons;
- (e) Noting that several companies (including company L080) were not included in the proposed 2009 survey field, the PFC SS requested at the PTSC meetings on 10th October 2008 and 7th January 2009 that the PSRU make efforts to request the inclusion of these companies. The PFC SS would not have taken such action if the PSRU had revealed the true reason for exclusion of company L080 in 2008. The PSRU denied the PFC SS that information on the grounds of confidentiality, despite the fact that revealing this information would in no way have disclosed the true identity of the company L080;
- (f) Company L080 was apparently re-instated to the survey field after a meeting with PSRU staff on 4th March 2009. PTSC members, including the PFC SS, were not told about this fact until two months later and indeed have never endorsed or been asked to endorse the re-instatement:
- (g) However, as of 5th May 2009, company L080 still did not meet the methodology criteria described above. In documents seen by police, the Controller PSRU admits in writing that she has concerns about the company but that the company should be able to meet the requirements in 2010 (not 2009). In meetings with PSRU prior to 8th June 2009, the PSRU could not confirm that situation had changed since that note was made on the relevant file by the Controller;
- (h) The reporting (lack of proper reporting) of the 2009 PTS results and the different views from the PTSC meeting on 8th June 2009 to the Administration and to CE in Council is a matter of genuine concern. There is in fact no "majority rule" validation of the PTS results. Four out of ten staff side members did NOT validate the results, a further three members expressed concerns about company L080 but still validated, contrary to their mandate on that committee. This split decision requires an independent

review;

- (i) At the PTSC meeting on 8th June on the 2009 PTS report, the Chairperson Ms. Virginia CHOI agreed to refer the split decision and different views on the 2009 PTS findings to the Administration by sending a full copy of minutes of the PTSC meetings on 25th May and 8th June, to provide proper information for deliberation by the Chief Executive in Council. As at 16th June, the day of CE-in-Council 's announcement of Pay Offer to the four Central Staff Councils, we have not received draft minutes for confirmation. We raise strong objections to the failure of the Secretary of the PTSC to follow the direction of the members of PTSC and the Chairperson of PTSC in this regard.
- (j) Although our Pay Claim Letter [Reference: (10) in SS/C 1/12 Pt.13, dated 10th June 2009] is included in a briefing paper to LegCo [CSBCR/PG/4-085-001/62 dated 16th June 2009] we have grave concerns in the way the process for the Pay Trend Survey (PTS) is being represented, and we believe misrepresented, to Chief Executive in Council and to the Legislative Council.
- (k) We consider there is evidence that some member(s) / observer(s) of the PTSC had been informed that if they validated the 2009 PTS results there would be a pay freeze for the lower and middle bands. This, of course, is exactly the decision that you announced on 16th June 2009, subsequent to your earlier announcement, prior to a decision on civil service pay, that political appointees would be taking a 5.38% pay cut. This may also explain why the Chairman, PTSC on 8th June was so anxious to push through the validation of the survey findings even though two companies had not been endorsed in the survey field and while members of PTSC still had genuine concerns about company L080 and sought proper disclosure of information, that was denied. The South China Morning Post on 8th June also quoted a university professor as saying that there was slim chance of the staff side remaining in disagreement with the survey findings, with the government lobbying behind the scenes.

We believe that you would not in good faith have decided on 16th June 2009 to act upon the results of the 2009 PTS in determining the 2009 Pay Offer if you had been made fully aware of the full facts surrounding both the

conduct and validation of the 2008 and 2009 PTS.

Morale in the Police Force is at its lowest in a decade, directly affected in a most adverse way by the issues raised in the conduct of the 2009 Pay Trend Survey and integrity of the findings of the survey.

We have always stood by the principles and our belief in the improved mechanism for civil service pay, endorsed by Chief Executive in Council in 2007, for strict applicability of PTS results. We have agreed and have confidence to validate the results of 119 companies, which does include a negative PTI for the Upper salary band. We are in dispute on the inclusion of two companies.

We urge you to direct an independent review into these disputed matters so as to address the decline in Police morale and give us confidence in the fairness and integrity of the process of the improved pay mechanism and the conduct of the annual Pay Trend Survey. The Inquiry needs to work to a tight schedule and urgently to resolve matters before you make any final decision on the pay adjustment for police officers in 2009.

We look forward to your early attention to this matter.

Yours faithfully,

SHAM Wai-kin

Chairman SPA LIU Kit-ming Chairman

HKPIA

David WILLIAMS CHUNG Kam-wa

Chairman OIA Chairman JPOA

C.C.

Commissioner of Police

External

Secretary for Civil Service Chairman, LegCo Panel on Public Service Members of ExCo Members of LegCo