

LEGISLATIVE COUNCIL BRIEF

2014-15 CIVIL SERVICE PAY ADJUSTMENT

INTRODUCTION

At the meeting of the Executive Council on 10 June 2014, the Council **ADVISED** and the Chief Executive (CE) **ORDERED** that the following pay offers, to be effected retrospectively from 1 April 2014, should be made to the staff sides of the four central consultative councils¹ (the staff sides) –

- (a) a pay increase of **5.96%** (equal to the net pay trend indicator (PTI) for the upper salary band) for civil servants in the upper salary band and the directorate;
- (b) a pay increase of **4.71%** (equal to the net PTI for the middle salary band) for civil servants in the middle salary band; and
- (c) a pay increase of **4.71%** (equal to the net PTI for the middle salary band) for civil servants in the lower salary band, by invoking the “bring-up” arrangement².

JUSTIFICATIONS

Civil service pay policy

2. The Government’s civil service pay policy is to offer sufficient

¹ The four central consultative councils are the Senior Civil Service Council (SCSC), the Model Scale 1 Staff Consultative Council (MOD 1 Council), the Police Force Council (PFC) and the Disciplined Services Consultative Council (DSCC).

² The “bring-up” arrangement refers to the arrangement to align the pay adjustment for civil servants in the lower salary band to the net PTI for the middle salary band if the latter is higher than the net PTI for the lower salary band. This arrangement was introduced in 1989 upon the recommendation of the Committee of Inquiry into the 1988 Civil Service Pay Adjustment and Related Matters (1988 Committee of Inquiry)(please see paragraph 19 below for details).

remuneration to attract, retain and motivate staff of suitable calibre to provide the public with an effective and efficient service; and such remuneration is to be regarded as fair by both civil servants and the public they serve by maintaining broad comparability between civil service and private sector pay. Civil service pay is compared with private sector pay on a regular basis through three different types of surveys under the Improved Civil Service Pay Adjustment Mechanism endorsed by the Executive Council in 2007, namely (a) the annual pay trend survey (PTS); (b) the triennial starting salaries survey to compare the starting salaries of civil service civilian grades with the entry pay of jobs in the private sector requiring similar qualifications³; and (c) the six-yearly pay level survey to ascertain whether civil service pay is broadly comparable with private sector pay⁴.

The annual PTS

3. First conducted in 1974, the annual PTS aims to ascertain the year-on-year pay adjustment movements in the private sector. The results of the PTS, viz. the **gross** PTIs for the three salary bands, from which the payroll cost of increments⁵ (PCIs) is deducted, provide the **net** PTIs which are one of the factors to be considered in the annual civil service pay adjustment. The practice of deduction of the PCIs has been implemented since 1989 on the recommendation of the Committee of Inquiry into the 1988 Civil Service Pay Adjustment and Related Matters (1988 Committee of Inquiry) together with the inclusion of private sector in-scale increment and merit pay in the computation of gross PTIs. The 1988 Committee of Inquiry considered that, if private sector in-scale increment and merit pay were to be included in the PTS, the PCIs should be deducted for fairness sake.

4. Since 1983, the annual PTS has been commissioned and its conduct has been overseen by the PTS Committee, which is a tripartite committee consisting of representatives of the staff sides of the four central consultative councils, the Administration as well as two independent

³ The last Starting Salaries Survey was conducted and completed in 2012 by the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission). On 15 April 2013, the Administration briefed the Legislative Council Panel on Public Service that the Executive Council had accepted the recommendations of the Standing Commission and the Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) that a holistic approach should be adopted in applying the survey findings and the status quo should be maintained for the starting salaries of all civil service jobs.

⁴ The Standing Commission is currently conducting the 2013 Pay Level Survey (PLS) which is the second PLS under the Improved Civil Service Pay Adjustment Mechanism.

⁵ "Payroll cost of increments" is the expenditure for increment payments made to civil servants who have not yet reached the maximum pay point of their ranks, expressed as a percentage of total salary payment.

advisory bodies on civil service salaries and conditions of service⁶. Every year before the conduct of the PTS, the PTS Committee reviews and agrees on the survey methodology and the survey field. It then renders its advice on the PTS methodology to the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission) for endorsement. The Standing Commission, after considering the advice of the PTS Committee, submits its recommendation on the PTS methodology to the Administration for consideration. Upon receiving the Standing Commission's endorsement and the Administration's support, the PTS Committee will commission the Pay Survey and Research Unit (PSRU) to conduct the annual PTS.

The annual pay adjustment process

5. After the completion of the annual PTS, the CE-in-Council's advice is sought on the pay offers to be made to the staff sides of the four central consultative councils with regard to six relevant factors, namely –

- (a) the net PTIs;
- (b) the state of Hong Kong's economy;
- (c) changes in the cost of living;
- (d) the Government's fiscal position;
- (e) the pay claims of the staff sides; and
- (f) civil service morale.

If the pay offers are different from the staff sides' pay claims, the staff sides will be consulted again before the CE-in-Council's final decision is sought.

The 2014 PTS

6. The staff side of the Disciplined Services Consultative Council (DSCC) and three of the four constituent associations of the Police Force Council (PFC) announced their withdrawal from the PTS Committee after the conclusion of the 2013-14 Civil Service Pay Adjustment. Since then, the Administration has made persistent efforts in persuading them to return to the Committee. The Secretariat of the PTS Committee has also kept them informed of the deliberation of the 2014 PTS by continuing to send all meeting invitations, papers and minutes of meeting to them. Up to now, however, they have not yet returned to the PTS Committee⁷.

⁶ The two independent advisory bodies are the Standing Commission and the SCDS.

⁷ Despite the withdrawal of the staff side representatives of the DSCC and the three constituent associations of the PFC, the Pay Trend Survey (PTS) Committee Secretariat continued to send meeting invitations, papers and minutes of meeting to all of them.

7. This notwithstanding, the remaining members of the PTS Committee, including representatives of the two independent advisory bodies and other staff sides representatives⁸, have continued the work on the 2014 PTS. Following the established mechanism set out in paragraph 4 above, the PTS Committee has reviewed and agreed on the survey methodology before commissioning the PSRU to conduct the 2014 PTS. Its advice on the 2014 PTS methodology was accepted in full by both the Standing Commission and the Administration without further comment. The PTS Committee has also ensured that the 2014 PTS was conducted in accordance with the established mechanism and agreed methodology, with details at Annex A.

A

8. The 2014 PTS covers the 12-month period from 2 April 2013 to 1 April 2014. It has collected the basic pay and additional pay adjustment data of 170 010 employees in 110 companies, consisting of 168 040 employees in 80 larger companies and 1 970 employees in 30 smaller companies. The findings of the 2014 PTS are set out below –

Salary Band⁹	Basic Pay Indicator [A]	Additional Pay Indicator [B]	Gross PTI [A] + [B]
Upper	4.84%	2.07%	6.91%
Middle	5.24%	0.37%	5.61%
Lower	5.20%	0.12%	5.32%

9. In accordance with the established practice, the PTS Committee met and considered the 2014 PTS findings on 23 May 2014. At the meeting, 11 out of 16 members¹⁰ validated the 2014 PTS findings, confirming that the

They were also invited to give their views on the discussion items of the PTS Committee and were assured that their views would be duly considered by the PTS Committee. The concerned staff representatives however maintained their decision of not participating in the 2014 PTS and hence have not sent in any views on it.

⁸ The staff side representatives of the other two central consultative councils, namely the SCSC and the MOD 1 Council, have stayed in the PTS Committee. The Superintendents' Association which is a constituent association of the PFC also attended all meetings of the PTS Committee as an observer in the 2014 PTS exercise and also took part in reviewing the methodology and overseeing the conduct of the survey.

⁹ The pay ranges of the three salary bands for the 2014 PTS are –
 (a) Upper: Above Master Pay Scale (MPS) 33 to General Disciplined Services (Officer) Pay Scale 39 or equivalent, viz. \$56,811 to \$112,155;
 (b) Middle: From MPS 10 to 33 or equivalent, viz. \$18,535 to \$56,810; and
 (c) Lower: Below MPS 10 or equivalent, viz. below \$18,535.

¹⁰ The 11 members who validated the 2014 PTS findings include the three representatives of the Standing Commission and the SCDS, the two representatives of the Administration, the Secretary General of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service and five staff side members

survey was conducted in compliance with the agreed methodology. The PTS Committee submitted its report to the Administration. The resulting **net** PTIs are as follows –

Salary Band	Gross PTI [C]	Payroll Cost of Increments in 2013-14 [D]	Net PTI [C] – [D]
Upper	6.91%	0.95%	5.96%
Middle	5.61%	0.90%	4.71%
Lower	5.32%	1.52%	3.80%

Hong Kong's economy

10. The growth in the local economy remained moderate in the first quarter of 2014, at 2.5% year-on-year in real terms, following the annual growth of 2.9% recorded for 2013. Barring any unexpected relapse stemming from the normalisation of United States' monetary policy and the geopolitical tensions, the Hong Kong economy is projected to grow by 3% to 4% for 2014 as a whole. The labour market remained tight upon entering 2014. In February - April 2014, the seasonally adjusted unemployment rate held stable at a 16-year low of 3.1% for the fourth consecutive month. Reflecting the persistent tightness in the labour market, wages and earnings sustained solid growth throughout the past year. Nominal wages for employees up to the supervisory level rose solidly by 4.7% for 2013 as a whole. With the local economy poised to expand moderately further, the labour market is expected to hold steady in the near term.

Cost of living

11. For the 12-month period ended March 2014, headline Composite Consumer Price Index (CPI) inflation, which reflects the impact of the changes in consumer prices on 90% of households (as compared with CPI(A), CPI(B) and CPI(C) which relate only to 50%, 30% and 10% of households respectively), averaged at 4.4%. The headline and underlying¹¹ Composite CPI, CPI(A), CPI(B) and CPI(C)¹² inflation for the 12-month period ended

(three staff side representatives of the MOD 1 Council and two staff side representatives of the SCSC).

¹¹ The headline Consumer Price Index (CPI) figures include the effect of Government's one-off relief measures while the underlying CPI figures exclude the effect of these measures.

¹² Different series of CPIs are compiled by the Census and Statistics Department to reflect the impact of consumer price changes on households in different expenditure ranges as follows –

March 2014 are as follows –

	Composite CPI	CPI(A)	CPI(B)	CPI(C)
Headline	4.4%	5.1%	4.3%	3.9%
Underlying	4.0%	4.5%	3.9%	3.5%

12. Looking ahead, with rentals easing on a broad front, wage rise staying steady, while imported price pressures still modest, the upside risks to inflation should remain contained this year. The forecast headline Composite CPI inflation for 2014 as a whole is 4.6%¹³.

The Government's fiscal position

13. The consolidated surplus for 2013-14 is \$21.8 billion, equivalent to 1.03% of Gross Domestic Product (GDP). Fiscal reserves at end-March 2014 stood at \$755.7 billion, equivalent to 21 months of government expenditure. For 2014-15, it is estimated that we will have a small consolidated surplus of \$9.1 billion, equivalent to 0.41% of GDP. According to the latest Medium Range Forecast, there would be an annual consolidated surplus for each financial year until 2018-19, except for 2015-16 (taking into account \$50 billion earmarked for healthcare financing). The Working Group on Long-Term Fiscal Planning completed in early March 2014 the first comprehensive fiscal sustainability appraisal on public finances in Hong Kong since 1997-98. According to the Working Group, Government's overall fiscal position in the short to medium term remains healthy. In the longer term, if government expenditure keeps growing at a faster pace than economic and revenue growth in the face of an ageing population and a mature economy, a structural deficit would be inevitable.

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- Composite CPI: reflects the impact of the changes in consumer prices on the households as a whole (households with monthly expenditure in the range of \$5,200 - \$75,500 adjusted to the price level of 2013);
 - CPI(A): relates to 50% of households in the relatively low expenditure ranges (i.e. roughly with monthly household expenditure in the range of \$5,200 - \$21,400 adjusted to the price level of 2013);
 - CPI(B): relates to the next 30% of households in the relatively middle expenditure ranges (i.e. roughly with monthly household expenditure in the range of \$21,400 - \$37,300 adjusted to the price level of 2013); and
 - CPI(C): relates to the next 10% of households in the relatively high expenditure ranges (i.e. roughly with monthly household expenditure in the range of \$37,300 - \$75,500 adjusted to the price level of 2013).

¹³ The forecast underlying Composite CPI inflation for 2014 as a whole is 3.7%.

Staff sides' pay claims

14. The pay claims from the staff sides of the four central consultative councils (at Annexes B to E) are summarised in the table below –

Staff Sides	Upper Salary Band	Middle Salary Band	Lower Salary Band
(I) Senior Civil Service Council (SCSC)			
(a) Hong Kong Chinese Civil Servants' Association (HKCCSA)	5.96%		
(b) Association of Expatriate Civil Servants of Hong Kong (AECS)	6%	N.A.	N.A.
(c) Hong Kong Senior Government Officers Association (HKSGOA) ¹⁴	6%	N.A.	N.A.
(II) PFC	5.2% to 6.91%		
(III) DSCC	No less than 5.1%		
(IV) Model Scale 1 Staff Consultative Council (MOD 1 Council)¹⁵	N.A.	N.A.	5.1%

15. The staff sides' pay claims are appended at Annexes B to E. In gist –

- (a) the HKSGOA and the AECS request a pay rise of 6% for the upper salary band;
- (b) the HKCCSA, which is a constituent association of the SCSC as well as the MOD 1 Council, demands a pay rise of 5.96% (i.e. the net PTI for the upper salary band) for all civil servants. Its claim is made having regard to various considerations, including the needs for maintaining the purchasing power of and sharing the fruits of economic prosperity with civil servants; as well as the needs for maintaining staff morale and enhancing the solidarity of the civil service. It also believes that the pay claims can help the Administration demonstrate its determination to narrow the wealth gap in the society;

¹⁴ The HKSGOA submitted an open letter (of 12 May 2014, before the release of the unvalidated 2014 PTS results) to the Secretary for the Civil Service (at Annex F) requesting a pay rise for not less than 5.0%. It submitted a pay claim (at Annex B) on 26 May 2014 for a 6.0% pay rise for the upper salary band together with the Association of Expatriate Civil Servants of Hong Kong (AECS).

¹⁵ On 5 June 2014, the Hong Kong Chinese Civil Servants' Association (HKCCSA), one of the constituent associations of the MOD 1 Council, wrote to the Administration and clarified that the pay claim submitted by the staff side of the MOD 1 Council does not represent HKCCSA's pay claim. It emphasised that HKCCSA's pay claim is a pay rise for 5.96% for all civil servants. The said letter from the HKCCSA is at Annex E.

- (c) the PFC staff side asks for a pay rise in the range from 5.2% to 6.91%, having regard to “the results of the Junior Police Officers’ Association’s (one of the constituent associations of the PFC) own review of pay increases in the private sector during the period, the CPI, the state of Hong Kong’s economy, the Government’s fiscal position, changes in the cost of living and the morale of police officers”;
- (d) the DSCC staff side requests a pay rise of no less than 5.1% across the board, citing the change in average headline CPI(A) for the 12-month period ended March 2014 (5.1%); and
- (e) save for the HKCCSA, one of its constituent associations, the MOD 1 Council staff side also requests a pay rise of 5.1% for the lower salary band based on the same reason as the DSCC staff side.

Staff morale

16. Various staff associations have raised that with rising public expectation and increasing workload, a reasonable pay rise would be vital for maintaining staff morale. They have requested the Administration to give more weight to factors other than the net PTIs and to duly consider their views in order to come up with a decision for reasonable pay rise.

Pay offers for 2014-15

17. Taking into account all the six relevant factors as set out in paragraphs 6 to 16 above, the CE-in-Council decided that the following pay offers for 2014-15 should be put to the staff sides –

Salary Band	No. of Civil Servants¹⁶	Net PTI	Pay Offer
Directorate	1 321	N.A. ¹⁷	5.96%
Upper	18 365	5.96%	5.96%
Middle	116 343	4.71%	4.71%
Lower	26 783	3.80%	4.71%

¹⁶ The figures reflect the position as at 31 March 2014 and include some 20 000 civil servants seconded to/working in trading funds, subvented and other public bodies.

¹⁷ Strictly speaking, the PTS does not cover private sector employees whose salary overlaps with directorate civil servants. The pay claims from the staff sides also do not cover directorate civil servants.

18. In gist, the pay offers are equal to the net PTIs for the respective salary bands, save for the pay offer for the lower salary band which has incorporated the “bring-up” arrangement (see paragraph 19 below). For directorate civil servants who are not covered by the annual PTS, the pay offer is the same as that for the upper salary band in accordance with the practice adopted since 1989-90.

19. The pay offer for civil servants in the lower salary band has incorporated the “bring-up” arrangement. The “bring-up” arrangement was introduced in 1989 upon the recommendation of the 1988 Committee of Inquiry. With the adoption of the “bring-up” arrangement this year, the pay offer for the lower salary band will be higher than its net PTI (3.80%) by 0.91 percentage point. Compared with a pay offer equivalent to the net PTI, the pay offer would entail additional annual financial implications of about \$89 million. It should be noted that the adoption of the “bring-up” arrangement this year is considered in the context of the 2014-15 pay adjustment exercise. There should be no expectation that the CE-in-Council will necessarily be bound to apply the “bring-up” arrangement in future years.

Effective date for the pay offers

20. In line with the established practice, the CE-in-Council decided that the pay offers should take effect retrospectively from 1 April 2014.

OTHER RELATED ISSUES

21. Civil service pay adjustment is not applicable to judges and judicial officers, political appointees, non-civil service contract staff and subvented sector staff (except for teaching and related staff in the aided school sector who are paid according to the civil service pay scale). The relevant policy background is set out in Annex G.

G

IMPLICATIONS

22. The pay offers are in conformity with the Basic Law, including the provisions concerning human rights. They have no sustainability, family, productivity and environmental implications.

23. The annual financial implications for the civil service and the subvented sector arising from the pay offers (if implemented) are estimated as follows –

	\$ million
(a) Civil service	4,132 ¹⁸
(b) Independent Commission Against Corruption staff ¹⁹	39
(c) Subvented organisations	4,731 ²⁰
(d) Auxiliaries	10
Total	8,912

24. The civil service accounts for about 4% of the total workforce and civil service emoluments account for about 7% of the overall employment remuneration in the economy. The civil service and employees in subvented organisations together account for around 15% of the overall employment remuneration in the economy. As the pay offers are broadly in line with the pay adjustments in the private sector over the past year, the impact on the overall labour market should be small. The impact on inflation of the pay adjustment should also be marginal.

PUBLICITY

25. The Secretary for the Civil Service has made the pay offers to the staff sides of the four central consultative councils earlier today (10 June 2014). A press release will be issued later today, and a spokesperson will be available to answer media enquiries.

ENQUIRIES

26. Enquiries on this brief should be addressed to Miss Winnie Chui, Principal Assistant Secretary for the Civil Service (Tel: 2810 3112).

Civil Service Bureau 10 June 2014

18 The figure includes about \$403 million additional cost arising from pay adjustment for around 20 000 civil servants seconded to/working in trading funds, subvented and other public bodies. It also includes an estimated increase of \$575 million in pension payments for those retiring in 2014-15.

19 Independent Commission Against Corruption (ICAC) staff are not civil servants. However, it has been the Government's policy to extend the civil service pay adjustment to ICAC staff.

20 This figure has excluded the financial implications arising from pay adjustment for civil servants seconded to/working in subvented bodies, which have been incorporated under item (a) above.

The Pay Trend Survey (PTS) mechanism

The annual PTS is commissioned by the PTS Committee, which is a tripartite committee comprising members from –

- (a) the staff sides of the four central consultative councils;
- (b) the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission) and the Standing Committee on Disciplined Services Salaries and Conditions of Service; and
- (c) the Administration.

2. The PTS collects the year-on-year adjustments in both basic pay and additional pay (e.g. “the 13th month salary”, year-end bonuses/commissions and other non-guaranteed/discretionary/one-off bonuses, etc.) of employees in the surveyed companies from major economic sectors. Salaries adjustments awarded to employees on account of the following factors are included –

- (a) cost of living;
- (b) general prosperity and company performance;
- (c) general changes in market rates; and
- (d) in-scale increment and merit.

Salaries adjustments attributed to external relativities¹, internal relativities and/or implementation of the statutory minimum wage are excluded from the calculation of the pay trend indicators (PTIs).

3. Pay adjustment data from both larger (i.e. with 100 or more employees) and smaller (i.e. with 50-99 employees) companies are collected and assigned a 75% and 25% weighting respectively. The data are collated according to three salary bands, namely, upper, middle and lower², and aggregated in accordance with the assigned weighting into a basic pay indicator and an additional pay indicator for each salary band.

¹ Salaries adjustments attributed to external relativities refer to adjustments given to a specific group of employees in a company as a result of salaries paid by other companies for a similar job.

² The pay ranges of the three salary bands for the 2014 PTS are –

- (a) Upper: Above Master Pay Scale (MPS) 33 to General Disciplined Services (Officer) Pay Scale 39 or equivalent, viz. \$56,811 to \$112,155;
- (b) Middle: From MPS 10 to 33 or equivalent, viz. \$18,535 to \$56,810; and
- (c) Lower: Below MPS 10 or equivalent, viz. below \$18,535.

4. The two indicators for a particular salary band are added up and presented as the **gross** PTI for that band. The payroll cost of increments incurred for civil servants in each salary band (i.e. the increment payment made to civil servants who have not yet reached the maximum pay point of their ranks, expressed as a percentage of total salary payment) is then deducted from the relevant gross PTI to arrive at the **net** PTI³. The net PTIs are one of the six factors to be considered by the Chief Executive-in-Council in deciding on the pay offers to be made to the staff sides of the four central consultative councils.

The 2014 PTS Methodology

5. Every year before the conduct of the PTS, the PTS Committee reviews and agrees on the survey methodology and the survey field. Noting that many staff associations have made suggestions for improving the PTS methodology in the course and after the conclusion of the 2013-14 Civil Service Pay Adjustment exercise, the Secretary for the Civil Service (SCS) requested the PTS Committee Chairman to kick-start the review of the 2014 PTS methodology earlier in July 2013. The PTS Committee Chairman has responded positively to the SCS's request. During the review, the PTS Committee has studied and discussed all issues about the PTS methodology raised by staff associations. It has accepted the following staff suggestions for changes to the PTS methodology –

- (a) new recruits who are not subject to pay adjustment decisions during the survey period as a result of company policy will be excluded from the survey;
- (b) companies which have opted out of the PTS without justifications will not be invited to join the survey for the next two years; and
- (c) the guidance notes for the PTS will be enhanced by specifying “replacement of basic salary and/or additional payments by allowances” as an example of restructuring exercise or large scale pay review resulting in “(i) significant changes during the year in respect of the hierarchy of job grades and pay ranges or (ii) significant changes in pay composition” which need to be reported in the PTS questionnaire. All cases of significant

³ The deduction of payroll cost of increments from the gross PTIs to arrive at the net PTIs was recommended by the Committee of Inquiry into the 1988 Civil Service Pay Adjustment and Related Matters in view of its recommendation to include private sector merit pay and increments in the annual PTS. The Committee considered that for fairness, if all take-home pay in the private sector was taken into account in the PTS, the increment payment made to civil servants who had not yet reached the maximum pay point of their ranks should also be taken into account.

changes in salary structure would be reported for PTS Committee's consideration.

6. Except for the above changes, the PTS Committee agreed that other aspects of the 2013 PTS methodology should be adopted for the 2014 PTS. The views of the PTS Committee were accepted in full by both the Standing Commission and the Administration without further comment. At its meeting held on 20 February 2014, the PTS Committee formally commissioned the Pay Survey and Research Unit to conduct the 2014 PTS.

**Hong Kong Senior Government
Officers Association**
Room 328, Central Government Offices
East Wing, 2 Tim Mei Avenue, Tamar,
Hong Kong

**Association of Expatriate Civil
Servants of Hong Kong**
Room 327, Central Government Offices
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Mr Paul TANG, JP
Secretary for the Civil Service
9/F, West Wing,
Central Government Offices,
2 Tim Mei Avenue,
Tamar, Hong Kong

26 May 2014

Dear Mr TANG,

2014/15 Civil Service Pay Adjustment

On behalf of the Hong Kong Senior Government Officers Association and the Association of Expatriate Civil Servants of Hong Kong of the Senior Civil Service Council Staff Side, we wish to inform you of our pay claim.

It is our view that the civil service pay adjustment for the upper salary band for 2014/2015 should be 6%. We have no comment about the middle and the lower salary bands.

Yours sincerely,



(CHAN Sai-kwing)
for Hong Kong Senior
Government Officers Association



(Rebecca DRAKE)
for Association of Expatriate
Civil Servants of Hong Kong



香港政府華員會

HONG KONG CHINESE CIVIL SERVANTS' ASSOCIATION

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本會檔號: (192) in 2/7/CCSA(XX)

致香港特別行政區政府
公務員事務局局長
鄧國威先生

尊敬的鄧局長:

2014-15 年度公務員薪酬應劃一上調 5.96%

經全面考慮多項因素，香港政府華員會茲向政府提出本會的要求：2014-2015 年度高、中、低層公務員的薪酬調整幅度劃一為 5.96%。

公務員薪酬調整幅度劃一為 5.96% 的理據：

(1) 各級公務員有理由維持購買力及分享經濟成果

根據統計處資料，本地去年生產總值按年增長了 2.9%，較 2012 年的 1.4% 上升了 1.5%，預測今年的生產總值會繼續增長達 4%。按消費物價指數按年變動，至本年度 3 月底甲類消費物價指數為 5.11%，因而，作為打工仔的公務員，同樣受到不斷飆升的通脹的衝擊。去年，高層薪金級別的新調遠落後於通脹，中、低層的薪調與通脹亦有距離。政府作為全港最大的良好僱主，不但需要協助公務員紓緩通脹，還應維持他們的購買力，以分享經濟成果。

事實上，自 1974 年確立的公務員薪酬調整機制，容許公務員分享分擔經濟的起伏。多年前，本會即已據此指出，在經濟衰退、嚴重財赤下需要公務員凍薪減薪，與社會共渡時艱，為應有之義。回歸 16 年，公務員便曾經歷了 8 次凍薪和減薪。近至 2009 年，高層薪金級別公務員便曾減薪 5.38%，以協助政府紓困。同理，在這機制之下，容許公務員分享經濟成果及維持其購買力，亦為應有之義。

故此，容許公務員劃一調薪 5.96%，為機制所容許及政府應有之舉。

(2) “薪酬趨勢調查指標”及“甲類消費物價指數”均為滯後數字

正如所知，即使參考最新的薪酬趨勢調查結果，實質上是早已過去的上一年的數字，公務員的薪酬調整實際上是滯後的行動。5.11% 的甲類消費物價指數亦為上一年的數字，滯後於當下的消費物價指數增幅。事實上，容許中、低層公務員劃一調薪 5.96%，只是讓他們每天可多獲 5 至 10 元的薪金，最多只可多購買 1 至 2 個的“雞尾飽”，在追趕飆升的通脹時多一點點的鬆動。

(3) “低跟中”為機制內一貫做法

為體恤基層員工，自 1986 年起，低層公務員的薪酬調整，盡量不低於中層公務員的薪調幅度，已是公務員的薪酬調整機制的不可或缺部分，此為政府作為良好僱主的舉措之一。

(4) 帶頭縮窄貧富差距，有利增加士氣、有利團隊的建立

2014年5月18日《東方日報》有評論指出：“香港貧富懸殊愈演愈烈，深層次矛盾不斷惡化，政府帶頭搞分化，絕對難辭其咎”！因而，調薪時，盡量縮短高低級公務員薪酬的差距，向社會展示政府有帶頭縮窄貧富差距的理念和決心，將免除政府予人“肥上瘦下”的詬病。各級公務員在市民要求繼續日益高漲下，特別是未來一年，本港將面對政改能否順利進行的嚴峻挑戰，政府施政在在需要一支穩定、士氣高昂、堅守崗位的公務員團隊，至關重要。容許公務員劃一調薪 5.96%可增加團隊的士氣及凝聚力。

綜合上述，懇請政府認真考慮本會的要求和理據，容許高、中、低層公務員 2014-2015 年度的薪酬調整幅度劃一為 5.96%。

此外，本會亟需指出兩個問題：

(1) 提交薪調訴求(Pay Claim) 時間較去年合理

按機制，初步的薪酬趨勢調查指標須待薪酬趨勢調查委員會審核、確認，才可成為參考因素之一。之後，職方按既定的一籃子因素向您提出薪調要求(Pay Claim)。儘管時間緊迫，仍應容許負責的職方合理的時間以審核薪酬趨勢調查報告書，以及全面考慮薪調要求。由於本會會員涵蓋高、中、低層及紀律部隊公務員，一向有一定的會內機制及程序須依循。去年，當局只容許一天時間提交薪調要求，予人有以時間逼人，剝奪職方諮詢會員、充份審視有關問題的權利之嫌。今年做法有所改善，安排提交薪調要求的時間(包括週末)共有 4 天，較合理，希望今後此做法能延續。

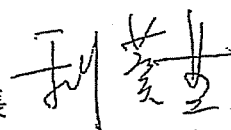
(2) “邀請” 職方提出薪調要求實屬不當

本會尚須指出：貴局於 2014 年 5 月 9 日來函，“邀請”(invite)職方就 2014-2015 年度的薪酬調整提出要求。近年，當局屢以“邀請”(invite)一詞表述，本會曾反覆指出其不當之處，遺憾的是，今年錯誤依然！

查根據自 1974 年確立的現行公務員薪酬調整機制，多年來，正常情況下，薪酬趨勢調查結果在中央評議會職方審核之前，貴局只提供各薪金級別公務員的遞增薪額開支，以便計算薪酬趨勢淨指標，並只通知職方提出薪酬調整要求的日期。我們職方則會在考慮多項因素後，主動向政府提出薪酬調整要求，從來不須貴局來函“邀請”。

貴局採用“邀請”一詞，實質上既偏離了現行機制，亦容易被理解為：提出薪酬調整要求並非中央評議會職方的權利，端視乎貴局“邀請”與否，隱含對中央評議會職方地位的貶損，亦偏離了現行機制。尚祈貴局勿再“肅規冒隨”！

副會長



謹啓

(利葵燕)

2014年5月26日

警察評議會職方協會

香港軍器廠街一號警察總部

警政大樓三十九樓

電話 Telephone: 2860 2645

傳真 Fax: 2200 4355

POLICE FORCE COUNCIL
STAFF ASSOCIATIONS39/F, ARSENAL HOUSE,
POLICE HEADQUARTERS,
1 ARSENAL STREET, HONG KONG.

協會檔號 OUR REF: CP PER SS C/4-85/2

來件編號 YOUR REF: CSBCR/PG/4-085-001/73

28th May 2014

The Hon. TANG Kwok-wai, Paul, JP
Secretary for the Civil Service,
9/F., West Wing, Central Government Offices,
2 Tim Mei Avenue, Tamar,
Hong Kong

Dear Mr. TANG,

Pay Claim
2014-15 Civil Service Pay Adjustment

In response to your letter under reference CSBCR/PG/4-085-001/73 dated 9th May 2014, please find below the Pay Claim for the Police Force Council Staff Side (PFC SS). While submitting our Pay Claim, we must point out several core principles of the PFC SS which we have been pursuing for years but to our severe disappointment have yet to hear a reasonable account from the Administration.

Firstly, as you will be aware, the payment of increments is entirely dependant upon an assessment of an eligible officers ability to satisfactorily discharge his core competencies over the course of a 12-month period and, as such, the payment is neither automatic nor a right to which the officer is entitled. It is totally inappropriate and unfair, therefore, to deduct the payroll cost of incremental payments from the Gross Pay Trend Indicators (PTIs), particularly so when such a large percentage of officers in the Hong Kong Police Force have reached maximum increment and are no longer entitled to such payments. By deducting the incremental value, this unfairly penalises all officers in the Force, with those on maximum increment suffering most. The Administration's failure to review its practice to deduct an 'Incremental Factor' is quite simply a slap in the face to the employees. Each year this situation is allowed to continue makes a mockery of the incremental system. Officers work hard towards gaining their increment and are disheartened when their employer then takes that increment back in a deduction on the PTIs. We consider the HKSARG to have failed to live up to the standards of a good and reasonable employer by continued implementation of the deduction of 'increment factor'.

We urge the Administration to cease deducting the 'Payroll Cost of Increments' from the Gross PTI with immediate effect.

Secondly, you will be aware that three of the four Police Staff Associations and other Civil Service Unions have left the Pay Trend Survey Committee. The SPA has remained to seek dialogue in order to move forward in future on changes necessary to the Pay Trend Survey. We take this opportunity to repeat our position that the mechanism and process of the Pay Trend Survey needs further reform and our previous correspondence details the failings of the current system. It is disappointing that our concerns have not been adequately addressed.

Finally, following the JPOA's own review of pay increases in the private sector during the period, and taking into account the Consumer Price Index, the state of Hong Kong's economy, the Government's fiscal position, changes in the cost of living and the morale of police officers, **a pay adjustment in a range 5.20% up to the upper level value of the PTSC's findings of 6.91% is reasonable as the net adjustment for the Police Force.**

We seek that the Chief Executive-in-Council be fully and honestly apprised of the situation and views of our members by way of sight of this letter. We look forward to a reasonable and fair pay offer which can show your genuine support of the men and women of the Hong Kong Police Force.

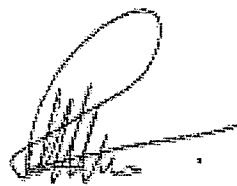
Yours sincerely,



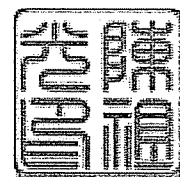
Wise CHOY
Chairman
SPA



Ben TSANG
Chairman
HKPIA



Ron ABBOTT
Chairman
OIA



Joe CHAN
Chairman
JPOA

c.c. Commissioner of Police

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

本函檔號：SS/DSCC/P-3

Room 326, East Wing,
Central Government Offices,
2 Tim Mei Avenue,
Tamar, Hong Kong
Tel. No. 2810 2703
Fax No. 2537 6937

香港添馬添美道 2 號
政府總部西翼 9 樓
公務員事務局局長
鄧國威先生, J.P.

鄧局長：

二零一四至一五年度公務員薪酬調整

紀評(職方)認為政府在決定二零一四至一五年度公務員薪酬調整幅度時，應考慮公務員士氣及年內生活費用的變動。紀評(職方)得悉全年的甲類消費物價指數上升了 5.1%。故此，紀評(職方)建議今年的公務員薪酬調整幅度應該劃一不少於 5.1%，以維持基本購買力。此外，政府亦應考慮現時香港的經濟狀況及政府財政狀況，使公務員能分享經濟增長的成果。



紀律部隊評議會(職方)主席倪錫水

二零一四年五月二十七日

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

香港消防控制組職員會
Hong Kong Fire Services
Control Staff's Union

香港消防處救護員會
Hong Kong Fire
Services Department
Ambulance-men's 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

Chinese version only

只附中文版

Annex E
附件 E

Rm. 326, 3/F,
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Central Government Offices,
2 Tim Mei Avenue,
Tamar, Hong Kong.

Tel No.: 2810 2209
Fax No.: 2537 8630
E-mail: heather_hc_chan@csb.gov.hk

第一標準薪級公務員評議會(職方)
MODEL SCALE 1 STAFF CONSULTATIVE COUNCIL
(STAFF SIDE)

香港添馬添美道2號
政府總部東翼E樓326室
電話：2810 2209
傳真：2537 8630

本函檔號：SSMOD/SAL/PAY/5/7/1 Pt.27
來函檔號：CSBCR/PG/4-085-001/73

香港添馬添美道2號
政府總部西翼
公務員事務局局長
鄧國威先生

尊敬的鄧局長：

二零一四至一五年度公務員薪酬調整

局方在2014年5月9日的來信(檔號：CSBCR/PG/4-085-001/73)收悉，現作出以下回覆。

第一標準薪級公務員評議會(職方)建議本年度低層公務員加薪5.1%。

根據政府統計處公布的資料，截至2014年3月止的十二個月內，綜合消費物價指數、甲類、乙類及丙類消費物價指數較一年前同期平均上升4.4%、5.1%、4.3%及3.9%。而大部分第一標準薪級人員均屬甲類家庭，即住戶的每月平均開支大約在5,200元至21,400元之間(調整至2013年的價格水平後)，因此下列提供的數據均為甲類消費物價指數。

在各類消費項目中，價格在 2014 年 3 月份錄得按年升幅最高的類別為住屋（上升 5.0%），電力、燃氣及水（上升 5.3%），食品（上升 5.1%）。這些消費項目都是基層市民的必需支出，而且薪酬趨勢調查結果是滯後發佈，其實職方是以去年的加幅，即 3.92% 抵抗實質 5.1% 的通脹，購買力已經大為削弱；加上 2014-15 年度的財政預算案亦預計來年的綜合消費物價指數將有 4.6% 的升幅，如本年度只根據薪酬趨勢調查淨指標加薪 3.8%，低層公務員的購買力將進一步受挫。

一評職方一直尊重現行的薪酬調整機制，因此積極參與薪酬趨勢調查工作，縱然對薪酬趨勢調查淨指標感到失望，但仍會尊重結果。然而，薪酬趨勢淨指標只是機制內的其中一個因素，希望局方慎重考慮其餘五項因素，即經濟狀況、政府的財政狀況、生活費用的變動、職方的薪酬調整要求及公務員士氣，以釐定加薪幅度。上述提到，截至 2014 年 3 月止的十二個月內，甲類消費物價指數較一年前同期平均上升 5.1%。職方參考此數據及主要消費項目的升幅後，建議本年度低層公務員加薪 5.1%。

公務員向來竭盡所能為市民服務，希望局方能作全盤考慮，接受職方建議，至少讓低層公務員保持原有的購買力，維持最基本的生活水平。

第一標準薪級公務員評議會

職方主席李惠儀



2014 年 5 月 27 日



香港政府華員會

HONG KONG CHINESE CIVIL SERVANTS' ASSOCIATION

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本會檔號: (194) in 27/CCSA(XX)

致香港特別行政區政府
公務員事務局局長
鄧國威先生

尊敬的鄧局長:

有關第一標準新級公務員評議會職方(一評職方)
本年度薪酬調整要求事宜

本會於2014年5月26日向你呈交有關2014年度薪調要求——高、中、低層公務員劃一薪調5.96%，本會一評職方代表亦清楚表示與一評職方其他代表要求本年度低層薪調5.1%有不同訴求，因而一評職方對此並無共識。

令人極度遺憾的是，一評職方主席李惠儀女士於5月27日給你的信函中聲稱“一評職方建議本年度低層公務員加薪5.1%”，對本會一評職方代表持不同意見及對一評職方未有共識，完全沒有理會，並無在信中申明，有關要求只是一評職方部份成員團體的意見，不包括香港政府華員會在內，因而做成誤導。

為此，本會特函予以澄清：一評職方要求薪調5.1%並不包括一評職方成員團體香港政府華員會。本會2014年的薪調要求是高、中、低層劃一5.96%。

尚祈貴局能準確向行政會議、立法會反映一評職方不同成員團體對2014年新調的不同要求，以免做成誤導。

理事暨一評職方代表

周耀光

(周耀光)

謝映強

(謝映強)

2014年6月5日

謹啓



香港高級公務員協會

Hong Kong Senior Government Officers Association

香港添馬添美道 2 號政府總部東翼 3 樓 328 室 Rm.328, 3/F, East Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, H.K.,
Tel : 2522 4267 Fax : 2523 3319 E-mail: hksgoa@biznetvigator.com Website: www.hksgoa.org

致公務員事務局局長的公開信

公務員事務局局長鄧國威先生:

香港高級公務員協會對 2014 年度公務員薪酬調整的立場如下:

1. 去年高級公務員調薪 2.55%，連通脹也追不上。2013 年度的決定未能令高級公務員信服。很多高級公務員，尤其薪級已達頂點的公務員，對去年偏低的調薪幅度，及「高級公務員承受能力高」的冷漠言論極表不滿。雖然各工會如實反映，職方的意見被一意孤行地否決，顯出當局沒有注重公務員的意見和士氣。
2. 政府不但未為全港市民樹立良好僱主的榜樣，更無視受薪階層維持生活水平的基本要求，未能為和諧社會營造基礎。
3. 本會曾致力完善薪酬趨勢調查機制，對於 2013 年度調查所突顯的問題，如調查的真實性、準確性、基本薪金結構、現金薪酬總額、數據的審計等，於調查開始前提出意見。結果又是一切因循依舊。因此本會對今年的薪酬趨勢調查報告，將無從確認。
4. 既然不盡不實的薪酬趨勢指標難以得到公務員的認受，根據既定機制，「職方對薪酬調整的要求」，亦是行政長官會同行政會議應考慮的因素之一，故須被認真重視。
5. 就此，本會參照本港各大機構公佈的加薪幅度、人力資源調查報告、本地生產總值、政府財政狀況、消費物價指數、員工士氣等因素，再經諮詢約三十個高級公務員工會，綜合各方面的意見，確定職方要求實質加幅為不低於 5.0%。

香港高級公務員協會主席

陳世焯

2014 年 5 月 12 日

聯絡電話

陳世焯 93036189

郭志德 62810082

Applicability of the civil service pay adjustment

Civil service pay adjustment is not applicable to judges and judicial officers (JJOs), political appointees, non-civil service contract (NCSC) staff and subvented sector staff. The relevant policy background are set out as follows –

- (a) JJOs: JJOs are subject to a different and separate mechanism for pay adjustment as endorsed by the Chief Executive (CE)-in-Council on 20 May 2008. The Standing Committee on Judicial Salaries and Conditions of Service (the Judicial Committee) will deliberate how the pay of JJOs should be adjusted having regard to a basket of factors, including the final pay adjustment decision to be made for the civil service. Upon receipt of the recommendations of the Judicial Committee, the administration will make a separate submission to the CE-in-Council.
- (b) Political appointees: The pay policy for politically appointed officials (including Principal Officials (POs), Deputy Directors of Bureau and Political Assistants to POs) are distinct and separate from those for the civil service. The civil service pay offers and the final pay adjustment decision to be made for the civil service will not apply to them.
- (c) NCSC staff: NCSC staff are recruited by individual bureaux and departments mainly for work that is seasonal, time-limited or part-time in nature, or work where the mode of delivery is under review or likely to be changed, etc. As the pay of NCSC staff is managed differently from that of the civil service, the civil service pay offers and the final pay adjustment decision to be made for the civil service will not apply to them.
- (d) Subvented sector staff: With the exception of teaching and related staff in the aided school sector who are paid according to the civil service pay scales, the Government, as a general rule, is not involved in the determination of pay or pay adjustment of staff working in subvented bodies (e.g. the Hospital Authority, social welfare non-governmental organisations, institutions funded by the University Grants Committee, etc.). These are matters between the concerned bodies as employers and their employees. Hence, the Government will not directly impose any pay adjustment applicable to the civil service on the subvented sector. That

said, it has been the established practice that following a civil service pay adjustment, the Government will adjust the provisions for subventions which are price-adjusted on the basis of formulae including a factor of civil service pay adjustment. The additional provisions for subventions will in general be calculated in accordance with the weighted average of the pay rise decided for the civil service¹, as was done in previous years. It would be up to individual subvented bodies, as employers, to decide whether to increase the salaries of their own employees and, if so, the rate of increase. Subject to the CE-in-Council's final decision on the pay adjustment for the civil service for 2014-15 and subject to the approval of the Finance Committee of the Legislative Council, we will, through the relevant Controlling Officers, remind the subvented bodies concerned that the additional subventions from the Government are meant to allow room for pay adjustment for their staff.

¹ The weighted average of civil service pay adjustment rates would be 5.07% if civil service pay for 2014-15 is indeed adjusted according to the recommended pay offers.