

**Legislative Council
Panel on Public Service**

**Summary of submissions from organizations and academics
on Civil Service Starting Salaries Review 1999**

(As at 10 November 1999)

Organizations/ academics (LC Paper No.)	General Comments	Comments on the Scope/ Methodology/Period of the Survey	Comments on the Standing Commission's Recommendations	Comments on the Administration's Proposals
Hong Kong Chinese Civil Servants' Association (HKCCSA) CB(1) 289/99-00(01)	<p>(1) The Administration should consider the issue from a comprehensive point of view and should be prudent in taking any actions, and it should also take account of the impact on the civil servants especially the impact on the morale and stability of the civil service.</p> <p>(2) The Administration should take note of the differences between the private and public sectors in job nature, salary policy and structure. It is not advisable to make a simple comparison of the starting salaries of the two sectors.</p> <p>(3) The Standing Commission has not conducted any extensive consultation</p>	The scope of the Review is just confined to the starting salaries. The issue of entry requirements (e.g. academic qualifications and experience) of Government posts was not reviewed at the same time.	<p>(1) The recommendations of the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission) would lead to the following:</p> <p>(a) <u>Senior and junior officers of related grades have the same starting salary</u></p> <p>e.g.: The new starting pay point of Social Security Officer II is the same as that of Social Security Assistant (MPS 6).</p> <p>(b) <u>Senior officers have a lower starting salary than junior officers of related grades</u></p> <p>e.g.: The new starting pay points of Amenities Officer II and Amenities Assistant III are MPS 4 and MPS 7 respectively.</p>	The arrangement of making 1 April as the annual incremental date for all new recruits is unfair.

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	<p>before proceeding with this Review. HKCCSA requests the Administration to conduct adequate consultation with the various civil service unions before making any final decisions.</p>		<p>(2) The Standing Commission recommends delinking the qualification benchmark/starting salaries review from the annual pay trend survey. Instead, a full Benchmark and starting salaries review should be conducted every 3 to 4 years with annual updating carried out in the interim. Such an arrangement will lead to more unfair cases in which people doing the same jobs may receive different salaries.</p>	
<p>Enrolled Nurses Branch of Hong Kong Chinese Civil Servants' Association CB(1) 289/99-00(02)</p>			<p>(1) <u>Starting pay point of enrolled nurses should not be lowered</u></p> <p>As the entry qualification requirement of enrolled nurses, student enrolled nurses (general and psychiatric) has been raised from completion of F.4 to completion of F.5, the entry pay point of this grade should be reviewed. Apart from academic requirements, experience and professional training should also be major factors of consideration when adjusting salaries.</p>	

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			<p>(2) <u>The difference in the starting salaries of general enrolled nurses and psychiatric enrolled nurses</u></p> <p>At present, the starting salary of psychiatric enrolled nurses is two points higher than that of general enrolled nurses. However, the Standing Commission's Report has not mentioned the difference in the new starting pay points between the two, nor has it mentioned the new starting pay point of student enrolled nurses.</p> <p>(3) <u>The difference in the salaries of enrolled nurses and registered nurses</u></p> <p>The new starting pay point of enrolled nurses has been lowered from MPS 9 to MPS 5, whereas that of registered nurses from MPS 15 to MPS 13. This recommendation further widens the salary gap between the two grades.</p>	
The Senior Non-expatriate Officers Association CB(1) 289/99-00(03)	(1) In the long run, the starting salaries of civil servants should be adjusted according to the general trend of	(1) The Pay Comparison Survey (PCS) conducted in the Review adopts the Education Qualification Method (EQM) used in	(1) The general findings of the PCS may not be applicable to the unique situations in various departments. Therefore it is necessary for the Administration	

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	<p>starting salaries in Hong Kong. However, due to the nature of service, the starting salaries should not follow the market too closely so as to avoid having to make drastic changes within a short period of time.</p> <p>(2) The Standing Commission was commissioned unilaterally by the Government to conduct the Review without the participation of the staff sides. So certain relevant data could not be obtained for analysis. Therefore, it could not make a comprehensive assessment.</p> <p>(3) Starting salaries review should be conducted every three years. The participation of the staff sides would not only enhance the credibility of the review, it would also help reflect the actual situation.</p>	<p>the 1989 survey. However, as education becomes more and more popular, the impact of education qualification on starting salaries has gradually diminished. People with the same education qualification may have substantially different starting salaries if they are working in different professions. So, the results of the survey could be affected by the distribution of the samples. The insufficient samples for quite a number of qualification benchmarks in this PCS has caused concern.</p> <p>(2) The fact that the PCS was conducted at a time when the unemployment rate was at a historically high level would have certain impact on the starting salaries review.</p>	<p>to conduct extensive consultation with the management and staff sides of the departments, and it should give priorities to rectify cases in which senior officers have a lower starting pay point than junior officers of related grades.</p> <p>(2) No objection to the idea of delinking starting salaries from the pay trend survey. However, relevant welfare arrangements should be well coordinated as far as possible.</p>	

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Government Disciplined Services General Union (GDSGU) CB(1) 289/99-00(04)	<p>(1) On the whole, the Review was completed in a hurry and fell short of a serious attempt. Therefore, it is not a complete and reasonable review.</p> <p>(2) In the short run, GDSGU suggest that the Administration should conduct a more thorough and detailed review on civil service starting salaries. In the long run, the Administration should work out a flexible and stable salary system by incorporating measures brought about in the Civil Service Reform.</p> <p>(3) It is not reasonable to fix the starting salaries of disciplined services by basing on the findings of the Review with reference to internal relativities.</p>	<p>(1) GDSGU accepts the EQM as the survey methodology.</p> <p>(2) It is not desirable to determine the new benchmarks by making use of established Qualification Groups (QG) and internal relativities.</p> <p>(3) The PCS was just confined to the period between 2 April 1998 and 1 April 1999(12 months). In terms of the overall economic situation, 1998 was the worst year for Hong Kong in the past two decades. So the PCS will inevitably reflect a declining salary trend. It's unfair to civil servants.</p>		

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Government Employees Association (GEA) CB(1) 289/99-00(05)		<p>(1) The Standing Commission continues to use EQM which had been used in the 1989 Review. It seems to assume that the survey methodology and the established QGs have not been affected by all those drastic social changes that have taken place during the past ten years. This has oversimplified the issues.</p> <p>(2) GEA does not accept the period between 2 April 1998 and 1 April 1999 as the survey period because Hong Kong suffered from economic depression and high unemployment rate in 1998. In order to reflect the actual situation, the Standing Commission should use the past ten years as the survey period.</p> <p>(3) The Standing Commission collects data on the monthly salary, bonus and cash allowance</p>	<p>(1) The recommendations of the Standing Commission will lead to the following:</p> <p>(a) A new recruit will have a lower salary than his serving subordinates;</p> <p>(b) New and old staff members of the same rank may have substantially different salaries - that means people doing the same job may be earning different salaries and may lead to differentiation of the staff members;</p> <p>(c) Graduate and non-graduate teachers have the same entry point.</p> <p>(2) It is appropriate to conduct a review on education qualification benchmarks every 3 to 4 years. But the starting salaries review should not adopt the survey methodology used by the Standing Commission in this Review.</p>	<p>Support in principle that the annual incremental date for all new recruits should be 1 April.</p>

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		<p>of every job included in the PCS, but data on fringe benefits are not collected. It seems that such a practice is misleading the public. A PCS should use "total pay package" as the basis for collecting data.</p>		
<p>Association of Government Technical & Survey Officers CB(1) 289/99-00(06)a</p>	<p>The Government is now planning to use the contract system and to cut starting salaries for entry ranks. It will be difficult to attract and retain staff of a good calibre to work in the Government. This will lead to higher mobility in the civil service and an increase in the workload of civil servants. This will consequently lead to a decrease in the service quality of the civil service as a whole.</p>		<p>(1) The starting pay points of two basic ranks of QG5(Group II of Higher Diploma, Diploma and Related Grades) - Technical Officers and Survey Officers - have both been lowered from MPS 11 to MPS 7. This starting pay point is even lower than that of the basic ranks of certain School Certificate Grades. This arrangement is unfair to new recruits of Technical Officers and Survey Officers and will cause recruitment difficulties. This is also against the policy target promulgated in Report No. 9 of the Standing Commission, i.e. "The Government should offer remuneration sufficient to attract, retain and motivate staff of a suitable calibre to provide the public with an effective and</p>	

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			<p>efficient service and such remuneration should have to be regarded as fair both by civil servants and by the public they serve.”</p> <p>(2) The starting salaries of both the Technical Officers and the Survey Officers should remain at MPS 11.</p> <p>(3) The Standing Commission recommends that a full Benchmark and starting salaries review should be conducted every 3 to 4 years with annual updating carried out in the interim. This will lead to different starting salaries for people joining the service in different years, and a ridiculous situation in which someone joining the service later can have a higher salary than those who have joined earlier.</p>	
Government Electrical & Mechanical Works Supervisors, Craftsmen & Workmen Association CB(1) 289/99-00(07)	On the whole, the Standing Commission's Report is one compiled in a hurry and without adequately objective analysis. It just provides the Administration with an excuse to cut the starting salaries of civil servants.	Of the 133 companies participating in the PCS, about one third is estimated to have provided salary structures which include basic salaries and Standing Commissions. However, only monthly salaries, bonuses and cash	(1) Some of the starting pay point proposed by the Standing Commission are unacceptable. For example, the new starting pay point of Inoculator is MPS 0 (\$8,125), which is lower than that of Workmen II (MOD 0 - \$8,615).	The Association expresses reservations on the proposal of making 1 April as the incremental date for all the new recruits.

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	This is unfair to civil servants.	allowances of private sector jobs are included in the PCS, whereas bonuses are not. It is unconvincing for the Standing Commission to have adopted such an approach of comparison in determining the salaries of new civil servants.	(2) The Standing Commission recommends that a full Benchmark and starting salaries review should be conducted every 3 to 4 years with annual updating carried out in the interim so as to ensure that entry benchmarks can closely follow the salaries in the private sector. If the Administration fails to consider the difference in the salary structures of the private sector and the civil service in the Review, the findings of the Review will have an impact on the stability of the civil service, and it will be unfair to loyal civil servants.	
Government Dental Hygienists' Association CB(2)208/99-00(01)			(1) The new starting pay point of Dental Hygienist(Group III of Higher Diploma, Diploma and Related Grades) is MPS 3, which is lower than that (MPS 4) of Dental Surgery Assistant (Group I of School Certificate Grades). This proposal is unreasonable, and will cause recruitment difficulties in the Dental Hygienist grade. (2) Apart from the higher academic requirements, Dental Hygienists are also required to possess 2	

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			years of experience as a Dental Surgery Assistant. Therefore, the starting salary of Dental Hygienists should be 3 points higher than that of Dental Surgery Assistants.	
Model Scale 1 Staff Consultative Council (Staff Side) CB(1) 289/99-00(08)		<p>(1) The Standing Commission adopted the EQM in conducting the PCS without taking account of other important data (such as experience). Thus, the survey fails to give a full picture of the market rates. Regarding the posts on the Model Scale 1, while the entry requirements are comparatively low, the job nature of the posts are dangerous and offensive, such as removing corpses. In determining the starting salaries of these posts, the Government should take into account the special features of the posts.</p> <p>(2) The PCS was conducted at a time when Hong Kong was undergoing a critical period of economic</p>	The recommendation of lowering the starting salaries of staff on the Model Scale 1 will result in a substantial difference in salaries between serving civil servants and new recruits, thus giving rise to the situation of internal differentiation and affecting the overall morale of the civil service.	

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		readjustment. It is therefore inappropriate to adopt the data collected as the indicator in determining the salaries of civil servants.		
Disciplined Services Consultative Council (Staff Side) CB(1) 289/99-00(09)	Lowering of the starting salaries will weaken the competitiveness of the Government in recruiting and retaining staff, as well as undermining the morale of the civil service.	Objection to the adoption of academic qualifications as the sole criterion in determining the starting salaries of the disciplined services.	<p>(1) The Standing Commission recommends retaining the existing starting pay points of certain basic ranks, such as the Assistant Hawker Control Officer (MPS 8). The duties of disciplined services are much more demanding than those of the Assistant Hawker Control Officer in terms of requirements and complexities. Hence, the starting salaries of disciplined services should not be lowered.</p> <p>(2) The substantial reduction of the starting salaries of the officer grade recommended by the Standing Commission will lead to a situation in which new recruits will have lower salaries than those of their serving rank and file subordinates. Failing to reflect the level of rewards that should be given to the management level, this recommendation is extremely</p>	

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			unfair to officers at the management level.	
Hong Kong Institute of Human Resources CB(1) 289/99-00(10)	<p>(1) Supports the review of the starting salaries, as it will bring the salary level of the civil service in line with the labour market, resulting in the achievement of cost-effectiveness in the employment of civil servants.</p> <p>(2) The issue of starting salaries is just a part of the remuneration policy of the civil service. The Institute is concerned with how the Administration will proceed with revamping the existing system of annual increments, and the performance-based pay system proposed under the Civil Service Reform</p>		The Standing Commission recommends to conduct a review of the starting salaries every three to four years. It is believed that the scope for salary adjustments arising from the reviews will then be reduced, and in turn, the effect of the reviews on the civil service will be less noticeable.	
Dr CHEUNG Bing-leung of City University of Hong Kong		(1) The survey methodology of comparing the salary level of over 100 large and medium companies	The Standing Commission recommends delinking the Benchmarks and starting salaries from the annual pay trend survey and the Master Pay	

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CB(1) 289/99-00(11)		<p>was the same methodology adopted by the Standing Commission in 1989. In using the third quartile level of private sector pay data instead of the median level, the Standing Commission has, in fact, been quite lenient.</p> <p>(2) The economic downturn should not be used as an excuse for not conducting the review of civil service starting salaries. Similar reviews should be conducted more frequently by the Government in the future, so that civil servants would be given more lucrative starting pay points at the time of a prosperous economy.</p>	Scale. This delinking proposal will result in a substantial difference in salaries between serving civil servants and new recruits of the same rank. To avoid causing administrative confusion, undermining staff morale and co-operation, the Government should design a mechanism to address the issue, so that civil servants appointed to the same rank in different years will be remunerated under the same pay scale.	
Prof Joseph CHENG of City University of Hong Kong CB(1) 289/99-00(12)	<p>(1) Supports the recommendations of the Standing Commission in principle.</p> <p>(2) Supports the Standing</p>			

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	Commission's initiatives in taking up the Review, instead of following the usual practice of relying on a consultancy firm.			
Prof John Burns of the University of Hong Kong CB(1) 289/99-00(14)	<p>(1) Proposes to conduct a comprehensive review on the remuneration system. The Government may consider eliminating the standardized pay scale, and allowing the departments to determine individual salary levels under the expenditure cap set by the Treasury. Individual departments may adjust its remuneration and compensation packages in accordance with its own difficulties in recruiting and retaining staff. Such a review should not be conducted by the Standing Commission.</p> <p>(2) The government policy objective is to "offer</p>	<p>(1) The PCS covers a large number of companies and various professions. The survey methodology adopted by the Standing Commission is acceptable in general.</p> <p>(2) The EQM was used in the PCS. However, in order to rationalize the differences in salaries, other methods such as the factor evaluation method can also be used to assess the responsibilities, difficulties and complexities of the jobs undertaken by the entry ranks of public and private organizations.</p>	<p>(1) The Standing Commission recommends delinking the starting salaries from the annual pay trend survey. Further study of the data on wastage, vacancy and staff turnover of each rank should be conducted by the Government before the implementation of downward adjustment of starting salaries.</p> <p>(2) Civil servants on transfer should be allowed to retain their original salaries.</p>	

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	<p>sufficient remuneration to attract, retain and motivate staff of a suitable calibre to provide the public with an effective and efficient service.” This policy should also be applicable to the disciplined services, the judiciary, non-civil service contract staff and employees in the subvented organizations.</p>			
<p>Prof Wilson WONG of Chinese University of Hong Kong CB(1) 289/99-00(15)</p>	<p>(1) The review of civil service starting salaries should be linked with the civil service reform. The issue also involves the expectations of the public on the civil service and the responsibilities assigned to them. Setting the starting salaries at the “market wage” may be sufficient in maintaining an “average” civil service but not an “excellent” civil service.</p>	<p>(1) There are major faults in the methodology and basic assumption of the Review.</p> <p>(2) The methodology used in the PCS is inadequate since it excludes the data of fringe benefits provided by the private sector. This inadequacy can compromise the findings of the survey which might have exaggerated the pay gap between the private sector and the public sector.</p>	<p>To avoid not to discourage flexible reallocation of human resources within the Government, the salaries of staff on transfer should not be lower than those offered to them before the transfer.</p>	

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	(2) It is not desirable to give special treatment to the disciplined services in the review of the starting salaries. However, it should be aware that there could be special features in the labour market of the disciplined services.	(3) It is inappropriate to compare the starting salaries of the public and private sectors as there is an imperfect employment mobility between the two sectors. In order to compete with the private sector for talents, it is necessary for the public sector to offer higher starting salaries. (4) As the PCS was conducted at the time when Hong Kong was badly hit by the Asian financial crisis, the findings of the survey are not representative.		
Prof KWONG Kai-sun of the Chinese University of Hong Kong CB(1) 289/99-00(16)	Accepts the principle of the Review that there should not be excessive differences between the salaries of the civil service and the salaries of the private sector.		(1) There are basic faults in the salary mechanism recommended in the Report of the Standing Commission. The mechanism includes: (a) a fixed Master Pay Scale; (b) an annual increment after one-year service;	

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			<p>(c) a full review of the starting salaries every three to four years, with annual updating carried out in the interim.</p> <p>(2) The above salary mechanism will result in the following situations:</p> <p>(a) Difference in salaries between serving civil servants and new recruits performing the same duties;</p> <p>(b) New recruits appointed after the Review will have 3 increments after serving for 3 years. However, the findings of the next review may result in raising the starting salaries of the rank by 3 points, giving rise to a situation in which the new recruits and the serving civil servants are on the same salary level. This will render the 3 increments obtained by the serving staff meaningless.</p> <p>(3) The adoption of an effective performance-based pay system is the prerequisite for the</p>	

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			implementation of the recommendations put forward in the Review.	
Dr HO Kwok-leung of the Hong Kong Polytechnic University CB(1) 289/99-00(17)	In general, the Report of the Standing Commission deserves our support.	<p>(1) The Standing Commission has adopted 2 appropriate principles in conducting the Review:</p> <p>(a) using the existing QGs and internal relativities between grades as the basis for comparison;</p> <p>(b) the scope of the Review does not cover salary levels above the entry level.</p> <p>(2) The Report of the Standing Commission has indicated that salary data for QGs 4, 6, 11 and 12 failed to satisfy the vetting guidelines and could not be admitted for further analysis. In this connection, the Standing Commission should account for the</p>	<p>(1) According to the recommendations of the Standing Commission, there is a need to create a working group to undertake the annual updating and the full review. This recommendation should be endorsed.</p> <p>(2) However, an annual updating of the starting salaries will result in too many different starting pay points in government ranks, and differences in salaries between serving civil servants and new recruits, which in turn, will undermine the morale of the civil service. The starting salaries of the civil service should be maintained at the same level for a short period of time (e.g. 2 to 3 years).</p> <p>(3) According to Paragraph 5.4 of the Report, "the new Benchmarks and starting salaries recommended by us in this Review will be delinked from the effect of the annual pay</p>	

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		<p>calculation of the recommended benchmarks of the 4 Groups.</p>	<p>trend survey and from the MPS after the first year and become, in effect, a separate scale.” The Standing Commission needs to clarify the meaning of “a separate scale”.</p> <p>(4) The Standing Commission recommends a review of the present number of the QGs with a view to simplifying the grouping by doing away with those that consistently have no comparisons with the private sector (e.g. QGs 4, 6 and 12). This proposal should be further discussed. Take QG 4 as an example, the majority of the grades in this group are affiliated to the job family of “Health and Social Services”. Though it is difficult to find such jobs in the private sector for comparison, they should be given reasonable assessment and recognition. The Standing Commission should reconsider the special features of such jobs in order to determine a reasonable level of salary for the group.</p>	

Note:

As the arguments of the following submissions mainly focus on the Civil Service Reform instead of the Civil Service Starting Salaries Review, the contents of these submissions have not been included in this summary:

- (a) the second submission presented by the Association of Government Technical & Survey Officers (LC Paper No. CB(1) 289/99-00(06)b);
and
- (b) the submission presented by Dr James SUNG Lap-kung, City University of Hong Kong (LC Paper No. CB(1) 289/99-00(13)).

Legislative Council Secretariat

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