

LEGISLATIVE COUNCIL BRIEF

2017-18 CIVIL SERVICE PAY ADJUSTMENT

INTRODUCTION

At the meeting of the Executive Council on 6 June 2017, the Council **ADVISED** and the Chief Executive (CE) **ORDERED** that the following pay offers, to be effected retrospectively from 1 April 2017, should be made to the staff sides of the four central consultative councils¹ (the staff sides) –

- (a) a pay increase of **1.88%** (equals to the net pay trend indicator (PTI) for the upper salary band plus 0.5%) for civil servants in the upper salary band and the directorate subject to the proviso that no pay point in the upper salary band should be less than \$67,270;
- (b) a pay increase of **2.94%** (equals to the net PTI for the middle salary band plus 0.5%) for civil servants in the middle salary band; and
- (c) a pay increase of **2.94%** (equals to the pay offer for the middle salary band) for civil servants in the lower salary band.

JUSTIFICATIONS

Civil Service Pay Policy

2. The Government's civil service pay policy is to offer sufficient remuneration to attract, retain and motivate staff of suitable calibre to provide the public with an effective and efficient service; and to ensure that civil service remuneration is regarded as fair by both civil servants and the public whom they serve by maintaining broad comparability between civil service and private sector pay. To implement this policy, civil service pay is compared with market pay on a regular basis through three different types of surveys under the Improved 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 qualifications; and (c) the six-yearly Pay Level Survey to ascertain whether civil service pay is broadly comparable with private sector pay.

¹

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

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 increments² (PCIs) is deducted, provide the **net** PTIs which are one of the factors to be considered in the established annual civil service pay adjustment mechanism (the established mechanism). 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.

4. Since 1983, the annual PTS has been commissioned and its conduct has been overseen by the PTS Committee which is a tripartite committee comprising representatives of the staff sides of the four central consultative councils, the two independent advisory bodies on civil service salaries and conditions of service³ as well as government officials. 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 for endorsement. The Standing Commission, after considering the advice of the PTS Committee, submits its recommendation on the PTS methodology to the Government for consideration. Upon receiving the Standing Commission's endorsement and the Government's support, the PTS Committee will commission the Pay Survey and Research Unit (PSRU) of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service (JSSCS) to conduct the annual PTS.

The Established Mechanism

5. After completion of the annual PTS, the Executive Council's advice is sought on the pay offers to be made to the staff sides of the four central consultative councils on the basis of a number of relevant factors, including –

- the net PTIs
- the state of Hong Kong's economy

² "Payroll cost of increments" is the increment payments made to civil servants who have not yet reached the maximum pay point of their rank, expressed as a percentage of total salary payment.

³ The two independent advisory bodies are 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 (SCDS).

- changes in the cost of living
- the Government’s fiscal position
- the pay claims of the staff sides
- civil service morale

If the pay offers made to the staff sides are different from their pay claims, the staff sides will be consulted again before the Executive Council’s decision on the 2017-18 Civil Service Pay Adjustment is sought. Independent Commission Against Corruption (ICAC) staff are not civil servants. However, it is the Government’s policy to extend the annual civil service pay adjustment to ICAC staff.

The Net PTIs

6. Following the established arrangement as set out in paragraph 4 above, the PTS Committee reviewed and agreed on the survey methodology before commissioning the PSRU to conduct the 2017 PTS. Its advice on the 2017 PTS methodology was accepted in full by both the Standing Commission and the Government. The PTS Committee also ensured that the 2017 PTS was conducted in accordance with the established arrangement and agreed methodology (details of which are at **Annex A**).

A

7. The 2017 PTS covered the 12-month period from 2 April 2016 to 1 April 2017. In the survey, the basic pay and additional pay adjustment data of 156 238 employees in 111 companies, consisting of 154 707 employees in 86 larger companies and 1 531 employees in 25 smaller companies, were collected. The findings of the 2017 PTS are set out below –

Salary Band⁴	Basic Pay Indicator [A]	Additional Pay Indicator [B]	Gross PTI⁵ [A] + [B]
Upper	3.31%	-0.78%	2.53%
Middle	4.47%	-0.96%	3.51%
Lower	4.01%	-0.23%	3.78%

⁴ The pay ranges of the three salary bands for the 2017 PTS are –

- Upper: Above Master Pay Scale (MPS) 33 to General Disciplined Services (Officer) Pay Scale (GDS(O)) 39 or equivalent, viz. \$65,151 to \$132,580;
- Middle: From MPS 10 to 33 or equivalent, viz. \$21,255 to \$65,150; and
- Lower: Below MPS 10 or equivalent, viz. below \$21,255.

⁵ The gross PTI is the sum of the basic pay indicator and the additional pay indicator. Basic pay indicators cover salary adjustments awarded to employees on account of (a) cost of living; (b) general prosperity and company performance; (c) general changes in market rates; and (d) in-scale increment and merit. Additional pay indicators cover adjustments to payments in addition to basic salary, such as “the 13th month salary”, year-end bonuses, commissions and other non-guaranteed/discretionary/one-off bonuses, etc. Both indicators do not cover changes in fringe benefits and allowances (e.g. housing allowance, stock options and education allowance, etc.).

8. The PTS Committee met and considered the 2017 PTS findings on 25 May 2017. Amongst the ten members who attended the meeting, nine members validated the 2017 PTS findings and confirmed that the survey was conducted in compliance with the agreed methodology. The remaining member representing the staff side of the SCSC validated the findings “with reservation”. The two members representing the staff side of the PFC and the other two members representing the staff side of the DSCC had not taken part in the 2017 PTS and hence did not validate the findings⁶. Another member representing the staff side of the SCSC also did not attend the meeting to validate the findings despite that he attended all the previous meetings of the PTS Committee with respect to the 2017 PTS and had agreed on its methodology.

9. The PTS Committee submitted its report to the Government on 25 May 2017. The **net** PTIs are as follows –

Salary Band	Gross PTI [C]	PCIs in 2016-17 [D]	Net PTI [C] – [D]
Upper	2.53%	1.15%	1.38%
Middle	3.51%	1.07%	2.44%
Lower	3.78%	1.96%	1.82%

The State of Hong Kong’s Economy

10. The Hong Kong economy grew notably by 4.3% year-on-year in real terms in the first quarter of 2017, following a moderate annual growth of 2.0% in 2016. For 2017 as a whole, the economy is projected to grow by 2% to 3%. Alongside the improving economic conditions, the labour market has remained tight. The latest seasonally adjusted unemployment rate, at 3.2% in February – April 2017, essentially signified full employment. Labour earnings posted steady and broad-based growth over the past year. Both nominal wages for employees up to the supervisory level and average earnings per person engaged rose by 3.7% for 2016 as a whole.

Changes in the Cost of Living

11. For the 12-month period ending March 2017, the headline Composite Consumer Price Index (CPI), which reflects the impact of the changes in consumer prices on 90% of households (as compared with CPI(A),

⁶ The staff side representatives of the DSCC and three of the four constituent associations (except for the Superintendents’ Association, which stays in the PTS Committee as an observer) of the PFC have withdrawn from the PTS Committee since 2013. However, the PTS Committee Secretariat has continued to send meeting invitations, papers and minutes of meeting to all of them.

CPI(B) and CPI(C) which relate only to 50%, 30% and 10% of households respectively), averaged at 1.8%. The headline and underlying⁷ Composite CPI, CPI(A), CPI(B) and CPI(C) for the 12-month period ending March 2017⁸ are as follows –

	Composite CPI	CPI(A)	CPI(B)	CPI(C)
Headline	1.8%	2.1%	1.8%	1.7%
Underlying	2.0%	2.2%	1.9%	1.7%

12. The headline Composite CPI is forecast to be 1.8% for 2017 as a whole⁹.

The Government’s Fiscal Position

13. The Government’s financial position remains healthy in the short term. The consolidated surplus for 2016-17 was \$110.8 billion and that for 2017-18 is estimated to be \$16.3 billion. According to the Medium Range Forecast, the Government’s budget will remain broadly-balanced in the next five years. We expect deficits in the Consolidated Account in 2020-21 and 2021-22 given cash flow requirements for the very heavy public works programme and additional recurrent costs attributable to enhanced welfare and healthcare services in face of an ageing population.

14. The trend growth in government expenditure was 5.4% per annum between 2012-13 and 2017-18, higher than the 5% trend growth per annum in nominal Gross Domestic Product (GDP) for the period. Looking ahead, government expenditure is expected to grow at a trend rate of 6.2% per annum, compared with a nominal GDP trend forecast of 4.5%.

The Pay Claims of the Staff Sides

15. The pay claims of the staff sides of the four central consultative councils (at **Annex B**) are summarised in the table below –

B

⁷ The headline CPI figures include the effect of the Government’s one-off relief measures while the underlying CPI figures exclude the effect of these measures.

⁸ Source: Monthly Report on CPI (March 2017) published by the Census and Statistics Department on 21 April 2017. These figures were compiled based on the 2014/15-based index series.

⁹ The underlying Composite CPI is forecast to be 2% for 2017 as a whole.

Staff Sides	Upper Salary Band	Middle Salary Band	Lower Salary Band
(I) SCSC ¹⁰			
(a) Hong Kong Chinese Civil Servants' Association (HKCCSA)		3%	
(b) Hong Kong Senior Government Officers Association (HKSGOA)	4.19%	N.A.	N.A.
(II) PFC		4.72%	
(III) DSCC		Not less than 4.3%	
(IV) MOD 1 Council	N.A.	N.A.	4%

16. The details of staff sides' pay claims are summarised as follows –

- (a) the HKCCSA, one of the constituent associations of the SCSC and the MOD 1 Council, requests a 3% pay rise for all salary bands. Its claim is made having regard to the 2017 PTS, an expectation that the Government should share the fruits of economic prosperity with civil servants, the need to maintain and even enhance their purchasing power, and boosting the morale of the civil service in face of increasing work pressure;
- (b) the HKSGOA, another constituent of the SCSC, requests the same pay adjustment for the upper salary band as in 2016-17, i.e. 4.19%. It also asks for abolishment of the deduction of PCIs;
- (c) the PFC staff side requests a pay rise of 4.72% across-the-board having regard to its own pay trend survey and also the consideration of civil service morale. It reiterates its request to cease the deduction of PCIs;
- (d) the DSCC staff side requests a pay rise of not less than 4.3% across-the-board having regard to the five relevant factors other than the net PTIs. It stresses that the Government should seek to maintain the basic cost of living among the disciplined services staff and share with staff the fruits of economic growth; and
- (e) the MOD 1 Council staff side requests a pay rise of 4% for the lower salary band having regard to the five factors in addition to the net PTIs. It emphasises that the pay adjustment should not lead to any weakening of the purchasing power of civil servants in the lower salary band and the need to review the arrangement of deducting PCIs. It also makes the assumption that the Government would bring up the pay offer for the lower salary band to that for the middle salary band.

¹⁰ The Association of Expatriate Civil Servants of Hong Kong, one of the three constituent associations of SCSC, has not provided any pay claim.

Civil Service Morale

17. Civil servants generally consider that their workload is heavy, and that the challenges and pressure they are facing have been increasing. They therefore expect a reasonable pay rise to maintain their morale.

Pay Offers for 2017-18

18. Taking into account the relevant factors under the established mechanism as analysed and set out in paragraphs 6 to 17 above, the CE-in-Council decided to make the following pay offers to the staff sides for 2017-18 –

Salary Band	No. of Civil Servants¹¹	Net PTI	Pay Offer
Directorate	1 365	N.A. ¹²	1.88%
Upper	18 878	1.38%	1.88%
Middle	117 280	2.44%	2.94%
Lower	29 915	1.82%	2.94%

19. In gist, the pay offers for the upper and middle salary bands are their respective net PTIs plus 0.5%, subject to the proviso that no pay point in the upper salary band would be lower than \$67,270. The pay offer for the lower salary band is the same as that for the middle salary band. As for directorate civil servants who are not covered by the annual PTS, the pay offer for them is the same as that for the upper salary band in accordance with the practice adopted since 1989-90.

20. In accordance with the pay offers, civil servants remunerated at the lowest pay point of the upper salary band (i.e. MPS 34, \$66,975 after the 1.88% adjustment) will receive a monthly pay of \$90 less than those at the highest pay point of the middle salary band (i.e. MPS 33, \$67,065 after the 2.94% adjustment). As for the equivalent pay points of the upper salary band on other civil service pay scales, i.e. GDS(O) and Police Pay Scale (PPS), a very slight pay lead of \$25 can be maintained by the lowest pay point of the upper salary band on the respective pay scales. Maintaining a reasonable pay lead of the lowest pay point of the upper salary band over the highest pay point of the middle salary band is not only reasonable from civil service pay policy perspective, but also essential in upkeeping the morale of the staff on the relevant pay points. Thus, the CE-in-Council decided to adopt the arrangement similar to that in the 2009-10 Civil Service Pay

¹¹ The figures reflected the position as at 31 March 2017 and included some 19 700 civil servants seconded to/working in trading funds, subvented and other public bodies.

¹² 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.

Adjustment¹³ by giving a top-up pay rise for MPS 34 (and other equivalent pay points in the civil service) as rectification. The dollar value of the topped-up MPS 34 and equivalent pay points (i.e. GDS(O)20 and PPS 36) will be \$67,270. Given the Government's policy to extend the annual civil service pay adjustment to ICAC staff, the same arrangement will be applied to the ICAC Pay Scale.

21. The above pay offers (including the addition of 0.5% on the net PTIs and bringing up the pay offer for civil servants in the lower salary band to that for the middle salary band) is a one-off arrangement decided by the CE-in-Council after having fully considered the circumstances of all relevant factors under the established mechanism. The decision will not set any precedent for future annual civil service pay adjustments. In line with the established mechanism, the CE-in-Council will decide on the annual civil service pay adjustment having regard to the situation of each year.

Effective Date for the Pay Adjustment

22. In line with the established practice, the CE-in-Council decided that the pay adjustment should take effect retrospectively from 1 April 2017.

OTHER RELATED ISSUES

23. Civil service pay adjustment is not applicable to judges or judicial officers (JJOs), political appointees, non-civil service contract (NCSC) staff or 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 C**.

C

IMPLICATIONS

24. The pay offers are in conformity with the Basic Law, including the provisions concerning human rights. They have no environmental, productivity or sustainability implications. There is no gender issue but there are positive family implications.

¹³ The upper salary band experienced a 5.38% pay cut, while the pays for middle and lower salary bands were frozen in the 2009-10 Civil Service Pay Adjustment. To ensure that the lowest pay point of the upper salary band would not be lower than the highest pay point of the middle salary band, the CE-in-Council approved that no pay point in the upper salary band should be less than \$48,700 (i.e. \$300 above the upper limit of \$48,400 of the middle salary band) after the pay reduction.

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

	\$ million
(a) Civil service	2,569 ¹⁴
(b) ICAC staff*	20
(c) Subvented organisations	2,888 ¹⁵
(d) Auxiliaries	6
Total	5,483¹⁶

* ICAC staff are not civil servants. However, it is the Government's policy to extend the annual civil service pay adjustment to ICAC staff.

26. 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 16% of the overall employment remuneration in the economy. As the pay offers are relatively modest as compared 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 negligible.

PUBLICITY

27. The Secretary for the Civil Service has made the pay offers to the staff sides of the four central consultative councils earlier this afternoon (6 June 2017). A press release will be issued later today, and a spokesperson will be available to answer media enquiries.

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

Civil Service Bureau 6 June 2017

¹⁴ The figure includes an additional cost of about \$239 million arising from pay adjustment for around 19 700 civil servants seconded to/working in trading funds, subvented and other public bodies. It also includes an estimated increase of \$358 million in pension payments for those retiring in 2017-18.

¹⁵ 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.

¹⁶ This figure includes an estimated additional cost of \$15.1 million arising from the top-up pay rise for MPS 34 (and equivalent).

Pay Trend Survey

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 (10 representatives in total);
- (b) the Standing Commission and the SCDS (three representatives); and
- (c) the Government (two representatives).

The Secretary General of the JSSCS is also a member.

2. The PTS collects the year-on-year adjustments in both basic pay and additional pay (examples of the latter include “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.

Changes in fringe benefits and cash allowances (e.g. housing allowance) as well as salaries adjustments attributed to external relativities¹, internal relativities and/or implementation of the statutory minimum wage are excluded from the calculation of the PTIs.

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.

3. Pay adjustment data from both larger (i.e. with 100 or more employees) and smaller (i.e. with 50 to 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 lower, and aggregated in accordance with the assigned weighting into a basic pay indicator and an additional pay indicator for each salary band.

4. The sum of the two indicators for a particular salary band is the **gross** PTI for that band. The PCIs 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** PTI.

The 2017 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. Upon conducting the latest round of review, the PTS Committee recommended that the 2016 PTS methodology should continue to be adopted for the 2017 PTS. The recommendations of the PTS Committee were accepted in full by both the Standing Commission and the Government without further comment. At its meeting held on 9 February 2017, the PTS Committee formally commissioned the PSRU to conduct the 2017 PTS.



香港政府華員會

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致香港特別行政區政府
公務員事務局局長
張雲正先生

尊敬的張局長：

2017-18 年度公務員薪酬調整

華員會建議：高、中、低層劃一上調 3%

經全面考慮多項因素，作為高級公務員評議會、第一標準薪級公務員評議會職方成員之一的香港政府華員會(本會)，現向政府建議：2017-18 年度公務員薪酬調整，高、中、低層薪金級別應劃一上調 3%。

本會考慮的眾多因素，包括：

(1) 各級公務員有理由維持並改善購買力

香港自 1974 年確立的現行公務員薪酬調整機制，向來不但容許身為“打工仔”的公務員維持薪酬的購買力，以對抗並紓緩通脹帶來的壓力，並容許盡可能改善之。因而，給予各級公務員的薪酬調整幅度高於與調查年度同期的甲類消費物價指數，完全合理。

由此可知，若高層、低層薪金級別公務員的新調幅度只依據低於通脹率的 1.38%、1.82% 薪酬趨勢淨指標，就會明顯偏離當年確立公務員薪酬調整機制的初心。

(2) 各級公務員應可分享經濟成果

根據 1974 年確立至今的現行公務員薪酬調整機制，公務員須分享/分擔經濟的起伏。多年前，香港受亞洲金融風暴嚴重衝擊之際，本會即已據此機制指出：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；而容許公務員適當分享經濟成果，同為應有之義。

本會注意到上一財政年度，不但政府繼續有巨額財政盈餘，本港去年第 4 季的 GDP 為 3.2%，今年第 1 季的 GDP 更有 4.3% 的增長，且預估走勢良好。因而，政府無理由不允許全體公務員適當分享經濟成果。

(3) 參與調查公司填報的“勞績獎賞”可能壓低了薪酬趨勢指標

薪酬趨勢調查結果為公務員薪酬調整的其中一個重要考慮因素。因而調查及參與調查的公司能否嚴格遵循薪酬趨勢調查委員會官職薪常會三方已協議的調查方法，不致影響調查結果的準確性、公正性，至關重要。

然而，本會經深入審核 2017 年薪酬趨勢調查報告後，在有限的時間裏已發現有 15 間公司所填報的“勞績獎賞”，有偏離調查方法之嫌。涉及的公司有大、有小，所涉調查人口有 30,303 及 315 者，佔調查人口分別為 19.6% 及 20.6%，其可能的負面影響不容忽視。據此，本會對是次調查報告只能作“有保留確認”。

上述申報“勞績獎賞”偏離調查方法的做法，極有可能壓低了薪酬趨勢調查指標。故此，本會認為，當局在考慮 2017-18 年度公務員薪酬調整幅度時，應以此列作考慮因素之一。

(4) “低跟中”乃機制內一貫做法

現行機制自 1974 年確立起，即規定參與調查的公司必須為穩健良好的僱主，須有一定的規模，並在員工薪酬方面，有一套合理和有系統的架構。其目的在體現政府須為良好僱主的政策。

正是基於此，當時的港英政府接受了 1988 年仲裁委員會的建議，由 1989 年起，若薪酬趨勢調查結果顯示，低層薪金級別的薪酬趨勢淨指標低於中層，則會調高至與中層同一水平(即所謂“低跟中”)，除非另有強而有力的理由。這做法也一定程度上起到了避免高、中、低層公務員的薪酬差距過於擴大的作用，具社會公義性。這已成為公務員薪酬調整機制的不可或缺的部分。希望當局不要背離這行之多年的機制。

(5) 低層扣減的“遞增薪額”為歷史新高及高、中層為近年新高

今次須予扣減的低層薪金級別公務員的“遞增薪額”，為自 1989 年有關扣減機制確立以來的歷史新高，而高、中層薪金級別公務員的亦為近年新高。其結果是：各薪金級別公務員的“薪酬趨勢淨指標”遠落後於調查顯示的私營市場在過去一年的薪酬調整。

這是由於 2007 年開始解凍的公務員的招聘，以及近年公務員的退休高峰，大量公務員新聘入職，致出現因這特殊情況致“遞增薪額”偏高的情況。對這類情況，當局本應有如本會幾年前的建議，及早研究相關的各種牽連影響，卻未能“從善如流”。由是亦令更多的公務員同事質疑扣減的合理性問題，至今得不到釐清，進一步影響員工關係。

本會認為，政府在考慮公務員薪調幅度時，有必要因應“薪酬趨勢淨指標”因受“人為因素”影響致偏低的情況，作出調整。

(6) 提升公務員士氣、穩定公務員隊伍仍至關重要

毋庸置疑，在後“佔領”、後旺角暴亂的香港社會，政府的管治已經越發艱難。在本屆政府已只剩下一個月的任期、即將與下屆政府交接，而下屆政府面對的預料將是越趨民粹化、泛政治化的局面，情況之複雜、嚴峻及牽連之大，不容低估；更何況尚須面對如何擺脫香港經濟繼續被邊緣化、能否把握機遇創造新局面。因而，特區政府擁有一支穩定、高效、具創新能力，又不可或缺的高昂士氣

的公務員隊伍至關重要。

然而，實際上，多年來，因當局無視本會的改善建議，公務員的士氣已因眾多原因屢屢受損，例如：2009年高層薪金級別公務員減薪5.8%、中低層凍薪；不少職系的人職薪酬長期不作職系架構檢討，致明顯比私營市場低；公務員不少職系人手緊絀，工作量、工作壓力有增無減；晉升機會普遍不多，單一職系則完全沒有晉升前途；語言暴力惡化，得不到遏止，等等。令人詫異及擔心的是2015/16年新入職未過試用期的公務員佔辭職者高達60%。若今年的薪酬調整並不合理，對公務員士氣無異於“落井下石”。

薪酬趨勢指標實為上一年度的調查結果

本會必須指出的是，公務員薪酬調整的其中一個重要考慮因素——薪酬趨勢指標是滯後的調查結果，公務員的薪酬調整實際上是落後於私營機構、實質上只是在“追趕”私營機構上一年度的薪酬調整。

官職雙方考慮多項因素，向來不限6項

回歸以來，特區政府只懂“蕭規曹隨”，跟隨前港英政府在後過渡期改變了的錯誤做法，一直強調調整公務員薪酬，只考慮6項因素。這實際上背離了1974年確立的現行公務員薪酬調整機制，罔顧多年來，政府即使羅列多項通常會予以考慮的因素，但從不作出量化規限。事實上，彌補過往薪調的“不足之數”（shortfall）、顧及港元貶值帶來的影響、避免刺激通脹、對因問題公司引致薪酬趨勢指標有誤而作出彌補，等其他多種因素，均曾被考慮過。

本會認為，特區政府是時候“撥亂反正”，讓公務員薪酬調整機制回歸它本來的面目了。

結論

若政府能接納本會的合理要求，給予高、中、低層薪金級別公務員，2017-18年度薪酬調整劃一上調3%，將能充分體現政府確已全面考慮上述多項因素，必將有利於公務員士氣的提升，有利於特區政府的順利換屆、下屆政府的順利開局。希望政府慎重考慮接納。

副會長



謹啟

(利葵燕)

2017年5月26日

English version only

只附英文版



香港高級公務員協會

Hong Kong Senior Government Officers Association

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Tel : 2522 4267 Fax : 2523 3319 E-mail: hksgoa@biznetvigator.com Website: www.hksgoa.org

Mr. Clement CHEUNG, JP
Secretary for the Civil Service
9/F, West Wing
Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

26 May 2017

Dear Mr CHEUNG,

2017/18 Civil Service Pay Adjustment

On behalf of the Hong Kong Senior Government Officers Association 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 2017/18 should be 4.19%. The reasons are given in the attached open letter to the Secretary for the Civil Service. We have no comment about the middle and the lower salary bands.

Yours sincerely,

(Wong Hung-lok)

for Hong Kong Senior
Government Officers Association

Encl.



香港高級公務員協會

Hong Kong Senior Government Officers Association

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致公務員事務局局長的公開信

香港高級公務員協會對於剛公佈的 2017 年薪酬趨勢指標，特別是極度偏低的高層薪金級別的指標 (1.38%)，感到非常失望。我們對 2017 年度公務員薪酬調整的立場如下：

1. 正如我們一直所指出，薪酬趨勢調查所用的方法有其局限性，包括完全依賴私人機構自願參加及呈報數據、沒有納入私人機構內透過內部晉升及職位轉變的薪酬調整數據以及缺乏令人信服的數據審核程序等等問題。薪酬趨勢指標能否可靠地反映私營機構的真實加薪幅度，確成疑問。對於今年的薪酬趨勢調查報告，我們是無從確認的。
2. 現時扣除遞增薪額比率的做法，扭曲了公務員的薪酬調整，扣除遞增薪比率的做法應予立刻廢止。隨著公務員進入退休高峯期，離職的資深公務員增加，遞增薪額開支因而大大增加，我們認為公務員遞增薪額開支與私營機構的薪酬變動沒有關連，反之遞增薪額開支卻會隨著公務員離職/退休人數增加而逐年累加。
3. 近年市民對政府的要求越來越高，公務員同事工作量越來越大及壓力越來越重，而且今年的公務員辭職比率已創 15 年新高，首長級公務員流失率更是 15 年來倍增。現時不但退休同事增多，高級公務員離職百分比又創新高，若公務員薪酬調整未能達到合理水平，必然嚴重打擊公務員士氣。我們憂慮資深公務員會離職或提早退休，引致人才流失，同時亦令公務員職位吸引力大減，難以吸納優質人才。
4. 既然薪酬趨勢指標難以得到公務員的認受，若政府最後決定摒棄其它因素，以單一指標去作薪酬調整決定，做法必定難以得到公務員的信服和認受。
5. 因此，根據既定機制，「職方對薪酬調整的要求」，是政府考慮公務員薪酬調整的主要因素之一，必須被認真重視。

我們參考了本港各機構公佈的加薪幅度、人力資源調查報告、本地的經濟狀況、政府的財政狀況、消費物價指數、員工士氣、三十多個代表不同職系的高級公務員工會對薪酬調整的要求等，綜合各方面的意見，確定職方要求高層薪金級別的實質加幅不應少於去年的薪酬調整幅度 (即 4.19%)。

我們期望今年公務員事務局作出合理的建議，使特首會同行政會議能夠認真考慮職方的要求，為今年度公務員的薪酬調整作出令人信服的決定，不單使政府作為良好僱主的典範，更為香港社會營造和諧的基礎。

香港高級公務員協會

聯絡電話：黃孔樂 9210 1728 / 李方冲 9150 2834

English version only

只附英文版

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 ASSOCIATIONS

39/F, ARSENAL HOUSE,
POLICE HEADQUARTERS,
1 ARSENAL STREET, HONG KONG.

協會檔號 OUR REF: CP PER SS C/4-85/1

來件編號 YOUR REF: CSBCR/PG/4-085-001/77

26 May 2017

The Hon. CHEUNG Wan-ching, Clement, JP
Secretary for the Civil Service,
9/F., West Wing, Central Government Offices,
2 Tim Mei Avenue, Tamar,
Hong Kong

Dear Mr. CHEUNG,

Pay Claim

2017-18 Civil Service Pay Adjustment

In response to your letter under reference CSBCR/PG/4-085-001/78 dated 12 May 2017, please find below the Pay Claim of the Police Force Council Staff Side (PFC SS).

We consider the net pay adjustment this year for the Police Force should be an increase of 4.72% across-the-board. This figure is based on the findings of our own independent pay trend survey conducted utilizing open and closed sources, and also considerations on the civil service morale. We are also of the view that, as the Police Pay Scale is an integral and complete system, any adjustment to the Police Pay Scale should be made across-the-board.

We are not part of the Pay Trend Survey Committee thus we have no comment on its findings. Our reasonable request for a comprehensive review of an obsolete mechanism based on our last year's submission still stands. Our justifications behind our request have been clearly expressed on many occasions through all established avenues already and thus we see no point to reiterate it here again.

It is disappointing that despite all reasonable efforts and avenues have been exhausted that we are still unable to convince the Government to consider commencing the review. PFC SS is now facing immense pressure to manage our

SUPERINTENDENTS'
ASSOCIATION
警司協會

HONG KONG
POLICE INSPECTORS'
ASSOCIATION
香港警務督察協會

OVERSEAS INSPECTORS'
ASSOCIATION
海外督察協會

JUNIOR POLICE OFFICERS'
ASSOCIATION
警察員佐級協會

members' persistently long-standing and reasonable request as well as their patience and faith in our ability to safeguard their terms and conditions for their dedicated services to the Government. Considering the prevailing operating environment that Police Officers are working under, we are running out of an acceptable response as to why the Government has not taken any steps towards considering our reasonable request.

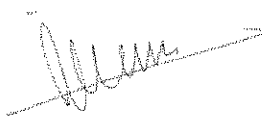
As a short-term measure, we hope that the Government would consider our pay claim seriously. The PFC SS insist that the Government **ceases the unfair deduction of the "Payroll Cost of Increments" (PCIs) from the civil service pay adjustment.**

With an ever-increasing workload and higher public expectations, we continue to deliver essential and highly professional frontline services to the community. Fair and reasonable pay for the Police is vital in maintaining high morale and ability to provide these services. The year-on-year increase in the Consumer Price Index (CPI) (A) in March 2017 is 2.1%. Hong Kong's GDP had a year-on-year increase of 3.8% in 2016. The revised estimates of the Government Budget also shows a projected surplus of over \$92 billion for the Financial Year 2016-17 with the fiscal reserves reaching over \$935 billion. Given the vibrant state of Hong Kong's economy and the phenomenally healthy fiscal position of the Government, we consider it only fair that the living standard of Police officers should not be eroded by the rising costs of living without adequate and reasonable compensation in the form of fair pay adjustments. We look forward to receiving a just and reasonable pay offer from you.

Yours sincerely,



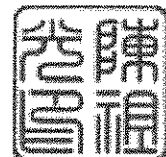
Patrick KWOK
Chairman
SPA



James LEE
Chairman
HKPIA



Ronald ABBOTT
Chairman
OIA



Joe CHAN
Chairman
JPOA

c.c. Commissioner of Police

Chinese version only

只附中文版



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

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

本函檔號：(30) in SS/DSCC/P-3 (Pt.XXIV)

來函檔號：CSBCR/PG/4-085-001/78

香港添馬添美道 2 號
政府總部西翼
公務員事務局
公務員事務局局長
張雲正先生, JP

張局長：

二零一七至一八年度公務員薪酬調整

謝謝你 2017 年 5 月 12 日的來信。

紀評(職方)對 2017 年 5 月 18 日公布的薪酬趨勢調查結果表示震驚和極度失望。由於我們認為其未能反映實際經濟狀況和會嚴重損害公務員士氣,紀評(職方)不接受該薪酬趨勢調查結果,同時再一次無可置疑地證實有關機制絕對不能反映實際經濟狀況並會嚴重損害公務員士氣。

本會強烈要求當局必須按機制貫徹考慮香港經濟狀況、政府的財政狀況、生活費用的變動、公務員士氣和職方的薪酬調整要求等因素以確保是提供足夠的薪酬以吸引、挽留和激勵有合適才幹的人員,為市民提供有效率和成效兼備的服務。

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

香港經濟狀況

香港經濟在 2017 年第一季穩步上揚，據政府統計處於 5 月 12 日的公布，本地生產總值在 2017 年第一季較上年同期實質上升 4.3%，而 2016 年第四季的上升為 3.2%；2016 年第四季的就業人士名義平均薪金指數較上年同期上升 3.8%。在低失業率的環境下，經濟增長創 6 年以來新高，充分肯定了本港經濟增長的向好勢頭。

政府的財政狀況

就政府的財政狀況而言，財政司司長於 2 月 22 日向立法會提交的《政府財政預算案》預計 2016-17 年度盈餘為 928 億元。財政儲備在 2017 年 3 月 31 日預計為 9,357 億元。

公務員士氣及其他考慮

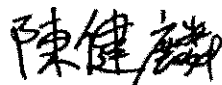
在 2017 年 5 月 15 日立法會公務員及資助機構員工事務委員會會議上，局方曾透露在 2015-16 年度的辭職率，當中超過一半的辭職者在試用期內離任。根據局方 2015-16 年度透過離職調查所收集的回應，18% 的辭職者離任的原因是接受私營機構的聘任。紀評(職方)認為公務員團隊正面臨挽留人才的困難，當中原因或是與年度薪酬加幅偏低和士氣低落有關。

結語

紀評(職方)要求政府在決定 2017-18 年度公務員薪酬調整時應考慮香港經濟狀況、政府的財政狀況、生活費用的變動、公務員士氣和職方的薪酬調整要求等因素。紀評(職方)重申一貫立場是年度薪酬調整目標應讓紀律部隊人員「分享經濟增長成果」，及維持基本購買力。故此，紀評(職方)提出 2017-18 年度公務員薪酬調整的升幅不少於 4.3%。

紀律部隊評議會(職方)主席

陳健麟



2017 年 5 月 25 日

Chinese version only

只附中文版

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Fax No.: 2537 8630
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第一標準薪級公務員評議會(職方)
MODEL SCALE 1 STAFF CONSULTATIVE COUNCIL
(STAFF SIDE)

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政府總部東翼3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/4-085-001/78

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
張雲正先生

張局長：

二零一七至一八年度公務員薪酬調整

局方在2017年5月12日的來信(檔號：CSBCR/PG/4-085-001/78)收悉，第一標準薪級公務員評議會職方的回覆如下。

根據2017年薪酬趨勢調查報告，低層薪金級別的薪酬趨勢總指標為3.78%，在扣減2016-17年度遞增薪額開支1.96%後，薪酬趨勢淨指標為1.82%，我們對此結果感到很失望。

我們尊重現行的薪酬調整機制，因此一直積極參與薪酬趨勢調查委員會的工作。然而，薪酬趨勢淨指標只是機制內的其中一項考慮因素。我們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2017-18年度公務員的加薪幅度。

政府統計處公布的資料顯示，截至2017年3月止的12個月內，甲類消費物價指數較一年前同期平均上升2.1%。由

於大部分第一標準薪級人員均屬甲類家庭，因此我們在建議薪酬加幅時參考了甲類消費物價指數。假若本年度只根據薪酬趨勢調查淨指標(1.82%)加薪，低層薪金級別公務員的購買力將被削弱。

本港經濟在 2017 年第 1 季較去年同期增長 4.3%，保持自去年第 2 季開始呈現的向好勢頭，而在 2017-18 年度《財政預算案》中，財政盈餘預測為 163 億元，2017 年 3 月底的累計財政儲備更高達 9,360 億元，創歷史新高。香港的公務員一向緊守崗位，盡心工作，對社會的穩定繁榮作出貢獻，因此應該讓同事與市民一同分享經濟成果。

此外，政府自 2007 年起結束凍結招聘公務員，以及面對公務員的退休潮，因此需要招聘大量人員填補空缺，以致遞增薪額開支持續攀升。此外，以往私營機構發放勞績獎賞及遞增薪額的安排亦有所改變。有鑑於此，我們近年提出扣減公務員遞增薪額的安排已不合時宜，因此我們希望局方能盡快檢討此安排，讓同事得到合理的薪酬調整。

最後，隨著政府的透明度增加，市民對公務員的要求不斷提高，公務員在工作上面對的挑戰和壓力與日俱增。同時，近年公務員的流失率有上升趨勢。我們認為讓同事得到合理的加薪，可提升公務員士氣，及挽留有經驗的人才，繼續為市民提供優質服務。

經考慮上述因素後，我們建議本年度低層薪金級別公務員加薪 4%，希望局方能接受此建議。

第一標準薪級公務員評議會

職方主席林榮松



2017 年 5 月 26 日

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
張雲正先生

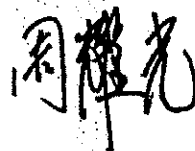
張局長：

二零一七至一八年度公務員薪酬調整

本人代表香港政府華員會（華員會）出任第一標準薪級公務員評議會（職方）。華員會建議二零一七至一八年度公務員薪酬調整調高 3%，理由如下：

- (一) 現時香港經濟向好，本地生產總值在二零一七年第一季錄得按年增長 4.3%，政府累計財政儲備亦非常充裕，達 9,360 億港元，創歷史新高。
- (二) 面對現今社會環境愈趨複雜，並有時帶有政治色彩，但公務員依然堅守崗位，竭盡所能為市民提供服務。儘管如此，屬單一職級的公務員並沒有晉升機會，而晉升職級的公務員則平均需要十四年才獲晉升一級。
- (三) 作為現行薪酬調整機制的一部份，當低層薪金級別公務員的薪酬加幅低於中層薪金級別，低層薪金級別的薪酬加幅會上調至與中層看齊。

第一標準薪級公務員評議會（職方）委員



（周耀光）

2017 年 5 月 26 日

Applicability of the Civil Service Pay Adjustment

Civil service pay adjustment is not applicable to JJOs, political appointees, 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 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 pay adjustment decision to be made for the civil service. Upon receipt of the recommendations of the Judicial Committee, a separate decision from the CE-in-Council will be sought.
- (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 pay offers in this brief 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 pay offers in this brief and the pay adjustment decision to be made for the civil service will not be applied 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. However, 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 Executive Council's decision on the pay adjustment for the civil service for 2017-18 and subject to the approval of the LegCo FC, 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 2.64% if civil service pay for 2017-18 is indeed adjusted according to the pay offers.