

## **LEGISLATIVE COUNCIL BRIEF**

### **2015-16 CIVIL SERVICE PAY ADJUSTMENT**

#### **INTRODUCTION**

At the meeting of the Executive Council on 9 June 2015, the Council **ADVISED** and the Acting Chief Executive (CE) **ORDERED** that the following offers, to be effected retrospectively from 1 April 2015, should be made to the staff sides –

- (a) a pay increase of **3.96%** (equal 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;
- (b) a pay increase of **4.62%** (equal 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 **4.62%** (equal to the recommended 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 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 market pay on a regular basis through three different types of surveys under the Improved Civil Service Pay Adjustment Mechanism (Improved Mechanism) endorsed by the Executive Council in 2007<sup>1</sup>, including the annual pay trend survey (PTS).

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<sup>1</sup> The Improved Civil Service Pay Adjustment Mechanism comprises (a) the annual pay trend survey (PTS); (b) the triennial starting salaries survey to compare the starting

## 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 increments<sup>2</sup> (PCIs) is deducted<sup>3</sup>, provide the **net** PTIs which are one of the factors to be considered in the annual civil service pay adjustment.

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 Government as well as two independent advisory bodies on civil service salaries and conditions of service<sup>4</sup>. Every year before the conduct of the PTS, the PTS Committee reviews and agrees on the survey methodology and the survey field. The Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission), upon endorsing the methodology recommended by 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) to conduct the annual PTS.

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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 (PLS) to ascertain whether civil service pay is broadly comparable with private sector pay. The last PLS (the 2013 PLS) was completed by the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission) in October 2014. The survey findings showed that, on the survey reference date (1 October 2013), the pay level of civil servants in Job Level (JL) 5, the highest level of non-directorate civilian civil servants in terms of pay, was around 8% lower than the upper third quartile (i.e. P75) level of private sector pay for jobs with comparable nature and similar level of responsibilities. As for the other four JLs, their pay levels were broadly comparable with the market P75 level. On 10 February 2015, the CE-in-Council Council decided that a holistic approach should be adopted in applying the survey findings and an upward adjustment of 3% should be made to the salaries of officers in JL 5 and the directorate with effect from 1 October 2014.

- 2 "Payroll cost of increments" (PCIs) 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 practice of deduction of 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 Pay Trend Indicators (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 The two independent advisory bodies are the Standing Commission and the Standing Committee on Disciplined Services Salaries and Conditions of Service.

## **The annual pay adjustment process**

5. After 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 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 2015 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 in 2013 after the conclusion of the 2013-14 Civil Service Pay Adjustment. Although the Government has made persistent efforts in persuading them to return to the Committee, they have refused to do so. They have not participated in the 2015 PTS<sup>5</sup>, although they have been duly kept informed of the deliberation on the 2015 PTS and were invited to contribute their views to the Committee. This notwithstanding, the remaining members, including representatives of the two independent advisory bodies and other staff side representatives<sup>6</sup>, have continued to participate in the 2015 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 2015 PTS. Its advice on the 2015 PTS methodology was accepted in full by both the Standing Commission and the Government without further comment. The PTS Committee has also ensured that the

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5 Despite the withdrawal of the staff side representatives of the Disciplined Services Consultative Council and the three constituent associations of the Police Force Council, the PTS Committee Secretariat continued to send meeting invitations, papers and minutes of meeting to all of them. They were also invited to give their views on the discussion items of the PTS Committee. The concerned staff representatives however maintained their decision of not participating in the 2015 PTS and hence have not sent in any views.

6 The staff side representatives of the other two central consultative councils, namely the Senior Civil Service Council and the Model Scale 1 Staff Consultative Council, have stayed in the PTS Committee. The Superintendents' Association (SPA) which is a constituent association of the PFC attended two of the six meetings of the PTS Committee as an observer in the 2015 PTS exercise.

2015 PTS was conducted in accordance with the established mechanism and agreed methodology (details at Annex A).

7. The 2015 PTS covers the 12-month period from 2 April 2014 to 1 April 2015. It has collected the basic pay and additional pay adjustment data of 167 443 employees in 105 companies, consisting of 165 892 employees in 82 larger companies and 1 551 employees in 23 smaller companies. The findings of the 2015 PTS are set out below –

<b>Salary Band<sup>7</sup></b>	<b>Basic Pay Indicator</b> [A]	<b>Additional Pay Indicator</b> [B]	<b>Gross PTI</b> [A] + [B]
<b>Upper</b>	4.75%	-0.29%	<b>4.46%</b> <sup>8</sup>
<b>Middle</b>	5.24%	-0.18%	<b>5.06%</b>
<b>Lower</b>	4.89%	-0.16%	<b>4.73%</b>

8. In accordance with the established practice, the PTS Committee met and considered the 2015 PTS findings on 26 May 2015. At the meeting, 10 out of 16 members validated the 2015 PTS findings, confirming that the survey was conducted in compliance with the agreed methodology. The four members representing the staff sides of PFC and DSCC have not participated in the 2015 PTS and hence have not validated the findings<sup>9</sup>. The Hong Kong Senior Government Officers Association (HKSGOA) and the Hong Kong Chinese Civil Servants' Association (HKCCSA), two of the three constituent associations of the Senior Civil Service Council (SCSC), have not validated the PTS findings. According to the report submitted by the PTS Committee to the Government, the **net** PTIs are as follows –

<b>Salary Band</b>	<b>Gross PTI</b> [C]	<b>PCIs in 2014-15</b> [D]	<b>Net PTI</b> [C] – [D]
<b>Upper</b>	4.46%	1.00%	<b>3.46%</b>
<b>Middle</b>	5.06%	0.94%	<b>4.12%</b>
<b>Lower</b>	4.73%	1.71%	<b>3.02%</b>

7 The pay ranges of the three salary bands for the 2015 PTS are –

(a) Upper: Above Master Pay Scale (MPS) 33 to General Disciplined Services (Officer) Pay Scale 39 or equivalent, viz. \$59,486 to \$118,840;

(b) Middle: From MPS 10 to 33 or equivalent, viz. \$19,410 to \$59,485; and

(c) Lower: Below MPS 10 or equivalent, viz. below \$19,410.

8 In considering this year's PTS Report, the PTS Committee noted that a company had adjusted the data it submitted in 2014. The PTS Committee decided to include this adjustment in the calculation of the 2015 PTIs. Accordingly, the gross PTI for the upper salary band is increased by 0.04%, i.e. from 4.42% as tentatively announced on 19 May 2015 to 4.46%.

9 The SPA has attended two of the six PTS Committee meetings for the 2015 PTS exercise but only in the capacity of an observer.

## State of Hong Kong economy

9. The Hong Kong economy grew modestly by 2.1% year-on-year in real terms in the first quarter of 2015, after the annual growth of 2.5% in 2014. For 2015, the Hong Kong economy is projected to grow by 1% to 3%. In tandem with the modest economic growth, the labour market held broadly stable upon entering 2015. The latest seasonally adjusted unemployment rate, at 3.2% in February - April 2015, essentially pointed to full employment. On the back of the tight labour market, wage and payroll sustained steady and broad-based growth. Nominal wages for employees up to the supervisory level rose by 4.2% for 2014 as a whole. Average earnings per person engaged in the private sector registered a similar increase of 4.3% in 2014.

## Changes in the cost of living

10. For the 12-month period ended March 2015, the headline Composite Consumer Price Index (CPI) inflation, which reflects the impact of the consumer price changes on some 90% of households in Hong Kong (as compared with CPI(A), CPI(B) and CPI(C) which relate only to 50%, 30% and 10% of households respectively), averaged at 4.5%. The headline and underlying<sup>10</sup> Composite CPI, CPI(A), CPI(B) and CPI(C)<sup>11</sup> inflation rates for the 12-month period ended March 2015 are as follows –

	<b>Composite CPI</b>	<b>CPI(A)</b>	<b>CPI(B)</b>	<b>CPI(C)</b>
Headline	4.5%	6.1%	4.1%	3.2%
Underlying	3.2%	3.7%	3.1%	2.6%

The forecast headline Composite CPI inflation for 2015 as a whole is 3.2%<sup>12</sup>.

10 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.

11 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 –

- Composite CPI: covers the household sector as a whole (i.e. broadly with monthly household expenditure in the range of \$5,400 - \$77,800 adjusted to the price level of 2014);
- CPI(A): covers some 50% of households in the relatively low expenditure ranges (i.e. broadly with monthly household expenditure in the range of \$5,400 - \$22,200 adjusted to the price level of 2014);
- CPI(B): covers some 30% of households in the relatively medium expenditure ranges (i.e. broadly with monthly household expenditure in the range of \$22,200 - \$38,500 adjusted to the price level of 2014); and
- CPI(C): covers some 10% of households in the relatively high expenditure ranges (i.e. broadly with monthly household expenditure in the range of \$38,500 - \$77,800 adjusted to the price level of 2014).

12 The forecast underlying Composite CPI inflation for 2015 as a whole is 2.7%.

## The Government's fiscal position

11. The consolidated surplus for 2014-15 is \$72.8 billion, equivalent to 3.2% of Gross Domestic Product (GDP). Fiscal reserves at end-March 2015 stood at \$828.5 billion, equivalent to 25 months of government expenditure. For 2015-16, it is estimated that we will have a consolidated surplus of \$36.8 billion, equivalent to 1.6% of GDP. According to the latest Medium Range Forecast, there would be an annual consolidated surplus for each financial year until 2019-20. The fiscal reserves on 31 March 2020 are forecast to be \$948.8 billion. The overall fiscal position will remain healthy in the short to medium term. With labour force projected to decline as from 2018 and with a fast ageing population, government expenditure on health and elderly and welfare services is expected to grow very rapidly, outpacing the growth of the economy and government revenue. The Government is duty bound to contain the growth of expenditure.

## Staff sides' pay claims

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

B to E

Staff Sides	Upper Salary Band	Middle Salary Band	Lower Salary Band
(I) SCSC			
(a) HKCCSA		6.1%	
(b) Association of Expatriate Civil Servants of Hong Kong (AECS)	6%	N.A.	N.A.
(c) HKSGOA	6%	N.A.	N.A.
(II) PFC		6.13%	
(III) DSCC		Not less than 6.1%	
(IV) Model Scale 1 Staff Consultative Council (MOD 1 Council)	N.A.	N.A.	6.1%

13. All the pay claims we received request a pay rise higher than the net PTIs for the respective salary bands, making reference to the headline CPI(A) inflation in 2014-15 (6.1%). In gist –

- (a) the HKCCSA, one of the constituent associations of the SCSC and the MOD 1 Council, requests a pay rise of 6.1% (i.e. same as the headline CPI(A) inflation in 2014-15) 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 which is facing increasing challenges and pressure. The HKSGOA and AECS, the other two constituent associations of the SCSC, request a pay rise of 6.1% for the upper salary band;

- (b) the PFC staff side requests a pay rise of 6.13% across the board, citing the headline CPI(A) inflation in 2014-15. It also demands the cessation of the practice of deduction of PCIs and that the CE-in-Council should consider the gross PTIs instead of the net PTIs from now on;
- (c) the DSCC staff side requests a pay rise of not less than 6.1% across the board having regard to the five relevant factors other than the net PTIs, in particular the factor of changes in the cost of living as measured by the headline CPI(A) inflation in 2014-15; and
- (d) the MOD 1 Council staff side requests a pay rise of 6.1%, which is the same as the headline CPI(A) inflation in 2014-15.

### **Staff morale**

14. Various staff unions/organisations have raised that civil servants have been facing increasing workloads, challenges and pressure in the past year. They considered that preserving their purchasing power by a reasonable pay rise will be vital for maintaining their morale. To this end, they have requested the Government to give more weight to factors other than the net PTIs and to duly consider their views in considering the reasonable pay rise for 2015-16.

### **Pay offers for 2015-16**

15. Taking into account the considerations set out in paragraphs 6 to 14 above, the Acting CE-in-Council decided that the following pay offers for 2015-16 should be put to the staff sides –

<b>Salary Band</b>	<b>No. of Civil Servants<sup>13</sup></b>	<b>Net PTI</b>	<b>Pay Offer</b>
<b>Directorate</b>	1 339	N.A. <sup>14</sup>	<b>3.96%</b>
<b>Upper</b>	18 574	3.46%	<b>3.96%</b>
<b>Middle</b>	116 456	4.12%	<b>4.62%</b>
<b>Lower</b>	27 196	3.02%	<b>4.62%</b>

16. In gist, the pay offers for the upper and middle salary bands are their respective net PTIs plus 0.5%. For the lower salary band, the pay offer 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 is the same as

13 The figures reflected the position as at 31 March 2015 and included some 19 600 civil servants seconded to/working in trading funds, subvented and other public bodies.

14 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.

that for the upper salary band in accordance with the practice adopted since 1989-90.

17. The decision on the above pay offers is made after thorough consideration of all the six relevant factors as stipulated in paragraphs 6 to 14 above. It is a one-off arrangement having regard to this year's situation and will not be binding on future annual pay adjustments, which will be considered independently. The pay offer for the lower salary band does not imply that the pay adjustment for the band will necessarily be the same as that for the middle salary band in future.

### **Effective date for the pay offers**

18. In line with the established practice, the Acting CE-in-Council decided that the pay offers should take effect retrospectively from 1 April 2015.

### **OTHER RELATED ISSUES**

19. 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 F.

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### **IMPLICATIONS**

20. 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.

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



	<b>\$ million</b>
(a) Civil service	3,831 <sup>15</sup>
(b) Independent Commission Against Corruption staff <sup>16</sup>	33
(c) Subvented organisations	4,347 <sup>17</sup>
(d) Auxiliaries	10
<b>Total</b>	<b>8,221</b>

22. 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 recommended 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 negligible.

## **PUBLICITY**

23. The Secretary for the Civil Service has made the pay offers to the staff sides of the four central consultative councils earlier today (9 June 2015). A press release will be issued later today, and a spokesperson will be available to answer media enquiries.

## **ENQUIRIES**

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

## **Civil Service Bureau 9 June 2015**

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15 The figure includes about \$368 million additional cost arising from pay adjustment for around 19 600 civil servants seconded to/working in trading funds, subvented and other public bodies. It also includes an estimated increase of \$512 million in pension payments for those retiring in 2015-16.

16 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.

17 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 (10 representatives in total);
- (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 (three representatives); and
- (c) the Government (two representatives).

The Secretary General, Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service is also a member.

2. The PTS collects the year-on-year adjustments in both basic pay and additional pay (e.g. “the 13<sup>th</sup> 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 relativities<sup>1</sup>, internal relativities and/or implementation of the statutory minimum wage are excluded from the calculation of the pay trend indicators (PTIs).

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<sup>1</sup> 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 50-99 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<sup>2</sup>, and aggregated in accordance with the assigned weighting into a basic pay indicator and an additional pay indicator for each salary band.

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** PTI<sup>3</sup>. 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.

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 methodology for the 2014 PTS should continue to be adopted for the 2015 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 11 February 2015, the PTS Committee formally commissioned the Pay Survey and Research Unit to conduct the 2015 PTS.

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2 The pay ranges of the three salary bands for the 2015 PTS are –  
(a) Upper: Above Master Pay Scale (MPS) 33 to General Disciplined Services (Officer) Pay Scale 39 or equivalent, viz. \$59,486 to \$118,840;  
(b) Middle: From MPS 10 to 33 or equivalent, viz. \$19,410 to \$59,485; and  
(c) Lower: Below MPS 10 or equivalent, viz. below \$19,410.

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.

**香港政府華員會****HONG KONG CHINESE CIVIL SERVANTS' ASSOCIATION**

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致香港特別行政區政府

公務員事務局局長

鄧國威先生

鄧局長：

**2015-16 年度公務員薪酬調整應劃一上調 6.1%**

香港政府華員會(本會)茲向政府提出：2015-16 年度高、中、低層公務員的薪酬調整幅度應劃一為 6.1%，希望政府認真考慮。

就此，本會已全面考慮下列多項因素：

**(1) 各級公務員有理由維持並改善購買力**

公務員亦為打工仔，同受通脹的衝擊，需要政府協助他們對抗並紓緩通脹帶來的壓力，亦即需要政府協助他們維持薪酬的實際價值——購買力。高級公務員評議會在 1968 年成立後，曾確認政府在 1965 年訂定的公務員薪俸政策基本原則，其中包括“公務員要求根據生活費用指數來調整薪金以維持其實際價值是合理的”。現行一年一度的薪酬趨勢調查誕生的背景原因之一，正是官職雙方對通脹的共同關注。

高級公務員評議會成立的薪俸調查組——進行現行機制第一次薪酬趨勢調查的機構，其職權範圍之一：“核定薪酬趨勢並顧及消費物價指數(to assess pay trends having regard to the Consumer Price Index)”，便是一個明顯的註腳。

8 年後的 1982 年 12 月，剛成立 3 年的公務員薪俸及服務條件常務委員會，亦曾在它的《第 9 號報告書(公務員薪俸政策第 2 號報告書)》第 4 段確認：“公務員要求根據生活費用指數來調整薪金以維持其實際價值是合理的”

去年，各級，尤其是中、低層薪金級別公務員的薪酬調整幅度均落後於通脹，有違政府作為良好僱主的形象。根據統計處資料，至 2015 年 3 月底香港甲類消費物價指數按年升幅為 6.1%，比對上一年度更高。希望今年政府不會再次自毀形象。

**(2) 各級公務員亦有理由分享經濟成果**

香港自 1974 年確立的現行公務員薪酬調整機制，本容許公務員分享/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；同理，在這機制之下，容許公務員分享經濟成果，亦為應有之義。實際上，1975 及 1976 年頭兩年的凍薪及其後補回“不足之數”的做法，說明了容許公務員分享/分擔經濟的起伏，向來是政府的薪酬政策，亦是機制內需要考慮的因素。當時，政府的財政和香港的經濟狀況成了決定公務員薪酬調整的主要考慮因素，其重要性凌駕於薪酬趨勢指標之上。回歸 17 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。

事實上，1982年12月，公務員薪俸及服務條件常務委員會便曾在它的《第9號報告書(公務員薪俸政策第2號報告書)》第11段，明確宣示：“繁榮的果實公務員倘若未能分享，未免有欠公允”。

2014-15年度的政府財政，錄得有記錄的638億元盈餘之巨；香港經濟2014年全年增長為2.5%，2015年首季亦維持溫和增長。在此情況下，若仍任由通脹蠶食公務員的購買力，是否表示政府已改變“容許公務員分享經濟成果”這政策？

### (3) “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，公務員薪酬調整的其中一個重要考慮因素，是對上年度私營機構的薪酬趨勢進行調查，並根據調查結果加權計算出薪酬趨勢指標。由是應知，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度的數字，公務員的薪酬調整實際上是滯後的、追趕私營機構上一年度調整的追補行動。所參考的通脹率——例如截止2015年3月底香港甲類消費物價指數按年升幅的6.1%，亦為上一年度的，即滯後的數字。而事實上，容許高、中、低層公務員劃一調薪6.1%，只是讓他們在高樓價、高租金、高物價下，*追趕*過去一年飆升的通脹時，多一點點的鬆動。

### (4) “低跟中”為機制內一貫做法

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，在工資和薪金方面，有一套合理和有系統的管理方法，有一定的規模。其目的在體現政府須是一個良好僱主的政策。

由1989年起，根據1988年仲裁委員會的建議，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”或)，除非另有強而有力的理由。這做法同樣體現了政府是一個良好僱主的政策，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。這已是公務員薪酬調整機制的不可或缺部分，作為良好僱主的政府不能任意丟棄。

### (5) 公務員團隊的凝聚、士氣的提高，亟需關注

過去一年，除泛政治化、民粹化下，市民的要求更趨高漲外，長達兩個多月的“佔領”行動及有關政改的激烈爭拗，今香港經歷了歷史上罕見的嚴峻挑戰、各級公務員承受了前所未有的工作壓力。預料未來，這種挑戰和壓力將有增無減。此時此際，政府施政更需要一支穩定、士氣高昂、堅守崗位的公務員隊伍的支持。容許公務員薪酬劃一上調6.1%，有助公務員團隊的凝聚、士氣的提高。

### (6) 問題公司導致2015年薪酬趨勢指標有誤，尚未完全糾正

在收到薪酬趨勢調查報告書後有限的審核時間裏，本會發現了兩間問題公司的數據有錯誤。2015年5月26日的薪酬趨勢調查委員會(調查委員會)會議認同了其中一間問題公司的數據有錯，薪酬趨勢指標已獲相應修訂。但本會指正的另一間L076問題公司，儘管過去數據亦確有錯誤，按現行的調查方法，本應把它剔除於本年度調查範圍，至少凍結一年，待明年才可與2015年正確的數據作比較。然而，很遺憾，本會的合理要求被調查委員會主席拒絕，其時，貴局的代表並沒有主持公道。會後，本會按薪酬趨勢調查監督提供的資料，逐年比較及核對有關L076問題公司的數據，發現此公司在2008年的報告書列出的數據同樣有誤，但職方一直被瞞在鼓裏！

令人質疑的是：為什麼薪酬趨勢調查監督已發現此問題公司，卻不選擇在2015年5月19日派發報告書前(即2015年5月12日的會議上)按既定程序，向職方代表作出披露，以

便委員會討論、考慮有關公司提交的數據是否符合既定的調查方法或剔除有關公司於調查範圍？

必須指出：“有錯必糾”應是一個必須堅持的原則。本會正緊急要求薪酬趨勢調查委員會主席重新考慮剔除有關問題公司，並修訂薪酬趨勢指標。

此外，本會亦亟需指出 2 個相關問題：

### (1) 忽然重提“邀請”，是對職方的再度侮辱和挑釁

正如所知，現行機制自確立起，每年公務員的薪酬調整，都是首先經過對上一年度私營機構僱員的薪酬趨勢進行調查，之後根據調查結果加權計算出薪酬趨勢指標，而公務員事務局則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。由於時間較緊迫，當局亦會通知職方提出薪酬調整要求的日期，以便有關事宜能趕得及在立法會 7 月休會前得到處理。我們職方則會在考慮多項因素後，自動向政府提出薪酬調整要求，由行政會議作出回應、提出建議，最後看職方有否反建議，才作出決定。這已是 1974 年以來，正常情況下，公務員薪酬調整機制既定的程序。

但上一任公務員事務局局長突然偏離多年來行之有效的程序，竟發函“邀請”(invite)職方提出薪酬調整要求。本會曾直斥其不當之處，指出，一直以來，職方從來不須當局“邀請”提出薪酬調整要求，“邀請”云云，實質上容易被理解為：提出薪酬調整要求並非既定機制所訂定的中央評議會職方的權利，端視乎貴局“邀請”與否。這既偏離了現行機制，更隱含對中央評議會職方地位的貶損！當局其後作出了糾正，不再聲言“邀請”。誰料時隔幾年，貴局竟然在今年重犯此錯誤！

必須嚴正指出：貴局此舉是對中央評議會職方的再度侮辱和挑釁！請勿再重犯！

### (2) 調查報告獲“整體確認”？扭曲事實、誤導傳媒和公眾？

貴局表示薪酬趨勢調查委員會已“整體確認 2015 年薪酬趨勢調查報告書”。本會十分詫異貴局何以作此判斷？

事實是，薪酬趨勢調查委員會現已殘缺不全，何來“整體確認”？貴局應知：2015 年 5 月 26 日調查委員會審核調查結果之時，不計算薪常會、貴局的代表，確認報告書的僅為極少數成員：出席會議的第一標準薪級評議會部分職方代表，以及並無出席的香港海外高級公務員協會。不確認的實際上是大多數：本會(本會同時亦為第一標準薪級評議會職方成員)、香港高級公務員協會，以及紀律部隊及警察兩個評議會職方的所有團體！

其實，過往亦曾有薪酬趨勢調查報告書不獲確認的先例，但從不阻礙公務員薪酬調整事宜的處理。今貴局作為堂堂一個政策局，竟有此扭曲事實之言，有誤導傳媒和公眾、把存疑的薪酬趨勢指標“合理化”之嫌！令人十分遺憾！

副會長



(利葵燕)

謹啓

2015 年 5 月 29 日

English version only

只附英文版

**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  
East Wing, 2 Tim Mei Avenue, Tamar,  
Hong Kong

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

28 May 2015

Dear Mr TANG,

**2015/16 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 2015/2016 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

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/4-85/2

來件編號 YOUR REF: CSBCR/PG/4-085-001/75

28<sup>th</sup> May 2015

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  
2015-16 Civil Service Pay Adjustment**

In response to your letter under reference CSBCR/PG/4-085-001/75 dated 13<sup>th</sup> May 2015, please find below the Pay Claim of the Police Force Council Staff Side.

We take note that the year-on-year rate of change in average Consumer Price Index (CPI) (A) for 2014-2015 financial year was +6.13%. We are of the view that to meet the rising costs of living, our pay adjustment should not be less than the increase in CPI (A). **Therefore, we consider that the net pay adjustment this year for the Police Force should be at the very minimum, an increase of 6.13% across-the-board.**

We reiterate that it is totally inappropriate and unfair to deduct the Payroll Cost of Increments (PCIs) from the figures of the civil service pay adjustment. Increment payments are not automatic. They are only granted upon the assessment of an officer's persistence satisfactory performance in the reporting period. Furthermore, officer on maximum pay point, who is not eligible to receive such an increment, would suffer from the net deduction of PCIs.

Therefore, by deducting the PCIs for all officers in the Force, many are unfairly penalised, with those on maximum increment suffering the most (currently comprising about 60% of officers in the Force). **We urge that this unfair and demoralising practice cease immediately.**

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



We also take this opportunity to reflect that the existing methodology of Pay Trend Survey is obsolete, which could not truly reflect the actual pay trend of the market. As other civil servant organisation rightly pointed out, some survey companies provided 'skewed' information, or the Survey had not include other forms of pay rise which is more common in the private sector. **We would sincerely recommend a new Survey mechanism could be derived, and the methodology of which should include representatives from the staff side.**

With an ever-increasing workload and higher public expectations, we continue to deliver essential and highly professional frontline services to our community. A fair and reasonable pay for the Police is vital in maintaining our high morale and that of our colleagues. Hong Kong's real GDP has a year-on-year increase of 2.5% in 2014 and a 2.1% increase in the 1<sup>st</sup> Quarter of 2015, and the revised estimates of the Government Budget shows a surplus of \$63.8 million for the Financial Year 2014-15 with the fiscal reserves reaching \$819.5 million. Given the vibrant state of Hong Kong's economy and the excellent fiscal position of Government, we consider it only fair that the living standard of police officers not be eroded further by the rising costs of living. We look forward to receiving a just and reasonable pay offer from you.

Yours sincerely,



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Wise CHOY  
Chairman  
SPA



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Henry NGO  
Chairman  
HKPIA



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Ron ABBOTT  
Chairman  
OIA



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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  
來函檔號：CSBCR/PG/4-085-001/75

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政府總部西翼 9 樓  
公務員事務局局長  
鄧國威先生, JP

鄧局長：

## 二零一五至一六年度公務員薪酬調整

謝謝你五月十三日的來信。

紀律部隊評議會職方現提出對薪酬調整的要求是考慮和基於下列五個因素：

### 香港經濟狀況

香港經濟在 2015 年第一季維持溫和增長，按年實質增幅為 2.1%，2014 年全年的增長為 2.5%。在這情況下，公務員應可分享成果而反映在薪酬調整的幅度上。

### 政府的財政狀況

根據二零一五至一六財政年度政府財政預算案，財政司司長預計二零一四/一五年度盈餘為六百三十八億元。

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  
Ambulancemen'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

## 生活費用的變動

自二零一三年起的生活費用變動和公務員薪酬調整的幅度如下列—

	甲類消費 物價指數 升幅	中低層公務員			高層公務員		
		薪酬變動	購買力 轉變	累積購買 力轉變	薪酬變動	購買力 轉變	累積購買 力轉變
2013	3.50%	3.92%	0.41%	0.41%	2.55%	-0.92%	-0.92%
2014	5.10%	4.71%	-0.37%	0.03%	5.96%	0.82%	-0.11%
2015	6.10%	4.12%	-1.87%	-1.83%	3.46%	-2.49%	-2.59%

由此可見，公務員薪酬的增幅多年來均落後於通脹。我們亦預計通脹會持續攀升。

## 職方的薪酬調整要求

職方的要求在於維持同事的基本購買力和最少與通脹看齊。要不然，公務員實際是面對減薪的情況，這並不是良好僱主對員工的應有看待。

## 公務員士氣

在過往的一年，社會的情況迅速轉變，而市民對公務員尤其紀律部隊的要求與日俱增。紀律部隊在政策的制訂和執行上均受著莫大的衝擊，令同事普遍的士氣下降。一個較合理的薪酬調整可在某程度上提升同事的士氣。

## 總結

總括而言，為了讓同事的工作有合理的報酬以追及通脹和維持一般的購買力，紀律部隊評議會職方提出二零一五至一六年度公務員薪酬調整應跟隨二零一四至一五年度的甲類消費物價指數的升幅，而不少於 6.1%。

紀律部隊評議會(職方)主席 盧凱詩

二零一五年五月二十七日

副本致送： 高級公務員評議會職方主席  
第一標準薪級公務員評議會職方主席  
警察評議會職方主席

Chinese version only

只附中文版

Annex E  
附件 E

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Tamar, Hong Kong.

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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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

鄧局長：

二零一五至一六年度公務員薪酬調整

局方在2015年5月13日的來信(檔號：CSBCR/PG/4-085-001/75)收悉，現作出以下回覆。

第一標準薪級公務員評議會(職方)委員一致建議本年度低層公務員加薪6.1%。

由於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5,400元至22,200元之間(調整至2014年的價格水平後)，因此職方在建議薪酬加幅時參考了甲類消費物價指數。根據政府統計處公布的資料，截至2015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6.1%。在各類消費項目中，價格在2015年3月份錄得按年升幅最高的類別為，電力、燃氣及水(上升25.8%，主因是部分住戶已用完政府提供的一次性電費補貼)，住屋(上升11.4%)，外出用膳(上升4.4%)及食品(上升4.0%)。這些消

費項目都是基層市民的必需支出，低層公務員的購買力因此大為削弱。

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及尊重調查結果。然而，職方對薪酬趨勢調查淨指標感到失望。政府在多年前推行自願退休計劃後凍結了招聘公務員，以致人手不斷流失。近年為了填補退休潮引致的空缺，很多職系均恢復了招聘。由於遞增薪額開支的數字有著持續攀升的趨勢，這對已達頂薪的同事實在有欠公允。職方希望局方能取消扣除遞增薪額的安排，讓同事應得的加薪不會被剝削。

此外，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，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。隨著政府的透明度增加，社會對公務員的要求不斷提高，公務員的工作越趨複雜，壓力也不斷上升，職方認為局方及行政會議在決定本年度公務員的薪酬調整時必須考慮此等因素，以提升公務員士氣。

上述提到，截至 2015 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 6.1%。職方參考了此數據及主要消費項目的升幅後，建議政府本年度為低層公務員加薪 6.1%，讓低層公務員保持現有購買力。

第一標準薪級公務員評議會

職方主席李惠儀



2015 年 5 月 28 日

**Applicability of the civil service pay adjustment**

Civil service pay adjustment are not applicable to the judges and judicial officers (JJOs), political appointees, non-civil service contract (NCSC) staff and subvented sector staff. The relevant policy background is 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)-Council on 20 May 2008. The Standing Committee on Judicial Salaries and Conditions of Service (the Judicial Committee) will discuss 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, a separate decision from the CE-in-Council will be sought.
- (b) Political appointees: The pay policy and pay adjustment mechanism 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 in 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 service<sup>1</sup>, 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 2015-16 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.

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<sup>1</sup> The weighted average of civil service pay adjustment rates would be 4.43% if civil service pay for 2015-16 is indeed adjusted according to the recommended pay offers.