

**For information
on 16 February 2015**

**LEGISLATIVE COUNCIL
PANEL ON PUBLIC SERVICE**

Starting Salaries Survey 2015

Purpose

This paper informs Members of the conduct of the next Starting Salaries Survey (SSS) in accordance with the Improved Civil Service Pay Adjustment Mechanism (the Mechanism).

Background

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 they serve through maintaining broad comparability between civil service and private sector pay.

3. To implement this policy, the Mechanism was approved by the Executive Council and put in place in 2007. Under the Mechanism, three regular pay surveys are conducted to ascertain whether civil service and private sector pay are broadly comparable. The three regular pay surveys are –

- (a) the annual Pay Trend Survey which measures the year-on-year pay movement of employees in the private sector;
- (b) the triennial SSS which compares the starting salaries of non-directorate civilian grades of the civil service with the entry pay of jobs in the private sector requiring similar qualifications; and

- (c) the six-yearly Pay Level Survey which compares the prevailing salaries of different segments of non-directorate civil servants with their counterparts in the private sector.

2015 SSS

4. The last SSS was conducted in 2012. According to the timeframe specified under the Mechanism, and in order to ensure that the starting salaries of the civil service remain fair and competitive amidst changes in the labour market, we consider it necessary to conduct an SSS in 2015.

5. The 2015 SSS will be the fourth SSS conducted under the Mechanism. The last two SSSes (the 2009 and 2012 SSSes) were successfully completed by the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission). Having regard to the independence and credibility of the Standing Commission, its rich experience in conducting surveys on private sector pay-related matters (including the Civil Service Starting Salaries Review 1999, the 2009 and 2012 SSSes and the Civil Service Pay Level Survey 2013) and its profound knowledge about the civil service, we consider that it is well placed to conduct the next SSS.

6. We have consulted the staff sides of the four Central Consultative Councils and the four major service-wide staff unions on our plan to commission the next SSS under the Mechanism using an updated qualification group framework¹ and to invite the Standing Commission to conduct the 2015 SSS. Generally speaking, they either support or have no objection to the conduct of the survey. We have therefore invited the Standing Commission to conduct the 2015 SSS, and to advise on how the survey findings should be applied to the non-directorate civilian grades of the civil service. In inviting the Standing Commission to conduct the 2015 SSS, we have advised it on the following –

¹ Civil service starting salaries are determined using the qualification benchmark system under which non-directorate civilian civil service grades are grouped into 12 qualification groups (QGs) according primarily to their educational qualification requirements, experience requirements and/or job nature, etc. To more accurately reflect the prevailing entry requirements for civil service jobs, the Administration proposed to refine the labelling and grouping of a few QGs (e.g. to include the qualification of Hong Kong Diploma of Secondary Education Examination in the title of relevant QGs, etc). All the refinements proposed are technical in nature.

- (a) survey reference date: since the last SSS took 1 April 2012 as the reference date, we are of the view that, according to the timetable specified under the Mechanism, 1 April 2015 is the preferred reference date for the survey. That said, to uphold the independence of the Standing Commission, and considering that the Standing Commission must have sufficient time to undertake the preparatory work, engage staff representatives and conduct the actual field work, we will leave it to the Standing Commission to decide on the reference date, should it decide to accept our invitation;
- (b) methodology and application framework: we consider the methodology and application framework adopted in the 2012 SSS generally effective. Notwithstanding that, we will defer to the Standing Commission to decide whether, and if so, how the methodology and application framework should be modified in consultation with the staff bodies;
- (c) consultation with staff and other stakeholders: to enhance transparency and credibility of the 2015 SSS, we have urged the Standing Commission to continue with its fine tradition of fully consulting/engaging staff representatives and interacting with relevant external stakeholders (e.g. human resources institutes) as appropriate;
- (d) timing of submission of the survey findings and recommendations: we will look to the Standing Commission to complete the survey and submit the survey findings and recommendations within a reasonable period of time from the reference date to be chosen, since the relevance of the findings of a pay-related survey is inevitably affected by the time lag between the survey reference date on the one hand and the availability of survey findings and recommendations on their application to the civil service on the other; and
- (e) engagement with the Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS): as the 2015 SSS will only cover the non-directorate civilian grades, we will adopt the arrangement of the last two SSSes and consult the SCDS on the application of the survey findings to the disciplined services upon receipt of the 2015 SSS report. In view of this, the Standing Commission is invited to

consider the need for engaging the SCDS in the conduct of the survey as necessary.

Way forward

7. Subject to the Standing Commission's acceptance of the Administration's invitation to conduct the 2015 SSS, we will make available sufficient financial and manpower resources to the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service to support the Standing Commission in conducting the survey.

8. Upon receipt of the 2015 SSS report, we will consult the staff bodies on the findings of the 2015 SSS and the recommendations of the Standing Commission. We will also seek the advice of the SCDS on whether, and if so how the survey findings should be applied to the disciplined services grades. The views of the staff bodies and the advice of the SCDS will be taken into full account when advice from the Executive Council is sought on how to take forward the 2015 SSS report.

Advice sought

9. Members are invited to note this paper.

Civil Service Bureau
February 2015