

## **2002 Civil Service Pay Adjustment : Annexes**

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                 Council

# DRAFT

## PUBLIC OFFICERS PAY ADJUSTMENT BILL

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## A BILL

To

Adjust with effect on and from 1 October 2002 the pay of public officers paid in accordance with civil service pay scales or the public service pay scale by reducing each point on those pay scales by [X %]; with effect on and from the same date to adjust the pay of public officers whose pay is determined in accordance with or by reference to a point on one of those pay scales or whose pay is adjusted in accordance with or by reference to adjustments to one of those pay scales by the same percentage; to provide that with effect on and from the same date the amounts of the allowances payable to public officers that are determined in accordance with or by reference to a point on one of those pay scales or which are adjusted in accordance with or by reference to adjustments to one of those pay scales are to be determined or adjusted in accordance with or by reference to points on those scales as so adjusted; and for connected purposes.

Enacted by the Legislative Council.

## PART I

## PRELIMINARY

**1. Short title and commencement**

(1) This Ordinance may be cited as the Public Officers Pay Adjustment Ordinance.

(2) This Ordinance shall come into operation on 1 October 2002.

**2. Interpretation**

In this Ordinance, unless the context otherwise requires –

“allowance” ( 津貼 ) means any remuneration, other than pay, payable to a public officer;

“civil service pay scales” ( 公務員薪級表 ) means any pay scale specified in Schedule 1;

“pay” ( 薪酬 ) includes salary, wages, a consultancy fee, a training allowance and an honorarium;

“public service pay scale” ( 公職人員薪級表 ) means the pay scale specified in Schedule 2;

“relevant percentage” ( 有關百分率 ) –

(a) in relation to a point on the civil service pay scales, means the percentage specified in Part 1 of Schedule 3 in respect of that point;

(b) in relation to a point on the public service pay scale, means the percentage specified in Part 2 of Schedule 3 in respect of that point;

“relevant public officer” ( 有關公職人員 ) means a public officer who is an officer within the meaning of section 2 of the Independent Commission Against Corruption Ordinance (Cap. 204).

## PART 2

### CIVIL SERVANTS

#### 3. Adjustment of pay of civil servants

(1) The civil service pay scales are, on the commencement of this Ordinance, adjusted by reducing the pay pertaining to each point on each of the civil service pay scales by the relevant percentage with each result, if it is not a multiple of \$5, rounded up to the nearest \$5.

(2) The pay payable to a civil servant in accordance with the civil service pay scales as adjusted under subsection (1) is payable with effect on and from 1 October 2002.

(3) Where the pay of a civil servant (not being a civil servant falling within subsection (2)) is –

- (a) determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales;
- (b) adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales; or
- (c) determined and adjusted as mentioned in paragraphs (a) and (b) respectively,

then, with effect on and from 1 October 2002, the pay payable to the civil servant shall be determined, adjusted, or determined and adjusted, as the case may be, in accordance with or by reference to the civil service pay scales as adjusted under subsection (1).

### PART 3

#### PUBLIC OFFICERS OTHER THAN CIVIL SERVANTS

##### 4. Adjustment of pay of relevant public officers

(1) The public service pay scale is, on the commencement of this Ordinance, adjusted by reducing the pay pertaining to each point on that scale by the relevant percentage with each result, if it is not a multiple of \$5, rounded up to the nearest \$5.

(2) The pay payable to a relevant public officer in accordance with the public service pay scale as adjusted under subsection (1) is payable with effect on and from 1 October 2002.

(3) Where the pay of a relevant public officer (not being a relevant public officer falling within subsection (2)) is –

- (a) determined in accordance with or by reference to, directly or indirectly, a point on the public service pay scale;
- (b) adjusted in accordance with or by reference to, directly or indirectly, adjustments to the public service pay scale; or

- (c) determined and adjusted as mentioned in paragraphs (a) and (b) respectively,

then, with effect on and from 1 October 2002, the pay payable to the relevant public officer shall be determined, adjusted, or determined and adjusted, as the case may be, in accordance with or by reference to the public service pay scale as adjusted under subsection (1).

**5. Adjustment of pay of certain public officers who are not civil servants or relevant public officers**

Subject to section 6, where the pay of a public officer (not being a civil servant or relevant public officer) is –

- (a) determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales or the public service pay scale;
- (b) adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales or the public service pay scale; or
- (c) determined and adjusted as mentioned in paragraphs (a) and (b) respectively,

then, with effect on and from 1 October 2002, the pay payable to the public officer shall be determined, adjusted, or determined and adjusted, as the case may be, in accordance with or by reference to the civil service pay scales as adjusted under section 3(1), or the public service pay scale as adjusted under section 4(1), as the case requires.

**6. Adjustment of rate of salary of Director of Audit**

(1) Notwithstanding section 4A of the Audit Ordinance (Cap. 122) or any order made under that section, the rate of salary of the Director of Audit is,

on the commencement of this Ordinance, adjusted by being reduced by [X.XX%] with the result, if it is not a multiple of \$5, rounded up to the nearest \$5.

(2) The salary payable to the Director of Audit in accordance with the rate of salary as adjusted under subsection (1) is payable with effect on and from 1 October 2002.

(3) This section shall not prejudice the operation of any order made under section 4A of the Audit Ordinance (Cap. 122) after 1 October 2002.

## PART 4 ALLOWANCES

### 7. Adjustment of allowances

Where the amount of an allowance payable to a public officer is –

- (a) determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales or the public service pay scale;
- (b) adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales or the public service pay scale; or
- (c) determined and adjusted as mentioned in paragraphs (a) and (b) respectively,

then, with effect on and from 1 October 2002, the amount of the allowance payable to the public officer, in so far as the allowance is payable for or attributable to any period beginning on or after that date, shall be determined, adjusted, or determined and adjusted, as the case may be, in accordance with or by reference to the civil service pay scales as adjusted under section 3(1), or the public service pay scale as adjusted under section 4(1), as the case requires.

PART 5  
GENERAL PROVISIONS

**8. Future adjustments**

The adjustments made by this Ordinance to the pay, and the amounts of any allowances, payable to public officers do not prohibit or affect any adjustment to the pay, or the amounts of any allowances, payable to public officers made after 1 October 2002.

**9. Compensation, remedies etc.**

(1) The contracts of employment of public officers are modified to the extent necessary to expressly authorize the adjustments to pay and the amounts of the allowances made by this Ordinance.

(2) For the avoidance of doubt, it is declared that –

- (a) a public officer is not entitled to compensation or damages only because of a reduction made to the pay or the amount of any allowance payable to that officer by this Ordinance;
- (b) a public officer is not entitled to exercise any contractual right or remedy, only because of a reduction made to the pay or the amount of an allowance payable to that officer made by this Ordinance.

PART 6  
EXEMPTIONS AND AMENDMENT OF SCHEDULE

**10. Exempted public officers and allowance**

(1) This Ordinance does not apply to the pay of the public officers or classes of public officer specified in Schedule 4.

(2) This Ordinance does not apply to allowances specified in Schedule 4.

11. **Amendment of Schedule 4**

The Chief Executive in Council may, by notice published in the Gazette, amend Schedule 4.

SCHEDULE 1

[s.2]

CIVIL SERVICE PAY SCALES

1. Master Pay Scale – point 0 to point 49
2. Model Scale 1 Pay Scale – point 0 to point 13
3. Police Pay Scale – point 1a to point 59
4. General Disciplined Services (Commander) Pay Scale – point 1 to point 4
5. General Disciplined Services (Officer) Pay Scale – point 1d to point 38
6. General Disciplined Services (Rank and File) Pay Scale – point 1a to point 27
7. Directorate Pay Scale – point D1 to point D10
8. Directorate (Legal) Pay Scale – point DL1 to point DL7
9. Training Pay Scale – point 1 to point 16
10. Technician Apprentice Pay Scale – point 0 to point 4
11. Craft Apprentice Pay Scale – point 0 to point 4

SCHEDULE 2

[s.2]

PUBLIC SERVICE PAY SCALE

Independent Commission Against Corruption Pay Scale – point 1 to point 48

SCHEDULE 3  
RELEVANT PERCENTAGES

[s. 2]

PART 1  
CIVIL SERVICE PAY SCALES

<u>Item</u>	<u>Points on civil service pay scales</u>	<u>Relevant percentage</u>
1.	Points on the civil service pay scales the monthly salary pertaining to which is, on 30 September 2002, below \$15,520	X%
2.	Points on the civil service pay scales the monthly salary pertaining to which is, on 30 September 2002, \$15,520 or above but does not exceed \$47,590	Y%
3.	Points on the civil service pay scales the monthly salary pertaining to which is, on 30 September 2002, above \$47,590	Z%

PART 2  
PUBLIC SERVICE PAY SCALE

<u>Item</u>	<u>Points on the public service pay scale</u>	<u>Relevant percentage</u>
1.	Points on the public service pay scale the monthly salary pertaining to which is, on 30 September 2002, below \$15,520	X%

2. Points on the public service pay scale the Y%  
monthly salary pertaining to which is, on 30  
September 2002, \$15,520 or above but does not  
exceed \$47,590
3. Points on the public service pay scale the Z%  
monthly salary pertaining to which is, on 30  
September 2002, above \$47,590

## SCHEDULE 4

[ss. 10 &amp; 11]

## EXEMPTED PUBLIC OFFICERS

This Ordinance does not apply so as to adjust the pay of a public officer who is –

- (a) remunerated on a salary, being a starting salary, that is not linked to the annual civil service pay adjustment;
- (b) a judicial officer –
- (i) holding a judicial office –
- (A) specified in Schedule 1 to the Judicial Officers Recommendation Commission Ordinance (Cap. 92);  
or
- (B) known as Senior Deputy Registrar, High Court; or
- (ii) appointed by the Chief Justice.

### Explanatory Memorandum

The object of this Bill is to reduce with effect on and from 1 October 2002 the pay and the amount of the allowances payable to certain public officers by a specified relevant percentage rounded up to the nearest \$5.

2. Clause 2 defines the terms used in the Bill.
3. Clause 3 reduces the pay pertaining to the points on the civil service pay scales set out in Schedule 1 by the percentage specified in Part 1 of Schedule 3 in respect of each point. The civil servants affected by the reduction not only include all civil servants subject to the civil service pay scales but also all civil servants whose pay is determined or adjusted in accordance with or by reference to the civil service pay scales.
4. Clause 4 reduces the pay pertaining to the points on the public service pay scale set out in Schedule 2 by the percentage specified in Part 2 of Schedule 3 in respect of each point. The public officers affected by the reduction not only include all relevant public officers (see definition of "relevant public officer" in clause 2) subject to the public service pay scale but also all relevant public officers whose pay is determined or adjusted in accordance with or by reference to the public service pay scale.
5. Clause 5 reduces the pay of public officers who are not civil servants or relevant public officers but whose pay is determined or adjusted in accordance with or by reference to the civil service pay scales or the public service pay scale. The reduction parallels the reduction to the pay scale to which the pay of the public officer concerned is linked.
6. Clause 6 reduces the rate of salary payable to the Director of Audit by [X.XX%].
7. Clause 7 reduces the amounts of the allowances payable to public officers where the amount of the allowance concerned is determined or adjusted in accordance with or by reference to the civil service pay scales or the public service pay scale. The reduction parallels the reduction to the pay scale to which the amount of the allowance concerned is linked.

8. Clause 8 makes it clear that the Bill does not operate to prohibit or affect any adjustments made after 1 October 2002 to the pay or the amounts of allowances payable to public officers.
9. Clause 9 modifies the contracts of employment of public officers to expressly authorize the adjustments made by the Bill. It also makes it clear that the reductions in pay and the amounts of the allowances effected by the Bill do not give rise to any claim for compensation, damages or other remedies.
10. Clause 10 and Schedule 4 specify the public officers whose pay will not be affected by the Bill.
11. Clause 11 empowers the Chief Executive in Council to amend Schedule 4.

### Methodology of the Annual Pay Trend Survey

The system of annual pay trend surveys was introduced in 1974. The survey is commissioned by the independent Pay Trend Survey Committee (PTSC) and the Pay Survey and Research Unit (PSRU) of the Standing Commission on Civil Service Salaries and Conditions of Service carries out the surveys in accordance with the methodology agreed by the PTSC.

2. For the 2001-02 Pay Trend Survey (PTS), the PSRU collects data from 91 Hong Kong companies on the following criteria -

- (a) The distribution of companies by major economic sectors in the survey field should reflect closely the overall distribution of Hong Kong's economically active population.
- (b) Individual companies should -
  - (i) be regarded as typical employers in their respective fields normally employing 100 employees or more;
  - (ii) be generally known as steady and good employers conducting wage and salary administration on a rational and systematic basis;
  - (iii) determine pay on the basis of factors and considerations applying to Hong Kong rather than factors applying in another country;
  - (iv) if they form part of a group or consortium in Hong Kong, only be treated as separate companies where they have complete autonomy in setting and adjusting pay rates; and
  - (v) not use the government pay adjustment as the main factor in determining pay adjustments.

3. The pay trend survey covers the period from 2 April of the previous year to 1 April of the survey year. It includes all full-time employees who work 75% or more of the normal weekly working hours and whose basic salaries are equivalent to the three salary bands of the non-directorate staff in the civil service. Basic salary adjustment relating to changes in the cost of

living, overall changes in market rates, general prosperity and company performance, merit payments and in-scale increments are accounted for in the survey. Changes in payments additional to basic salary such as year-end bonuses, whether permanent or temporary, are also included. Our calculation method reflects any increases in additional payments in the year of award, and likewise registers the cessation or reduction of such payments in the subsequent year. Any one-off special payment in a private sector company would not have a permanent effect on civil service salaries.

4. The survey produces three gross pay trend indicators (PTIs), each representing the weighted average pay adjustment for all surveyed employees within each salary band. These gross PTIs, following validation by the PTSC, will be submitted to the Administration for considering the size of the annual civil service pay adjustment.

ROOM 137  
East Wing  
Lower Albert Road  
Hong Kong

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

Tel No.: 2810 2209  
Fax No.: 2537 8630

香港下亞厘畢道  
政府合署東座一二七室  
電話：二八一零二二零九  
傳真：二五三七八六三零

本函檔號：(28)in SSMOD/SAL/PAY/5/7/1 Pt. VI

公務員事務局局長  
王永平先生  
香港中環  
雪廠街11號  
中區政府合署西座10樓

王局長：

## 2002年公務員薪酬調整

職方建議本年度全體公務員凍薪。

職方認為，雖然本年薪酬趨勢調查指標出現負數，但公務員薪酬應維持於現水平。事實上，除了薪酬趨勢調查指標外，政府在考慮調整公務員薪酬時，亦應顧及其他重要因素如員工士氣、職方對薪酬調整的要求及經濟環境。

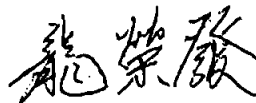
在資源增值計劃及自願離職計劃下，部門致力精簡架構，公務員人數不斷減少，至二零零二年三月三十一日，公務員的實際人數為174,550；在人數不斷減少，工作質素提升的情況下，各級員工的工作量及工作壓力大增。如果政府今年決定削減公務員薪酬，只會進一步打擊員工士氣。

從經濟角度來說，在香港經濟持續下滑的情況下，政府理應鼓勵市民消費，刺激經濟增長；削減薪酬，只會打擊公務員和資助機構員工及其家人的消費意慾，對經濟發展毫無幫助。

至於政府財政狀況問題，職方認為現時財赤是結構性的問題，並非單單削減公務員薪酬所能解決；更何況，政府的職責是為市民提供優質服務，並非牟利機構，故此，政府的財政狀況不應是公務員薪酬調整的首要考慮因素。

此外，就第一標準薪級公務員而言，員工的月入由8,825元至11,500元，薪酬僅足糊口，屬於社會的低收入人士，幾百元對他們來說已是很重要的數目；再者，現時已有超過98%的人員達至頂薪點，加上在自願退休計劃推行後，員工的轉職機會極微；若第一標準薪級員工的薪酬向下調整，會嚴重影響員工的生活水平。

在考慮上述各項因素後，職方認為本年度應全體公務員凍薪。



第一標準薪級公務員評議會  
職方主席龍榮發

二零零二年五月十五日

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

本函檔號: SS/DSCC/P-3

Room 139  
Central Government Offices  
East Wing  
Lower Albert Road  
Hong Kong  
Tel. No. 2810 2703  
Fax No. 2537 6937

中環下亞厘畢道  
中區政府合署西座十樓  
公務員事務局局長  
王永平先生

王局長:

二零零二年公務員薪酬調整

職方建議凍結全體公務員今年的薪酬。

今年薪酬趨勢調查結果顯示，初級和中級薪金級別人員的薪金輕微下降，但職方認為，公務員的薪酬應維持於目前水平。當局在訂定公務員今年的薪酬調整時，應考慮其他重要因素，包括香港經濟狀況、政府的財政狀況、生活指數的變化、職方的要求，以及對公務員士氣的影響。在私人機構薪酬只有輕微調整的情況下，政府凍結公務員薪酬是較為適當的辦法。這亦合乎政府過往的做法。政府維持公務員薪酬於目前水平，不僅對員工的努力表示認同，也大大激勵士氣，增強員工的歸屬感，提高他們的工作效率。此外，公務員凍薪亦有助於防止香港勞動市場薪金下調的不良影響。削減公務員薪酬將不利於香港內部消費及經濟復蘇，所節省的開支對改善政府財政赤字問題亦幫助不大。

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  
Aircrewmen Officers Association

政府飛行服務隊飛機工程師協會  
Government Flying Service  
Aircraft Engineers Association

政府飛行服務隊飛機維修員工會  
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

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

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

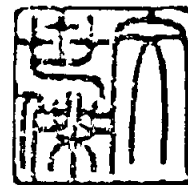
香港消防處員工總會  
Hong Kong Fire Services Department  
Staffs General Association

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

過往政府透過重整工序、重新調配人手、將工作外判、實施自願退休等措施，將公務員編制由二零零零年三月估計的198 000個職位減至二零零二年一月的184 280個職位，減幅達7%。在採取措施控制公務員編制的同時，公共服務的質量亦一直有增無減。自一九八七年以來，香港人口增加了20%，但公務員編制的職位數目一直保持穩定。明顯地，公務員的工作量及工作壓力，一直不斷在增加。當局要求提升員工質素、改善效益時，亦須維持一個合理的薪酬水平。

職方知道，本年的薪酬趨勢指標在低、中級與高級薪金級別間出現較大的差距。職方認為，政府作為良好僱主，在考慮薪酬調整時應顧及整體公務員隊伍的士氣和團結，劃一處理，凍結全體公務員今年的薪酬。



紀律部隊評議會職方主席文世傑

二零零二年五月十五日

# Senior Civil Service Council (Staff Side)

ASSOCIATION OF EXPATRIATE  
CIVIL SERVANTS  
OF HONG KONG

HONG KONG  
CHINESE CIVIL SERVANTS'  
ASSOCIATION

SENIOR NON-EXPATRIATE  
OFFICERS'  
ASSOCIATION

Mr. Joseph W.P. Wong, GBS, JP  
Secretary for the Civil Service

Room 1024 B, 10/F. West Wing  
Central Government Offices, HK

RM. 138  
CENTRAL GOVERNMENT OFFICES  
EAST WING,  
LOWER ALBERT ROAD,  
HONG KONG.

TEL NO.: 2810 2813

FAX NO.: 2537 8630

15 May 2002

Dear Mr. Wong,

## 2002-03 Civil Service Pay Adjustment

The Staff Side of the Senior Civil Service Council is of the unanimous view that the following matters are relevant in coming to our pay claim for the 2002/2003 financial year:-

- (1) The importance of following the established mechanism for formulating the civil service pay adjustment. In this regard the net pay trend indicators are important but not the sole determining factor. Other factors have always been taken into consideration by both the Staff Side and the Administration. There were several departures from the PTIs in the past for various reasons.
- (2) The Staff Side acknowledges the policy to share in the ups and downs of the economy. It must however be remembered that the civil service has, in recent years, been drastically reformed and subjected to strict budgetary cuts in expenditure, e.g. EPP, downsizing, outsourcing, etc. At the same time, the services provided have been continuously expanded.

- P.02/02
- (3) The Staff Side is mindful that any pay cut would have detrimental consequences to the local economy – a “triple lose” situation, namely, immediate and severe impact on consumer spending, slow down and hinder the economic recovery and adverse impact on civil service morale.
  - (4) The accumulated shortfalls for the middle and upper bands which have arisen since 1989/90 (1.61% and 2.91% respectively).
  - (5) There has not been a pay cut for any year since the establishment of the existing mechanism in 1974.

In view of all these factors, the Staff Side has determined that a pay freeze would best fit the situation. This would enable civil servants to continue to give their whole-hearted support to government and put forward their best efforts to their duties.

Yours sincerely,



(Ms Cecilia SO Chui-kuen)  
Staff Side Chairman  
Senior Civil Service Council