ITEM FOR FINANCE COMMITTEE

APPLICATION OF THE FINDINGS OF THE 2013 PAY LEVEL SURVEY TO THE CIVIL SERVICE

Members are invited to –

- (a) approve, with effect from 1 October 2014, the following adjustments to the civil service pay scales arising from the 2013 Pay Level Survey (PLS) on the civil service
 - (i) an increase of 3% in the dollar value of pay points 45 to 49 in the Master Pay Scale (MPS) or equivalent¹; and
 - (ii) an increase of 3% in the dollar value of the pay points in the Directorate Pay Scale, Directorate (Legal) Pay Scale, General Disciplined Services (Commander) Pay Scale and points 55 to 59 in the Police Pay Scale (PPS); and
- (b) approve corresponding adjustments to the provisions for making the same increase to the pay of teaching and non-teaching staff of aided schools who are in the same salary range as Job Level (JL) 5^2 .

/PROBLEM

¹ Civil servants remunerated on the equivalent range of pay points as Master Pay Scale (MPS) 45 to 49 include those remunerated on the Police Pay Scale points 49 to 54a and General Disciplined Services (Officer) Pay Scale points 33 to 39.

² Under the methodology of the 2013 Pay Level Survey (PLS), non-directorate civilian civil servants are classified into five job levels (JLs) in accordance with their level of responsibilities (and hence their pay points) (JL 1 being the lowest and JL 5 being the highest). Non-directorate civilian civil servants on JL 5 are those remunerated on MPS points 45 to 49. The detailed description of the methodology of the 2013 PLS is summarised at Enclosure 2.

To implement the decisions of the Chief Executive (CE)-in-Council on the application of the findings of the 2013 PLS to the civil service, we need to adjust the civil service pay scales.

PROPOSAL

2.

We propose that with effect from 1 October 2014 –

- (a) the following adjustments be made to the civil service pay scales
 - (i) an increase of 3% in the dollar value of MPS points 45 to 49 or equivalent; and
 - (ii) an increase of 3% in the dollar value of the pay points in Directorate Pay Scale, Directorate (Legal) Pay Scale, General Disciplined Services (Commander) Pay Scale and points 55 to 59 in PPS; and
- (b) corresponding adjustments be made to the provisions for making the same increase to the pay of teaching and non-teaching staff of aided schools who are in the same salary range as JL 5.
- 3. Upon approval of the proposals at paragraph 2(a) and (b) above, the civil service pay scales will be revised as set out at Enclosure 1 and corresponding adjustments will be made to the provisions for aided schools for the concerned teaching and non-teaching staff.

JUSTIFICATION

(A) Civil Service Pay Policy

4. The Government's civil service pay policy is to offer sufficient remuneration to attract, retain and motivate staff of a 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 by maintaining broad comparability between civil service and private sector pay. To implement this policy, the CE-in-Council endorsed the Improved Civil Service Pay Adjustment Mechanism (the Improved Mechanism)³ in 2007. Under the Improved Mechanism, the PLS is conducted every six years to ascertain whether civil service pay is broadly comparable with private sector pay.

/(**B**)

³ The Improved Civil Service Pay Adjustment Mechanism (the Improved Mechanism) endorsed by the CE-in-Council in 2007 comprises the conduct of (a) the six-yearly PLS; (b) the triennial starting salaries survey; and (c) the annual pay trend survey.

(B) The 2013 PLS

5. The 2013 PLS is the second PLS under the Improved Mechanism⁴. In order to enhance the credibility of the PLS and having regard to the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission)'s rich experience in conducting surveys on private sector pay-related matters and profound knowledge about the civil service, the Government, with the support of the Consultative Group on Civil Service Pay Adjustment Mechanism⁵, invited the Standing Commission in December 2011 to conduct the 2013 PLS and advise the Government on how the survey findings should be applied to non-directorate civilian civil service grades.

Survey methodology of the 2013 PLS

6. With the assistance of a professional consultant, the Standing Commission completed the 2013 PLS and submitted its findings and recommendations to the CE on 30 October 2014 vide its Report No. 52⁶. Having consulted staff representatives before commencing data collection and reviewed the PLS methodology, the Standing Commission decided to make reference to the methodology of the last PLS and adopted the broadly-defined Job Family and JL method for the 2013 PLS. Under the methodology, non-directorate civilian civil servants are classified into five JLs according to their level of responsibilities (and hence their pay points) (JL 1 being the lowest and JL 5 being the highest). The detailed descriptions of the methodology are summarised in Enclosure 2. The Standing Commission also decided to take 1 October 2013 as the survey reference date.

Encl. 2

Consultation with stakeholders

7. The Standing Commission fully recognised the importance of consultation with staff in conducting the 2013 PLS and had closely engaged staff representatives at various key stages of the survey. Six meetings were held to

/consult

⁴ The last PLS was conducted in 2006 by the Civil Service Bureau with the assistance of professional consultants. In December 2011, the Government, in accordance with the timetable specified under the Improved Mechanism, invited the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission) to conduct the second PLS.

⁵ The Consultative Group on Civil Service Pay Adjustment Mechanism comprises the staff sides of the four central consultative councils and representatives from the four major service-wide staff unions.

⁶ Report No. 52 can be found in the website <u>http://www.jsscs.gov.hk/reports/en/52/R52e.pdf</u>.

consult the staff sides of the four central consultative councils⁷ and the four major service-wide staff unions⁸ on the methodology, survey field and application framework, etc. Their views had been taken into account in the Standing Commission's deliberations as appropriate. In addition, it had also maintained close liaison with human resources professional bodies and exchanged views with them on the prevailing practices of conducting pay surveys.

Survey findings

8. The 2013 PLS successfully collected pay data from 128 private sector organisations and matched private sector counterparts for 162 civil service benchmark jobs. The survey found that the pay level of civil servants in all but one JL (i.e. JL 5) remained broadly comparable with the upper third quartile (i.e. P75) level of private sector pay for jobs with comparable nature and similar level of responsibilities on the survey reference date (i.e. 1 October 2013). The pay for civil servants in JL 5, on the other hand, was found to be around 8% lower than the P75 level of private sector pay. Findings of the 2013 PLS are summarised in the following table –

Job Level	Civil Service Pay Indicator (a)	Private Sector Pay Indicator (b)	Comparison Ratio (a) / (b)
Job Level 1	178,017	182,536	98%
Job Level 2	352,368	337,789	104%
Job Level 3	589,552	614,298	96%
Job Level 4	907,681	923,634	98%
Job Level 5	1,223,094	1,333,969	92%

/(**C**)

⁷ The four central consultative councils are the Senior Civil Service Council, the Model Scale 1 Staff Consultative Council, the Police Force Council and the Disciplined Services Consultative Council.

⁸ The four major service-wide staff unions are the Government Employees Association, the Hong Kong Civil Servants General Union, the Hong Kong Federation of Civil Service Unions and the Government Disciplined Services General Union.

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(C) Recommendations of the Advisory Bodies

Recommendations of the Standing Commission

9. The Standing Commission recommended the adoption of a holistic approach for the application of survey findings to the non-directorate civilian civil servants, taking into account the following factors –

- (a) broad comparability with the private sector;
- (b) nature of the PLS;
- (c) attractiveness and stability of civil service pay;
- (d) inherent differences between the civil service and private sector and their uniqueness;
- (e) inherent discrepancies in statistical surveys and elements of chance; and
- (f) overall interest.

10. Under the holistic approach, the Standing Commission recommended that –

- (a) no change should be made to the salaries of officers of JLs 1 to 4; and
- (b) an upward adjustment of 3% should be made to the salaries of officers of JL 5 with effect from 1 October 2014 (i.e. the beginning of the month in which the Standing Commission submitted the 2013 PLS Report to the CE).

11. In recommending the effective date of the pay adjustment for JL 5 (i.e. 1 October 2014), the Standing Commission was fully aware of some staff unions/organisations' expectation that the pay adjustment should take retrospective effect from the survey reference date (i.e. 1 October 2013). It however considered such an arrangement inappropriate having regard to the considerable time gap between the survey reference date and the release date of the 2013 PLS Report. For the present exercise, if the effective date of the pay adjustment were to be set as the survey reference date of 1 October 2013, it would entail backdating payment of more than one year. The Standing Commission did not see a justifiable case for such a long backdating arrangement as it would not meet with public expectation regarding prudent use of public funds.

Other

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Other observations of the Standing Commission

12. In the course of conducting the 2013 PLS, the Standing Commission recognised the potentially far-reaching implications of the PLS on the civil service. It acknowledged the diverse interests of different stakeholders, primarily civil servants of different grades and ranks and the general public. The Standing Commission foresaw that the PLS would continue to be a challenging and controversial exercise in future. In light of experiences from conducting the two PLSes under the Improved Mechanism, the Standing Commission considered that it would be an opportune time for the Government to give thoughts to a review on the PLS mechanism, covering the survey methodology and frequency for the conduct of the PLS, etc.

Recommendations of the other two advisory bodies

13. Upon completion of the last PLS, the CE-in-Council endorsed the application framework for the disciplined services and directorate grades in April 2007. Under the endorsed framework –

- (a) the results of a PLS should be applied to the disciplined services based on the internal relativities within the civil service as at the reference date of the PLS, which means that the dollar values of the various disciplined services pay scales will be adjusted in step with any adjustments to the equivalent ranges of pay points on the MPS; and
- (b) the adjustment to the dollar values of directorate pay scales, including the Directorate Pay Scale (DPS), Directorate (Legal) Pay Scale, General Disciplined Services (Commander) Pay Scale and Point 55 or above of the PPS, etc. will follow that for the highest JL in a PLS.

14. The 2013 PLS, as in the last PLS, did not cover the disciplined services and directorate grades. We therefore sought the advice of the Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) and the Standing Committee on Directorate Salaries and Conditions of Service (Directorate Committee) on whether and how the 2013 PLS findings should be applied to them upon receiving the 2013 PLS Report. The two advisory bodies, having consulted the relevant staff organisations⁹, recommended that –

/(a)

⁹ The Standing Committee on Disciplined Services Salaries and Conditions of Service has consulted the staff sides of the Police Force Council and the Disciplined Services Consultative Council, the Government Disciplined Services General Union and the Independent Commission Against Corruption Departmental Grades Staff Committee. The Standing Committee on Directorate Salaries and Conditions of Service has consulted the Senior Civil Service Council staff side.

- (a) by internal relativities, the salaries of disciplined services officers remunerated on the equivalent range of pay points as JL 5 and the directorate grades of the disciplined services but excluding their heads should be adjusted in step with the adjustment of JL 5 as recommended by the Standing Commission, i.e. their salaries should be raised by 3% with effect from 1 October 2014. The affected pay points of the relevant pay scales are set out in Enclosure 3; and
- (b) also by internal relativities, the salaries of civilian directorate officers and heads of disciplined services should be adjusted in the same way as the adjustment for the highest JL (i.e. JL 5) as recommended by the Standing Commission, i.e. their salaries should be raised by 3% with effect from the same date.

(D) Staff views

15. Upon receipt of the 2013 PLS Report, the Civil Service Bureau consulted the staff sides of the four central consultative councils and the four major service-wide staff unions on the Standing Commission's findings and recommendations. Though some of them expressed disappointment that only the most senior level would be awarded a pay rise, the majority expected the Standing Commission to pay heed to the application framework endorsed by the ExCo in April 2007; they either agreed to or did not indicate objection to the Standing Commission's recommendations. Individual staff associations criticised the methodology and application principles adopted by the Standing Commission, and suggested that the methodology of the PLS should be improved. Some opined that the effective date should be 1 October 2013 instead of 1 October 2014. All parties supported that a review of the PLS mechanism should be conducted.

(E) The Government's views

16. We note the comments from individual staff bodies on the PLS survey methodology and application framework, which should have been taken into account by the Standing Commission in making its recommendations. While the methodology may not be perfect, there has been no consensus on any other better alternatives. Considering that the objective of our civil service pay policy is to maintain the *broad* comparability between civil service and private sector pay, and having regard to the other factors taken into account by the Standing Commission as set out in paragraph 9 above, the Government supports the adoption of the holistic approach in applying the 2013 PLS findings to the non-directorate civilian civil servants. We are satisfied that the pay levels of civil servants in JLs 1 to 4 can be regarded as broadly comparable with private sector pay and hence no

/pay

Encl. 3

pay adjustment is required. However, the pay level for JL 5 is notably 8% below market comparators and we are convinced that a moderated pay rise of 3% for JL 5 as recommended by the Standing Commission can help restore its pay level to a level broadly comparable with the private sector.

17. We note that the recommended effective date of pay adjustment, i.e. 1 October 2014, falls short of the expectation of 1 October 2013 of some members of the staff sides. However, we agree with the Standing Commission that given the invariably long lead time required for the PLS, its recommended effective date should be more balanced and practical.

18. As for the disciplined services and directorate grades, we agree that the 2013 PLS findings should be applied by internal relativities as recommended by the SCDS and the Directorate Committee. It is worth noting that the existing differential between the highest point of the non-directorate civilian pay scale (i.e. MPS 49) and the lowest point of the DPS (i.e. D1) is 11.5% of MPS 49. If no adjustment is made to the DPS, the difference will further narrow to 8.2%. In addition, if the DPS is not adjusted upward by 3% in tandem with their disciplined services directorate counterparts as recommended by the SCDS, inconsistencies between disciplined services and civilian pay structure will arise.

19. We also agree that a comprehensive review of the PLS mechanism, including its methodology and frequency of survey, should be conducted before we kick off the next PLS, taking into account the comments of individual staff bodies on the PLS methodology and application framework. We plan to invite the Standing Commission to conduct the review, and will work out the details and timing of the review in due course.

The CE-in-Council's decision

20. On 10 February 2015, the CE-in-Council decided that the recommendations of the Standing Commission, the SCDS and the Directorate Committee should be accepted.

(F) Adjustments to the provisions for Independent Commission Against Corruption (ICAC) and the Auxiliaries

21. Although ICAC staff and members of the Auxiliaries are not civil servants, it is the Government's policy to extend civil service pay adjustments to them. Subject to FC's approval of the proposal at paragraph 2 above, we will adjust the provisions for ICAC and the Auxiliaries in accordance with the established mechanism.

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(G) Adjustments to the provisions for the subvented sector

22. The staff salary of the subvented sector is delinked from that of civil service. The Government is generally not involved in the determination of the pay and pay adjustment of staff working in the subvented sector unless there are standing policies which prescribe otherwise for individual subvented bodies. Subvented bodies are generally not required to link the salary structures of their staff to civil service pay scales.

23. The only exception to the above delinking arrangement is the salary of teaching and related staff in the aided school sector which is pegged to the relevant civil service pay scales for the policy objective of promoting the movement of teachers between government and aided schools. Subject to FC's approval of the proposal at paragraph 2 above, the provisions for aided schools will be adjusted so that the same adjustment can be made to the salaries of aided school teaching and related staff who are remunerated on the pay points of JL 5 in the civil service pay scale with effect from the same date (i.e. to be raised by 3% with effect from 1 October 2014).

As the staff salaries of the other subvented sectors (including the medical and social welfare sectors) are not linked to those of the civil service, the Government will **not** adjust their subventions arising from the PLS. This is also in line with the established practice of the Starting Salaries Survey. The only exceptions are those subvented organizations with specific employees whose salaries are linked to civil service pay by law or on grounds of policy promulgated in the public. In the latter case, the link is specified as contractual commitments.

FINANCIAL IMPLICATIONS

25. The annual financial implications for the civil service, ICAC, the Auxiliaries, aided schools and the subvented bodies with exceptional justifications arising from the CE-in-Council's decisions are estimated as follows –

/**\$ million**

	\$ million
(a) Civilian civil servants in JL 5	153
(b) Disciplined services civil servants in JL 5	35
(c) Directorate	99
Total for civil servants:	287^{10}

Total	about 309
(f)Other subvented bodies (with exceptional justifications)	2.5 ¹¹
(e) Aided schools	13 ¹¹
(d) Staff of ICAC and the Auxiliaries	6

26. We have not made extra provisions under the relevant Heads of Expenditure for the proposed pay adjustment in the 2015-16 Estimates. While it is not possible to quantify at this stage the exact amount of supplementary provision needed under each Head of Expenditure, we expect that the provisions in the 2015-16 Estimates should be sufficient to cover the additional expenditure arising from the proposed pay adjustment for the year. On 9 March 1983 (vide Item B170), Finance Committee (FC) delegated to the Financial Secretary (FS) the authority to approve supplementary provision without limit in personal emoluments subheads, provided that the supplementary provision is required for salaries and allowances in accordance with approved pay scales and rates of allowances, and in respect of approved posts. On 23 July 1986 (vide Item 76), FC further delegated to FS the authority to approve supplementary provision without

/limit

¹⁰ This figure includes about \$23 million additional cost arising from pay adjustment for around 570 civil servants in JL 5 and directorate seconded to/working in trading funds, subvented and other public bodies. It also includes an estimated increase of \$55 million in pension payments.

¹¹ 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.

limit in recurrent subventions subheads provided that the supplementary provision is required for salaries and allowances in accordance with approved Government pay scales and rates within the approved ambit of the subhead. Subject to FC's approval of the proposal, we shall approve under delegated authority the supplementary provisions required under the relevant Heads of Expenditure.

PUBLIC CONSULTATION

27. We briefed the Legislative Council Panel on Public Service on the CE-in-Council's decisions on the pay adjustment proposals at its meeting held on 16 February 2015. The Panel did not object to the pay adjustment proposals and noted that we would seek approval from FC.

Civil Service Bureau June 2015

Enclosure 1 to FCR(2015-16)23

Directorate Pay Scale

Point	as at 30.9.2014	w.e.f. 1.10.2014
	\$	\$
	(245,350)	(252,700)
8	238,200	245,350
	(238,000)	(245,150)
7	231,050	238,000
	(220,350)	(226,950)
6	214,000	220,400
	(208,900)	(215,150)
5	202,800	208,900
	(202,650)	(208,750)
	(196,750)	(202,650)
4	191,000	196,750
	(183,700)	(189,200)
	(178,300)	(183,650)
	(173,250)	(178,450)
3	168,300	173,350
	(158,250)	(163,000)
	(153,600)	(158,200)
	(149,150)	(153,600)
2	144,700	149,050
	(133,300)	(137,300)
	(129,400)	(133,300)
	(125,450)	(129,200)
1	121,900	125,550

Note: Figures in brackets represent increments.

Directorate (Legal) Pay Scale

Point	as at 30.9.2014	w.e.f. 1.10.2014
	\$	\$
	(220,350)	(226,950)
6	214,000	220,400
	(208,900)	(215,150)
5	202,800	208,900
	(202,650)	(208,750)
	(196,750)	(202,650)
4	191,000	196,750
	(183,700)	(189,200)
	(178,300)	(183,650)
	(173,250)	(178,450)
3	168,300	173,350
	(158,250)	(163,000)
	(153,600)	(158,200)
	(149,150)	(153,600)
2	144,700	149,050
	(133,300)	(137,300)
	(129,400)	(133,300)
	(125,450)	(129,200)
1	121,900	125,550

Note: Figures in brackets represent increments.

Master Pay Scale

Point	as at 30.9.2014	w.e.f. 1.10.2014
	\$	\$
49	109,340	112,620
48	105,540	108,705
47	101,880	104,935
46 (44B)	98,300	101,250
45 (44A)	94,905	97,750
44	91,590	91,590
43	88,410	88,410
42	84,770	84,770
41	81,260	81,260
40	77,905	77,905
39	74,690	74,690
38	71,385	71,385
37	68,250	68,250
36 (33C)	65,165	65,165
35 (33B)	62,280	62,280
34 (33A)	60,690	60,690
33	59,485	59,485
32	56,820	56,820
31	54,265	54,265
30	51,825	51,825
29	49,515	49,515
28	47,280	47,280
27	45,150	45,150
26	43,135	43,135
25	41,200	41,200
24	39,395	39,395
23	37,620	37,620
22	35,930	35,930
21	34,305	34,305
20	32,670	32,670
19	31,120	31,120
18	29,650	29,650
17	28,255	28,255
16	26,895	26,895

Master Pay Scale

Point	as at 30.9.2014	w.e.f. 1.10.2014
	\$	\$
15	25,600	25,600
14	24,380	24,380
13	23,210	23,210
12	21,890	21,890
11	20,600	20,600
10	19,410	19,410
9	18,310	18,310
8	17,200	17,200
7	16,140	16,140
6	15,145	15,145
5	14,245	14,245
4	13,350	13,350
3	12,540	12,540
2	11,765	11,765
1	11,060	11,060
0	10,400	10,400

Point	as at 30.9.2014 \$	w.e.f. 1.10.2014 \$
	(220,350)	(226,950)
4	214,000	220,400
	(183,700)	(189,200)
	(178,300)	(183,650)
	(173,250)	(178,450)
3	168,300	173,350
	(158,250)	(163,000)
	(153,600)	(158,200)
	(149,150)	(153,600)
2	144,700	149,050
	(137,400)	(141,500)
	(133,500)	(137,500)
	(129,400)	(133,300)
1	125,450	129,200

General Disciplined Services (Commander) Pay Scale

Note: Figures in brackets represent increments.

Point	as at 30.9.2014	w.e.f. 1.10.2014
	\$	\$
39	118,840	122,405
38	115,025	118,475
37	110,570	113,885
36	106,120	109,305
35	102,150	105,215
34	98,375	101,325
33	94,845	97,690
32	91,540	91,540
31	88,260	88,260
30	85,055	85,055
29	82,000	82,000
28	79,000	79,000
27	76,165	76,165
26	73,370	73,370
25	70,615	70,615
24	68,125	68,125
23	65,655	65,655
22	63,260	63,260
21	61,145	61,145
20	60,690	60,690
19	59,385	59,385
18	57,255	57,255
17	54,890	54,890
16	52,545	52,545
15	50,155	50,155
14	47,805	47,805
13	45,510	45,510
12	43,215	43,215
11	41,110	41,110
10	39,140	39,140
9	37,215	37,215
8	35,275	35,275
7	33,365	33,365

General Disciplined Services (Officer) Pay Scale

General Disciplined Services (Officer) Pay Scale

Point	as at 30.9.2014	w.e.f. 1.10.2014
	\$	\$
6	31,485	31,485
5	29,560	29,560
4	27,885	27,885
3	26,570	26,570
2	25,240	25,240
1	24,170	24,170
1a	23,130	23,130
1b	22,130	22,130
1c	21,190	21,190
1d	20,270	20,270

Police Pay Scale

Point	as at 30.9.2014	w.e.f. 1.10.2014
	\$	\$
	(245,350)	(252,700)
59	238,200	245,350
	(208,900)	(215,150)
	(202,800)	(208,900)
58	196,750	202,650
	(183,700)	(189,200)
	(178,300)	(183,650)
	(173,250)	(178,450)
57	168,300	173,350
	(158,250)	(163,000)
	(153,600)	(158,200)
	(149,150)	(153,600)
56	144,700	149,050
	(137,400)	(141,500)
	(133,500)	(137,500)
	(129,400)	(133,300)
55	125,450	129,200
54a	118,840	122,405
54	115,025	118,475
53	110,570	113,885
52	106,120	109,305
51	102,150	105,215
50	98,375	101,325
49	94,845	97,690
48	91,540	91,540
47	88,260	88,260
46	85,055	85,055
45	82,000	82,000
44	79,000	79,000

Police Pay Scale

Point	as at 30.9.2014	w.e.f. 1.10.2014
	\$	\$
43	76,165	76,165
42	73,370	73,370
41	70,615	70,615
40	68,125	68,125
39	65,655	65,655
38	63,260	63,260
37	61,145	61,145
36	60,690	60,690
35	59,385	59,385
34	57,255	57,255
33	54,890	54,890
32	52,585	52,585
31	50,270	50,270
30	48,020	48,020
29	45,805	45,805
28	43,625	43,625
27	41,450	41,450
26	39,645	39,645
25	38,450	38,450
24	37,325	37,325
23	36,210	36,210
22	35,375	35,375
21	34,495	34,495
20	33,590	33,590
19	32,740	32,740
18	31,825	31,825
17	30,935	30,935
16	30,080	30,080
15	29,260	29,260
14	28,425	28,425
13	27,610	27,610
12	26,825	26,825
11	26,190	26,190
10	25,305	25,305

Police Pay Scale

Point	as at 30.9.2014	w.e.f. 1.10.2014
	\$	\$
9	24,545	24,545
8	23,795	23,795
7	23,115	23,115
6	22,405	22,405
5	21,750	21,750
4	21,115	21,115
3	20,465	20,465
2	19,860	19,860
1	19,300	19,300
1a	18,735	18,735

Note: Figures in brackets represent increments.

Summary of the Methodology of the 2013 Pay Level Survey (PLS)

Under the broadly-defined Job Family-Job Level method, pay comparison was carried out by the following steps –

- (a) "civil service benchmark jobs" which are representative and have reasonable private sector matches are identified for inclusion in the survey. They are categorised into five job levels (JLs) based on their pay scales (JL 1 being the lowest and JL 5 being the highest) and five job families based on their job natures;
- (b) an intensive job inspection process which serves to ascertain details of the job characteristics of civil service benchmark jobs is carried out to facilitate identification of private sector job matches;
- (c) based on the findings of the job inspection process, private sector jobs which are comparable with the civil service benchmark jobs in terms of job content, work nature, level of responsibility and typical requirements on qualification and experience are identified;
- (d) the pay information of each of the matched private sector jobs is collected. The information is aggregated and consolidated by JLs, such that each JL will have a "private sector pay indicator"; and
- (e) a civil service pay indicator is computed for each JL for comparison with the private sector pay indicator of the same JL.
- 2. Concerning the pay comparison, it should be noted that
 - (a) the total cash compensation (but not only basic salary) of civil service benchmark jobs and private sector jobs is taken as the basis of comparison. The private sector pay indicator for each JL includes base salary, variable pay and fringe benefits paid in cash. Similarly, the civil service pay indicators also include both salary (notional mid-point salary of the JL as at the reference date (1 October 2013)) and the actual average expenditure on fringe benefits paid in cash (i.e. housing, education and passage allowances) over the 12 months prior to 1 October 2013; and

(b) in accordance with the general objective that the Government should be a good employer and, hence, civil service pay should be measured against that of the better paying private sector jobs, the upper third quartile (P75) level of private sector pay indicators is used for the comparison with the civil service pay indicators.

3. More details about the methodology of the 2013 PLS, the selection of the civil service benchmark jobs and the private sector jobs as well as the job matching and collection of pay information can be found in Chapters 2 to 5 of the 2013 PLS Report.

Pay points on (a) disciplined services pay scales equivalent to Job Level 5 and (b) directorate ranks of the disciplined services recommended for pay adjustment by the Standing Committee on Disciplined Services Salaries and Conditions of Service

(A) <u>Non-directorate ranks of the disciplined services</u>

Affected pay points	Relevant disciplined services ranks
Police Pay Scale (PPS) points 49 to 54a (<i>Dollar value:</i> \$94,845 <i>to</i> \$118,840) ¹	 Superintendent of Police Senior Superintendent of Police
GeneralDisciplinedServices(Officer)PayScale points33 to(Dollar value:\$94,845to\$118,840)^1	 <u>Correctional Services Department</u> Superintendent of Correctional Services Industries Superintendent of Correctional Services Senior Superintendent of Correctional Services
	 <u>Customs and Excise Department</u> Superintendent of Customs and Excise Senior Superintendent of Customs and Excise
	 <u>Fire Services Department</u> Divisional Officer Senior Divisional Officer Assistant Chief Ambulance Officer Senior Assistant Chief Ambulance Officer

¹ Dollar values as at 1 April 2014, after the implementation of the 2014-15 Civil Service Pay Adjustment which was approved by the Legislative Council Finance Committee on 16 January 2015.

Affected pay points	Relevant disciplined services ranks
	Government Flying Service > Pilot I ² > Senior Pilot > Air Crewman Officer I ² > Senior Air Crewman Officer > Aircraft Engineer ² > Senior Aircraft Engineer Immigration Department > Assistant Principal Immigration Officer
Independent Commission Against Corruption (ICAC) Pay Scale points 39 to 44a ³ (Dollar value: \$94,775 to \$118,840) ¹	 Principal Immigration Officer Commission Against Corruption Officer (Upper)⁴ Senior Commission Against Corruption Officer Forensic Accountant⁴ Senior Forensic Accountant

² For Pilot I, Air Crewman Officer I and Aircraft Engineer ranks, only part of their pay scales from General Disciplined Services (Officer) Pay Scale point 33 and above are subject to an upward adjustment of 3%.

³ Staff of the Independent Commission Against Corruption (ICAC) are not civil servants. However, it has been the Government's policy to extend the civil service pay adjustment to ICAC staff.

⁴ For Commission Against Corruption Officer (Upper) and Forensic Accountant ranks, only part of their pay scales from ICAC Pay Scale point 39 and above are subject to an upward adjustment of 3%.

Affected pay points	Relevant disciplined services ranks
PPS 55 to 58	 Deputy Commissioner of Police
(Dollar value: \$125,450 to \$208,900) ¹	 Senior Assistant Commissioner of Police Assistant Commissioner of Police Chief Superintendent of Police
General Disciplined Services (Commander) Pay Scale points 1 to 3 (Dollar value: \$125,450 to \$183,700) ¹	 Chief Superintendent of Police Correctional Services Department Deputy Commissioner of Correctional Services Assistant Commissioner of Correctional Services Chief Superintendent of Correctional Services General Manager (Correctional Services Industries) Customs and Excise Department Deputy Commissioner of Customs and Excise Assistant Commissioner of Customs and Excise Assistant Commissioner of Customs and Excise Chief Superintendent of Customs and Excise Chief Fire Officer Chief Fire Officer Deputy Chief Ambulance Officer Deputy Chief Fire Officer Deputy Chief Fire Officer

(B) <u>Directorate ranks of the disciplined services (excluding heads of disciplined services⁵)</u>

⁵ Heads of disciplined services include Commissioner of Police, Controller, Government Flying Service, Commissioner of Correctional Services, Commissioner of Customs and Excise, Director of Fire Services, Director of Immigration and Commissioner, ICAC. The Standing Committee on Directorate Salaries and Conditions of Service separately recommends that their salaries should also be adjusted upward by 3% with effect from 1 October 2014. See paragraph 14(b) of the main text.

Affected pay points	Relevant disciplined services ranks
	Government Flying Service > Chief Aircraft Engineer > Chief Pilot
	 <u>Immigration Department</u> Deputy Director of Immigration Assistant Director of Immigration Senior Principal Immigration Officer
ICAC 45 to 48 (Dollar value: \$125,450	 Director of Operations, Commission Against Corruption
to \$208,900) ¹	 Deputy Director of Operations, Commission Against Corruption Senior Assistant Director of Community Relations, Commission Against Corruption
	 Senior Assistant Director of Corruption Prevention, Commission Against Corruption
	 Assistant Director, Commission Against Corruption
	 Secretary to the Commission Against Corruption
	 Chief Commission Against Corruption Officer Chief Forensic Accountant
