

LEGISLATIVE COUNCIL BRIEF

2010-11 CIVIL SERVICE PAY ADJUSTMENT

INTRODUCTION

At the meeting of the Executive Council on 15 June 2010, the Council ADVISED and the Chief Executive ORDERED that civil service pay for 2010-11 should be revised in accordance with the pay offers made to the staff sides of the four central consultative councils¹, viz. with effect from 1 April 2010, -

- (a) civil service pay for the upper salary band and the directorate should be increased by **1.60%** (equal to the net Pay Trend Indicator (PTI) for the upper salary band);
- (b) civil service pay for the middle salary band should be increased by **0.56%** (equal to the net PTI for the middle salary band); and
- (c) civil service pay for the lower salary band should be increased by **0.56%** (equal to the net PTI for the middle salary band), by invoking the “bring-up” arrangement.

JUSTIFICATIONS

(A) Staff Sides’ Responses to the Pay Offers

2. Pursuant to the decision of the Chief Executive(CE)-in-Council on 8 June 2010, the Administration has put the pay offers in paragraph 1 above to the staff sides of the four central consultative councils. The staff sides are

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

generally disappointed with the pay offers. Their responses are at **Annexes A to D**.

3. The Hong Kong Chinese Civil Servants' Association (HKCCSA) of the Senior Civil Service Council notes that the pay offers are not sufficient to compensate for inflation, and reiterates its claim of a pay rise of 2.50% for the whole civil service, which is equivalent to the year-on-year change of the Consumer Price Index (CPI)(A) in March 2010. It also suggests that the pay of all non-civil service contract (NCSC) staff should be adjusted in accordance with the pay offers. Notwithstanding what is stated in its letter, the Administration believes the HKCCSA is not seeking a higher pay rise for civil servants (i.e. 2.50% for all) and a lower pay rise for NCSC staff (i.e. the pay offer of 1.60% and 0.56% for higher and middle/lower salary NCSC staff respectively). Rather, it is proposing a pay rise of 2.50% for all civil servants and all NCSC staff.

4. The Association of Expatriate Civil Servants of Hong Kong and the Hong Kong Senior Government Officers Association of the Senior Civil Service Council reiterates their claim of a pay increase in accordance with the gross PTIs, instead of the net PTIs, as many civil servants have reached the maximum pay points of their ranks, and in view of the adverse impact of the exclusion of internal and external relativities² related pay adjustments and share awards on the calculation of the gross PTIs. The staff side of the Disciplined Services Consultative Council reiterates its claim of a pay rise of 2.90% across the board, which is equivalent to the year-on-year change of CPI(A) in April 2010. The staff side of the Model Scale 1 Staff Consultative Council also reiterates its claim of a pay rise of 2.50%, and hopes that due regard would be given to the changes in the cost of living and staff morale in determining this year's pay adjustment.

5. The staff side of the Police Force Council (PFC) accepts the pay offers. It invites the CE-in-Council to direct Secretary for the Civil Service (SCS) to review, ahead of the 2011 Pay Trend Survey (PTS), the practice of deducting the payroll cost of increments from the gross PTIs to arrive at the net PTIs, on the ground that the vast majority of officers in the Hong Kong Police Force have reached the maximum pay points of their ranks and are

2 Pay adjustment arising from internal relativities covers situations where the pay of a particular group of jobs in a company needs to be adjusted because of the need to maintain certain pay relativities with other jobs within the same company. Pay adjustment arising from external relativities covers situations where there is a need to adjust the pay of a particular group of jobs in a company due to competition amongst companies for candidates to undertake the stated particular group of jobs. Pay adjustments arising from internal and external relativities are excluded from the calculation of the gross PTIs in the annual Pay Trend Survey, as they are concerned with the changes in pay of a particular group of jobs in a company, as opposed to the pay changes for staff in general.

not eligible for annual increments.

(B) The Administration's View

6. Having considered the staff sides' responses to the pay offers and after taking into account the relevant factors for consideration of the annual civil service pay adjustment (viz. the net PTIs, state of the economy, changes in the cost of living, the Government's fiscal position, staff sides' pay claims and civil service morale), we remain of the view that the pay offers made on 8 June 2010 have struck the right balance. Accordingly, we recommend that civil service pay for 2010-11 should be adjusted in accordance with the pay offers made.

7. With regard to the HKCCSA's suggestion that the pay of NCSC staff should be adjusted in the same way as that for civil servants, we note that NCSC staff are not civil servants. They 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 (for example, through outsourcing), etc. Their employment package is determined differently from that of the civil service. We therefore do not consider that the pay adjustment decision made for the civil service should be applied to them.

8. With regard to the request by the staff side of the PFC that a review should be conducted on the practice of deducting the payroll cost of increments from the gross PTIs, we do not consider such a review to be necessary and justified. The deduction of payroll cost of increments from the gross PTIs to arrive at the net PTIs was accepted by the Executive Council in 1989, following a recommendation by a Committee of Inquiry. The Committee accepted that all take-home pay by employees in the private sector (including merit pay, increments, etc.) should be included in the annual PTS, and that for the sake of fairness, 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. We consider that the view of the Committee remains valid, and that there is no ground for us to single out the deduction of the payroll cost of increments for review.

IMPLICATIONS

9. The decision on the 2010-11 civil service pay adjustment is in conformity with the Basic Law, including the provisions concerning human rights. It has no sustainability, productivity and environmental implications. The financial and economic implications of the decision are the same as those set out in the Legislative Council Brief on this subject issued on 8 June 2010.

PUBLICITY

10. SCS has informed the staff sides of the decision on the 2010-11 civil service pay adjustment earlier today (15 June 2010). A press release will be issued later today and a spokesman will be available to answer media enquiries.

ENQUIRIES

11. Enquires on this brief should be addressed to Mr. Chris Sun, Principal Assistant Secretary for the Civil Service (Tel: 2810 3112).

Civil Service Bureau
15 June 2010



香港政府華員會

HONG KONG CHINESE CIVIL SERVANTS' ASSOCIATION

中國香港九龍京士柏衛理道 8 號 8 Wylie Road, King's Park, Kowloon, Hong Kong, China
電話 Tel: (852) 23001066 圖文傳真 Fax: (852) 2771 1139 網址 Website: <http://www.hkccsa.org.hk>By Fax and By HandOur Ref: (68) in 2/7/CCSA(XIX)
Your Ref: CSBCR/PG/4-085-001/67

9 June 2010

Miss Denise Yue
Secretary for the Civil Service
Government Secretariat
West Wing
Central Government Offices
Hong Kong

Dear Miss Yue

2010-11 Civil Service Pay Adjustment

Thank you for your letter of 8 June 2010 informing the Association the CE-in-Council's pay offer.

The Association is very disappointed to note that the offer does not meet its earlier pay claim of 2.5% across the board. You may wish to know that the pay offer, 1.60% for civil servants in the upper band and 0.56% for civil servants in the lower and middle salary bands, cannot even catch up the inflation rate of 2.5% recorded in March this year. Being a good employer and having a good financial position in last fiscal year, it behoves the Government to give care for its employees in releasing the stress from inflation by offering a pay adjustment of 2.5% across the board. Coupling that the economy has been recovering from the financial tsunami and an increase of 8.2% in GDP was recorded in first quarter this year, a pay adjustment of 2.5% across the board can also signify a share of the ups of the economy with the civil service which is conducive to boost up its morale amid the ever-demanding quality public service from the society. The Association, thus, requests the Government to reconsider its request for a pay adjustment of 2.5% across the board.

It is also suggested that the pay for all non-civil service contract staff be adjusted in accordance with the Administration's pay offer. By so doing not only allows them a certain release of the stress from inflation but helps to enhance the team spirit and promote a more harmonious relation within the entire civil service.

Thank you for your consideration.

Yours sincerely

(Ms Li Kwai-yin)
Vice President

c.c. Staff Side Secretary

English version only

只附英文版

**Association of Expatriate Civil
Servants of Hong Kong**
G12, Central Government Offices
East Wing, Hong Kong

**Hong Kong Senior Government
Officers Association**
G13, Central Government Offices
East Wing, Hong Kong

Miss Denise YUE
Secretary for the Civil Service
Room 1024 B, 10/F, West Wing,
Central Government Offices,
Hong Kong

Dear Miss YUE,

9 June 2010

2010/11 Civil Service Pay Adjustment

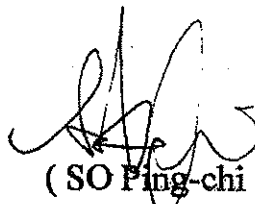
Thank you for your letter of 8 June 2010 informing us of the pay offers made by the Chief Executive-in-Council (CE-in-Council) to the Staff Sides . We wish to express our disappointment that the CE-in-Council appears not to have fully considered the factors mentioned in our pay claim letter of 28 May 2010. In particular, no account seems to have been taken of the adverse impact of the exclusion of internal/external relativities related pay adjustments and share awards on the Gross PTIs; and the deduction of the payroll cost of increments for the many civil servants who have reached the maximum points of their respective pay scales.

We take the opportunity again to urge the CE-in-Council to re-consider our pay adjustment proposal as contained in our earlier pay claim letter.

Yours sincerely,



(Steve BARCLAY)
for Association of Expatriate
Civil Servants of Hong Kong



(SO Ping-chi)
for Hong Kong Senior Government
Officers Association

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: (33) in SS/C 1/12 Pt. 15
來件編號 YOUR REF: CSBCR/PG/4-085/001/67

9 June 2010

Miss Denise YUE, GBS, JP
Secretary for the Civil Service,
10/F, West Wing, Central Government Offices,
11 Ice House Street, Central
Hong Kong.

Dear Miss YUE,

2010-11 Civil Service Pay Adjustment

This letter sets out the Police Force Council Staff Side (PFC SS) response to the pay adjustment offer made to us in your letter dated 8 June 2010. The pay increase offers of 1.60% for Upper Salary Band and 0.56% for both Middle and Lower Salary Bands, with effect from 1 April 2010, are accepted by the PFC SS.

We note the same offer being given to both Lower and Middle Salary Bands and respect the rationale but must reiterate our concern that there should be as far as possible strict application of Pay Trend Survey results. The PFC SS with disappointment notes that CE-in-Council has ignored our concerns about the practice to discount the average cost of increment, which we feel should be discontinued as the vast majority of officers are now on maximum increment in the police service. We would ask CE-in-Council, separate to this year's pay adjustment, to direct SCS to now initiate a review of the practice ahead of the 2011 Pay Trend Survey.

We look forward to the CE-in-Council's consideration of our response and a final decision being made on the 2010-11 Civil Service Pay Adjustment.

Yours sincerely,

SHAM Wai-kin
Chairman
SPA

LIU Kit-ming
Chairman
HKPIA

Ron ABBOTT
Chairman
OIA

WONG Ching
Chairman
JPOA

c.c. SF(1) in SS/C 1/12, SF(8) in SS/C 1/12

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

(中譯本)

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: (33) in SS/C 1/12 Pt. 15

來件編號 YOUR REF: CSBCR/PG/4-085/001/67

香港

中環雪廠街 11 號

中區政府合署西座 10 樓

公務員事務局局長

俞宗怡女士，GBS，JP

俞局長：

2010-11 年度公務員薪酬調整

2010年6月8日有關薪酬調整方案的來信已經收到。本函旨在闡述警察評議會(警評會)職方對有關內容的回應。警評會職方接受有關由2010年4月1日起，高層薪金級別公務員加薪1.6%，以及中層和低層薪金級別公務員加薪0.56%的薪酬調整方案。

我們知悉中層和低層薪金級別均獲得相同的薪酬調整方案，並尊重有關的理由。不過，我們必須重申警評會職方的關注，即是當局應該盡量嚴格地應用薪酬趨勢調查的結果。警評會職方獲悉行政長官會同行政會議沒有理會我們對扣減平均遞增薪額開支的做法的關注，並感到失望。我們認為應中止該種做法，因為現時大多數警隊成員已達頂薪點。我們會在今年的薪酬調整以外，另行要求行政長官會同行政會議指示公務員事務局局長現時在進行2011年薪酬趨勢調查之前，先行檢討有關做法。

我們希望行政長官會同行政會議考慮我們的回應，並就2010-11年度公務員薪酬調整作出最後決定。

岑維健
警司協會主席

廖潔明
香港警務督察
協會主席

顏邦智
海外督察協會
主席

黃程
員佐級協會
主席

副本送： SF(1) in SS/C 1/12, SF(8) in SS/C 1/12

2010年6月9日

**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

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

本函檔號：SSDSCC/P-3
來函檔號：CSBCR/PG/4-085-001/67

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
俞宗怡女士

俞局長：

二零一零至一一年度公務員薪酬調整

謝謝你二零一零年六月八日的來信。茲將紀評(職方)的意見臚列如下：

- (a) 行政長官會同行政會議就二零一零至一一年度公務員薪酬調整幅度作出決定時，未有充分考慮過去一年生活費用變動的因素，紀評(職方)對此表示失望。
- (b) 一如於本年五月二十八日給你的信件中，我們要求政府考慮根據去年甲類消費物價指數上升幅度，將今年公務員薪酬調整的幅度定為 2.9%。

紀律部隊評議會(職方)主席李君傑



二零一零年六月九日

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

香港消防處總職工總會
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

Chinese version only

Annex D
附件 D

只附中文版

Rm. 137, 1/F,
Central Government Offices,
East Wing,
20 Lower Albert Road,
Hong Kong.

Tel No.: 2810 2209
Fax No.: 2537 8630
E-mail: crystal_yk_lee@csb.gov.hk

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

香港中環下亞厘畢道二十號
中區政府合署東座二七室
電話：二八二零二二零九
傳真：二五二七八六二零

本函檔號：SSMOD/SAL/PAY/5/7/1
來函檔號：CSBCR/PG/4-085-001/63

香港中環雪廠街 11 號
中區政府合署西座
公務員事務局局長
俞宗怡女士

俞局長：

二零一零至一一年度公務員薪酬調整

局方於二零一零年六月八日的來信收到了。本會職方曾於二零一零年五月二十八日去信局方，要求全體公務員加薪百分之二點五。

在得悉行政長官會同行政會議所提出的薪酬調整方案後，本會職方感到失望，並希望重申我們的立場，要求全體公務員，包括低層薪金級別、中層薪金級別及高層薪金級別的公務員，加薪百分之二點五，以減輕公務員面對通脹的壓力。

本會職方尊重現行的薪酬調整機制，但希望當局在考慮本年度的薪酬調整幅度時，特別顧及生活費用變動及公務員士氣的因素。

第一標準薪級公務員評議會
職方主席



二零一零年六月九日