

## **LEGISLATIVE COUNCIL BRIEF**

### **2014-15 CIVIL SERVICE PAY ADJUSTMENT**

#### **INTRODUCTION**

At the meeting of the Executive Council on 17 June 2014, the Council **ADVISED** and the Chief Executive (CE) **ORDERED** that civil service pay for 2014-15 should be adjusted in accordance with the pay offers made to the staff sides of the four central consultative councils<sup>1</sup> (the staff sides), viz. with retrospective effect from 1 April 2014 –

- (a) a pay increase of **5.96%** (equal to the net pay trend indicator (PTI) for the upper salary band) for civil servants in the upper salary band and the directorate;
- (b) a pay increase of **4.71%** (equal to the net PTI for the middle salary band) for civil servants in the middle salary band; and
- (c) a pay increase of **4.71%** (equal to the net PTI for the middle salary band) for civil servants in the lower salary band, by invoking the “bring-up” arrangement<sup>2</sup>.

#### **JUSTIFICATIONS**

##### **(A) Staff Sides’ Responses to the Pay Offers**

2. Pursuant to the decision of the CE-in-Council on 10 June 2014, the Administration has put the pay offers in paragraph 1 above to the staff sides of the four central consultative councils.

---

1 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.

2 The “bring-up” arrangement refers to the arrangement to align the pay adjustment for civil servants in the lower salary band to the net PTI for the middle salary band if the latter is higher than the net PTI for the lower salary band. This arrangement was introduced in 1989 upon the recommendation of the Committee of Inquiry into the 1988 Civil Service Pay Adjustment and Related Matters.

3. The staff sides' responses to the pay offers are at Annexes A to D.  
In gist –

- (a) the Hong Kong Senior Government Officers Association and the Association of Expatriate Civil Servants of Hong Kong, constituent associations of the Senior Civil Service Council (SCSC), accept the pay offer for the upper salary band;
- (b) the Hong Kong Chinese Civil Servants' Association (HKCCSA), which is a constituent association of both the SCSC and the Model Scale 1 Staff Consultative Council (MOD 1 Council), welcomes the pay offer for the upper salary band but is disappointed that the Administration has not aligned the pay offers for the middle and lower salary bands with that for the upper salary band. It hopes the Administration would reconsider its claim for a pay rise of 5.96% (i.e. the pay offers for the upper salary band and the directorate) for all civil servants based on the same justifications advanced in its earlier pay claims, namely that –
  - (i) the Administration should take the lead to narrow the wealth gap in the society and to avoid being seen as “fattening the top and slimming the bottom”;
  - (ii) civil service pay should be adjusted to maintain the purchasing power of civil servants. The pay offers for the middle and lower salary bands, however, are lower than the change in headline Consumer Price Index (CPI)(A) for the 12-month period ended March 2014 which was 5.1%;
  - (iii) both the net PTIs and the CPI(A) figures considered by the Executive Council are historical figures of 2013-14. An across-the-board pay adjustment rate of 5.96% merely means a small compensation for the inflation of the current year; and
  - (iv) an across-the-board pay adjustment rate of 5.96% can help raising the morale of civil servants and enhancing the solidarity of the civil service, which is particularly important as the civil service faces increasing public expectation and various challenges ahead.
- (c) the Police Force Council (PFC) staff side is “extremely frustrated and disappointed” with the pay offers. It claims that “there is no evidence that the CE-in-Council has considered [its] pay claim to the full extent”, and that its requests for a “critical and transparent review of the Pay Trend Survey (PTS) mechanism” and for ceasing the practice of deduction of payroll cost of increments (PCIs) have been ignored. From the “pay adjustment figure”, the PFC staff side concludes that its concerns about the PTS mechanism have not been addressed;

- (d) the Disciplined Services Consultative Council (DSCC) staff side expresses disappointment with the pay offers for the middle and lower salary bands. It considers that the Administration should take into account all six relevant factors in determining the rates of civil service pay adjustment for 2014-15. It also suggests that each year the rate of civil service pay adjustment should not be lower than the change in CPI(A) for the year; and
- (e) the staff side of the MOD 1 Council is very disappointed with the pay offer for the lower salary band. It considers that the pay offer fails to catch up with the change in headline CPI(A) for the 12-month period ended March 2014 and that the Executive Council has not taken into account the changes in the cost of living and civil service morale when considering the pay offers.

**(B) The Administration's Views**

4. The major arguments put forward by the staff sides in their responses to the pay offers were included in the pay claims they submitted earlier. The Executive Council has thoroughly considered these arguments when deciding on the pay offers. The Government's views on the staff sides' major arguments are as follows –

- (a) the accusation that the Executive Council had not sufficiently considered the other five factors apart from the net PTIs is unfounded. In fact, in considering the pay offers, the Executive Council has taken into account all six relevant factors, namely the net PTIs, state of Hong Kong's economy, changes in the cost of living, the Government's fiscal position, staff sides' pay claims and civil service morale. The decision on the pay offers was made after due regard to all six factors. It is unreasonable to conclude that the other five factors were ignored by the Executive Council simply by the outcome that the pay offers for the upper and middle salary bands were the same as their respective net PTIs;
- (b) in response to the request for a pay rise not lower than the change in headline CPI(A) for the 12-month period ended March 2014, it should be noted that the purpose of the annual civil service pay adjustment is not to track inflation. There is thus no reason to expect that the net PTIs or the pay adjustment would be the same as or higher than the inflation rate measured by any specific inflation index. In any case, all relevant CPI figures for the 12-month period ended March 2014, including the headline Composite CPI inflation (4.4%) which reflects the impact of consumer price change on 90% of households and the headline CPI(A) inflation (5.1%) which only reflects the impact of consumer price change on 50% of households, have been submitted to the Executive Council for consideration. The Administration has also brought up the pay offer for the lower salary band to 4.71% by invoking the "bring-up" arrangement;

- (c) on the view that the pay offers “fatten the top and slim the bottom”, it should be noted that the outcome of the 2014 PTS had objectively reflected the private sector pay trend in the survey period (from 2 April 2013 to 1 April 2014) and the PTS itself is not biased for/against any salary band. As the pay offers for the upper and middle salary bands follow their respective net PTIs; and as the “bring-up” arrangement has been invoked for the lower salary band (bringing up its pay offer by 0.91 percentage point as compared with its net PTI), the accusation is unfounded;
- (d) on the PFC staff side’s accusation that its request for a review of the PTS mechanism was ignored, it should be noted that the PTS Committee had, in accordance with the established mechanism, reviewed and agreed on the PTS methodology before commissioning the 2014 PTS. During the review, the PTS Committee has studied and discussed all issues about the PTS methodology raised by staff associations. The PTS Committee has accepted a number of staff suggestions for changes to the PTS methodology upon deliberation.

In fact, since the three constituent associations of the PFC (as well as the staff side of the DSCC) announced their withdrawal from the PTS Committee last year, the Administration has made persistent efforts in persuading them to return to the Committee and to participate in the review of the 2014 PTS methodology. The PTS Committee Secretariat has also continued to send all meeting invitations, papers and minutes of meeting to the PFC staff side. It has invited all PTS Committee members (including the PFC staff side) to give their views on the discussion items of the Committee. In any case, it is unfair to conclude that the 2014 PTS methodology is not in order based on the survey outcome or the Executive Council’s pay adjustment decision; and

- (e) on PFC staff side’s request for ceasing the practice of deduction of the PCIs, it should be noted that the practice was 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 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.

5. Having considered the six relevant factors under the annual civil service pay adjustment mechanism and the staff sides’ responses to the pay offers, the CE-in-Council decided that civil service pay for 2014-15 should be adjusted in accordance with the pay offers made. This decision is in line with the civil service pay policy objective of maintaining broad comparability between civil service and private sector pay.

## **IMPLICATIONS OF THE RECOMMENDATION**

6. The decision on the 2014-15 civil service pay adjustment has no environmental, family, productivity and sustainability implications. The Basic Law, financial and economic implications of the decision are the same as those set out in the Legislative Council Brief on this subject issued on 10 June 2014.

## **PUBLICITY**

7. The Secretary for the Civil Service has informed the staff sides of the decision on the 2014-15 civil service pay adjustment earlier today (17 June 2014). A press release will be issued later today, and a spokesman will be available to answer media enquiries.

## **ENQUIRIES**

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

**Civil Service Bureau**  
**17 June 2014**

English version only

Annex A  
附件 A

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

11 June 2014

Dear Mr TANG,

**2014/15 Civil Service Pay Adjustment**

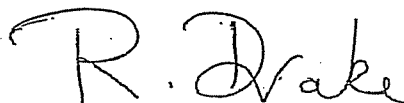
The HKSGOA and AECS wish to inform you that we accept the pay offer made by the Chief Executive-in-Council that, with effect from 1 April 2014, a pay increase of 5.96% for civil servants in the upper salary band.

We understand that the existing Pay Trend Survey and the overall Pay Adjustment mechanism would still need to be continuously refined to move with the times.

Yours sincerely,



(CHAN Sai-kwing)  
for Hong Kong Senior  
Government Officers Association



(Rebecca DRAKE)  
for Association of Expatriate  
Civil Servants of Hong Kong



# 香港政府華員會

HONG KONG CHINESE CIVIL SERVANTS' ASSOCIATION

中國香港九龍京士柏街理運6號 8 Wylie Road, King's Park, Kowloon, Hong Kong, China

電話: (852) 2300 1066

傳真: (852) 2771 1139

電郵: info@hkccsa.org

網址: http://www.hkccsa.org



本會檔號：(197) in 2/7/CCSA (XX)  
來函檔號：CSBCR/PG/4-085-001/73

致香港特別行政區政府  
公務員事務局局長  
鄧國威先生

尊敬的鄧局長：

## 應允許高、中、低層公務員劃一薪調 5.96%

謝謝您昨天的來信，告知行政長官會同行政會議向中央評議會職方提出 2014-15 年度公務員薪酬調整方案。

本會歡迎政府提出高層薪酬級別公務員本年度的薪調為 5.96%；但對政府只調高低層薪酬級別至 4.71%，與中層看齊，未有把高、中、低層劃一調整至 5.96%，表示失望。本會期望當局重新考慮下列因素/意見，予行政長官會同行政會議作出決定：

- 劃一高、中、低層薪調 5.96% 符合社會公義**  
政府考慮薪酬調整時，盡量縮短高、低級公務員薪酬的差距，讓中、低層公務員多加 1.25% (只是讓他們每天可多獲 5 至 10 元的薪金，最多只可多購買 1 至 2 個麪包)，在追趕飆升的通脹時多一點點的鬆動，將免除政府予人“肥上瘦下”的詬病，並向社會展示政府有帶頭縮窄貧富差距的理念和決心，為政府應有之義。
- 中、低層薪調追不上通脹**  
政府提出的本年度中、低層薪酬級別公務員的薪調方案 4.71%，連 5.11% (至本年 3 月底按年甲類消費物價指數的增幅) 的通脹也追不上，不但降低了他們的購買力，亦導致他們未能真正分享經濟的成果。政府作為全港最大的良好僱主，不但需要協助公務員紓緩通脹，還應維持他們的購買力及讓他們分享經濟成果。
- “薪酬趨勢調查指標”及“甲類消費物價指數”均為滯後數字**  
事實上，上一年度的“薪酬趨勢調查指標”及“甲類消費物價指數”，均為早已過去的參考數據，滯後於當下私營市場的薪酬趨勢增幅及通脹指數，容許中、低層公務員劃一薪調至 5.96%，只是給予他們一點點的彌補，追趕目前飆升的通脹。
- 劃一薪調 5.96% 有利增加士氣、有利團隊的凝聚**  
各級公務員在市民要求繼續日益高漲下，特別是未來一年，本港將面對政改，能否順利進行這嚴峻挑戰，政府施政在在需要一支穩定、士氣高昂、有凝聚力、堅守崗位的公務員團隊，此為至關重要。容許公務員劃一調薪 5.96%，對提升整個團隊的士氣及凝聚力有實質積極的作用。

此外，本會亦須指出：低層公務員薪調增幅與中層“看齊”向為機制組成部份，歷史不容漠視或扭曲！

自 1989 年正式實施至今的“調高”安排 (“Bring-up” arrangement)，即低層公務員薪酬調整幅度如低於中層，會調高至中層的調整幅度的做法，一向為機制的一個組成部份；此舉體現政府體恤低層公務員的善意。本會歡迎政府按機制作出“調高”安排。

但當局來信把這原為機制的一個組成部份的“調高”，貶低為“引用了「調高」安排”，並說成：“是否引用「調高」安排”，由政府每年決定，亦指“不代表在往後的年度……必然會引用「調高」安排”。本會認為，當局如此說法，有繼續誤導行政會議及公眾之嫌。當局並沒有講清楚，現行機制自 1974 年引入以來，行政長官會同行政會議每年均會按當時的情況，以“一籃子”多項因素，考慮公務員每年的薪酬調整；自 1989 年以來低層薪酬級別的增幅與中層“看齊”的做法，同為考慮因素之一；經考慮上述多項因素後，政府才決定公務員每年薪酬調整。

本會必須再次指出，1988 年公務員薪酬調整及有關事宜調查委員會(Committee of Inquiry into the 1988 Civil service Pay Adjustment and Related Matters，即俗稱的“仲裁委員會”)，在研究了薪酬趨勢調查採用的方法後，在它 1989 年 3 月的《最後報告》中向當時的港英政府作出了建議：“除非另有強而有力的理由 (unless there are overriding reasons for not doing so)，否則，若較低薪酬級別的薪酬趨勢指標計算出來，較中級薪酬級別的為低，便應將之提高至同等水平”。建議為當時的行政局接納並於 1989 年正式實行至今。自此，25 年來，這“調高”安排即已成為整個公務員薪酬調整機制的不可或缺部份。當局不能漠視或扭曲這段歷史！

事實上，25 年前作此建議的 3 大理由中的其中兩個仍然存在，即：

- 理由之一，政府應“置身善待僱員的僱主之列 (be among the better paying employers in relation to the lowest paid) ”——除非特區政府不再繼續殖民地政府當年訂定的公務員薪酬調整政策，不願再“置身善待僱員的僱主之列”。
- 理由之二，“較低薪酬級別職員中包括了第一標準薪級人員，他們之中約有 80% 已達到其薪級表的頂點，沒有資格再獲遞加增薪”，這種情況，至今依然。

本會希望政府重新考慮，輕微上調中、低層薪酬級別公務員的薪酬調整幅度與高層劃一至 5.96%。

署理會長



謹啓

(利葵燕)

2014 年 6 月 12 日



English version only

只附英文版

Annex B  
附件 B

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/4-085-001/73

13<sup>th</sup> June 2014

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  
2014-15 Civil Service Pay Adjustment**

The Police Force Council Staff Side (PFC SS) is extremely frustrated and disappointed with the pay increase offers.

There is no evidence that the CE-in-Council has considered our pay claim submission to the full extent. On the contrary, there is strong evidence to disregard the consistent flaw in the existing mechanism and the continuation with the unfair deduction of incremental factor.

First, despite our determination and proactive effort in pursuing all avenues to call for a critical and transparent review of the PTS mechanism, the pay adjustment figure is evident that our concern are once again not being addressed. This has unfortunately continued to reinforce the difficult decision that JPOA, HKPIA and OIA had made, in voicing out the need for such review by leaving the Pay Trend Survey Committee last year.

Second, the issue of deduction of incremental factor is once again not addressed despite we had clearly explained the rationale behind the unfairness and unreasonableness for continuing such deduction in the mechanism.

In summary, the CE-in-Council had made no response or address to the explicit request by the staff side to review the PTS mechanism and cease any deduction of incremental factor. Despite PFC SS had exhausted all earnest effort to convince its members that the Pay Trend Survey Committee is taking active steps to

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
---	--	---	---

consider our request, our continuing effort to re-assure harmony among our officers is losing strength. This is becoming PFC SS' pressing concern and certainly is not what PFC SS would like to see.

The PFC SS strongly urge the CE-in-Council to address the two issues with a written reply.

Yours sincerely,



---

Wise CHOY  
Chairman  
SPA



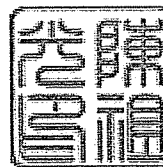
---

Henry NGO  
Chairman  
HKPIA



---

Ron ABBOTT  
Chairman  
OIA



---

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/4-085-001/73

Room 326, East Wing,  
Central Government Offices,  
2 Tim Mei Avenue,  
Tamar, Hong Kong  
Tel. No. 2810 2703  
Fax No. 2537 6937

香港添馬添美道 2 號  
政府總部西翼 9 樓  
公務員事務局局長  
鄧國威先生, J. P.

鄧局長：

二零一四至一五年度公務員薪酬調整

謝謝你於二零一四年六月十日的來信。茲將紀評(職方)的意見臚列如下：

- (a) 紀評(職方)認為政府在決定二零一四至一五年度公務員薪酬調整幅度時，應充分考慮公務員士氣、年內生活費用的變動、香港的經濟狀況，政府財政狀況及經濟增長成果；
- (b) 紀評(職方)認為每年的公務員薪酬調整幅度應該不低於年內甲類消費物價指數的變動，以維持基本購買力。香港社會的安定繁榮、政策措施有效推行、高質服務的提供及競爭力等等，實有賴專業、團結及高效的紀律部隊；
- (c) 對於政府提出今年的公務員薪酬調整幅度，除高層薪金級別公務員外，就中及低層薪金級別公務員薪酬調整，紀評(職方)表示失望。

紀律部隊評議會(職方)主席倪錫水



二零一四年六月十一日

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

只附中文版

Annex D  
附件 D

Rm. 326, 3/F,  
East Wing,  
Central Government Offices,  
2 Tim Mei Avenue,  
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)

Tel No.: 2810 2209  
Fax No.: 2537 8630  
E-mail: heather\_hc\_chan@csb.gov.hk

香港添馬添美道2號  
政府總部東翼3樓326室  
電話: 2810 2209  
傳真: 2537 8630

本函檔號: SSMOD/SAL/PAY/5/7/1 Pl.26  
來函檔號: CSBCR/PG/4-085-001/72

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

尊敬的鄧局長:

二零一四至一五年度公務員薪酬調整

局方在2014年6月10日的來信(檔號: CSBCR/PG/4-085-001/73)收悉,現作出以下回覆。

本會職方曾於2014年5月27日去信局方,要求低層薪金級別加薪5.1%。在得悉行政長官會同行政會議所提出的薪酬調整方案後,本會職方感到非常失望。

職方認為當局在考慮薪酬調整幅度時,應特別顧及生活

費用的變動及公務員士氣這些因素，至少讓公務員保持購買力。對於當局未有充分考慮這些因素，職方感到不滿。正如上次來信提到，截至二零一四年三月止的十二個月內，剔除所有政府一次性紓困措施的影響後，甲類消費物價指數較一年前同期平均上升 5.1%，而住屋、電力、燃氣及水，與及食品，加幅分別達 5%、5.3%及 5.1%，故此職方要求加薪 5.1% 實屬合理。

政府今次建議低層薪金級別加薪 4.71% 雖然向中層看齊，但仍然未能追上甲類消費物價指數的升幅，希望政府能體恤基層公務員的生活壓力，再次考慮本會給低層公務員加薪 5.1% 的訴求。

第一標準薪級公務員評議會

職方主席李惠儀



2014年6月12日