

HONG KONG  
STANDING COMMISSION ON CIVIL SERVICE  
SALARIES AND CONDITIONS OF SERVICE

REPORT No. 45

# REPORT 2009

CHAIRMAN

MR NICKY LO KAR-CHUN, JP

FEBRUARY 2010

**公務員薪俸及服務條件常務委員會**  
**Standing Commission on Civil Service Salaries and Conditions of Service**

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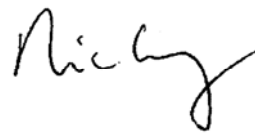
26 February 2010

The Honourable Donald Tsang, GBM  
The Chief Executive  
Hong Kong Special Administrative Region  
People's Republic of China  
Government House  
Hong Kong

Dear Sir,

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On behalf of the Standing Commission on Civil Service Salaries and Conditions of Service, I have the honour to submit a report on our work during 2009.

Yours faithfully,



( Nicky Lo Kar-chun )  
Chairman  
Standing Commission on Civil Service  
Salaries and Conditions of Service

Encl.

HONG KONG  
STANDING COMMISSION ON CIVIL SERVICE  
SALARIES AND CONDITIONS OF SERVICE

REPORT No. 45

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# Standing Commission on Civil Service Salaries and Conditions of Service

December 2009



Front Row: Ms Virginia Choi Prof Ho Lok-sang Mr Nicky Lo Kar-chun, JP (Chairman) Mr Andy Lo Dr Miranda Chung

Back Row: Mr Patrick Li (Secretary General) The Hon Jeffrey Lam, SBS, JP Mr Owen Chan Miss Vega Wong (Assistant Secretary General)

Absent: Mr Barry Cheung, JP Mr Pang Yiu-kai, SBS, JP

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# Chapter 1

## Introduction

1.1 Since its establishment in 1979, the Standing Commission on Civil Service Salaries and Conditions of Service has been advising the Chief Executive on the principles and practices governing pay, conditions of service and salary structure of non-directorate civil servants, other than judicial officers and disciplined services staff. The Commission provides independent advice and makes recommendations to the Chief Executive, after taking into full account relevant factors and views expressed by the parties concerned. The Commission's terms of reference are at **Appendix A**.

1.2 This is our forty-fifth report. It gives an account of our major undertakings in 2009. During the year, we held two Commission meetings, five core group meetings in relation to the 2009 Starting Salaries Survey and three annual informal meetings with the civil service staff councils/associations.

1.3 There are currently nine Commission Members, who are all non-officials appointed in their personal capacity by the Chief Executive. The Commission's membership is at **Appendix B**.

1.4 We wish to thank **Miss Denise Yue, GBS, JP**, Secretary for the Civil Service, and her staff for their assistance and co-operation. Our appreciation also goes to **Ms Michelle Li, JP** and **Mr Patrick Li**, former and incumbent Secretary Generals of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service respectively, and their staff for their support during the year.





## **Chapter 2**

### **2009 Starting Salaries Survey**

2.1 As part of the Improved Civil Service Pay Adjustment Mechanism approved by the Chief Executive-in-Council in May 2007, the three-yearly Starting Salaries Survey (SSS) complements the six-yearly Pay Level Survey (PLS) and the annual Pay Trend Survey (PTS) to maintain broad comparability between civil service pay and private sector pay.

2.2 In November 2008, the Commission accepted the Administration's invitation to conduct the 2009 SSS, using 1 April 2009 as the reference date, and make recommendations to the Administration on how the survey findings should be applied to the civil service civilian grades. The SSS was the main focus of the Commission's work in 2009. This Chapter gives an account of the Commission's work on the 2009 SSS.

#### **Mode of Operation**

2.3 The 2009 SSS is the first time the Commission conducts an SSS under the Improved Civil Service Pay Adjustment Mechanism. To facilitate work on specific areas, the Commission has set up three core groups, responsible for the engagement of stakeholders, selection of consultant and technical aspects of the pay comparison survey respectively.

2.4 Whilst the disciplined services grades are excluded from the SSS because of the lack of market comparators, we understand that the Administration will consider whether and, if so, how the results of the SSS should be applied to the disciplined services grades and seek the advice of the Standing Committee on Disciplined Services Salaries and Conditions of Service (SCDS) as appropriate. In line with the practice in the 1999 SSS, we invited an observer from the SCDS to attend our meetings and informal meetings with civil service staff bodies in relation to the SSS.

## **Pay Comparison Survey**

2.5 In line with the practice in previous SSSs, the Commission conducted the pay comparison survey (the Survey) to collect information on private sector pay for entry-level jobs for comparison with the civil service starting salaries, with a view to ascertaining whether the entry pay in the civil service remained broadly comparable with that in the private sector.

### ***Survey methodology***

2.6 The Survey methodology is largely modelled on that adopted for the 2006 SSS and the 1999 SSS. In gist, comparison between civil service and private sector entry-level jobs is based mainly on the qualification requirements as stipulated for the civil service Qualification Groups (QGs). Comparison between civil service and private sector entry-level jobs is primarily based on the minimum educational qualification required for appointment to the job. To ensure functional comparability, civil service entry-level jobs are grouped into different Job Families (JFs) drawn up based on the broad functions of the basic ranks covered by the Survey. Only private sector entry-level jobs with similar qualification requirements as a particular QG, and comparable in terms of functions to those identified under the JFs for that QG would be collected for comparison.

### ***Conduct of the Survey***

2.7 In July 2009, the Commission appointed Hay Group Limited (the Consultant) to carry out the Survey. The Consultant was tasked to propose an appropriate methodology for the Survey with 1 April 2009 as the reference date, conduct fieldwork for data collection, and submit a report on the data analysis to the Commission.

2.8 The Commission endorsed a total of 131 private sector organisations for inclusion in the Survey field. The Consultant conducted fieldwork from October to November 2009.

2.9 In December 2009, the Consultant completed data consolidation and analysis, and submitted its findings to the Commission. The Commission then proceeded to formulate the principles and considerations for the application of the Survey results to the civil service.

## **Engagement of Stakeholders**

### ***Staff engagement***

2.10 We considered that staff engagement was crucial to the successful completion of the Survey. In the course of the exercise, the Commission maintained contact with the staff sides of the four Central Consultative Councils<sup>1</sup> and the four service-wide staff unions<sup>2</sup>. In January 2009, we exchanged views with the staff bodies on the proposed broad framework of methodology for the Survey. In September 2009, we exchanged views with them on the key aspects of the Survey methodology proposed by the Consultant, including the list of potential private sector organisations for the Survey field and the JF classifications. Further meetings with the staff bodies have been scheduled for January 2010 to exchange views on the broad principles and considerations for the application of the Survey results.

### ***Private sector engagement***

2.11 The Commission also maintained close liaison with key external stakeholders. In the course of the 2009 SSS, we exchanged views with the Employers' Federation of Hong Kong, the Hong Kong Institute of Human Resource Management and the Hong Kong People Management Association on the prevailing practices of conducting pay surveys in the private sector.

2.12 In conjunction with the Consultant, we also held briefing sessions for potential participating organisations in September 2009 to solicit their support in the Survey.

## **Next Step**

2.13 The Commission aims to finalise the formulation of the principles and considerations for the application of the Survey results, and submit its report to the Administration in early 2010.

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<sup>1</sup> 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.

<sup>2</sup> The four service-wide staff unions include 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.



## **Chapter 3**

### **Progress of the Grade Structure Review for Specific Non-directorate Civilian Grades, Informal Meetings with Civil Service Staff Bodies and Other Activities**

#### **Grade Structure Review for Specific Non-directorate Civilian Grades**

##### ***Background***

3.1 At the invitation of the Administration, the Standing Commission began in December 2007 two grade structure reviews: one on the Veterinary Officer (VO) grade, and one on the Government Counsel (GC) grade and the related Solicitor grade and Legal Aid Counsel (LAC) grade. On 27 November 2008, we submitted to the Chief Executive the Commission's Report No. 43 on "Grade Structure Review (GSR)" which contained our findings and recommendations.

3.2 Upon receipt of our Report No. 43 on the GSR, the Chief Executive asked the Civil Service Bureau to study and examine our findings and recommendations in consultation with the parties concerned, including the relevant departmental management and the staff sides.

##### ***Progress***

3.3 On 20 October 2009, the Chief Executive-in-Council decided that the Commission's recommendations in its Report No. 43 on the GSR should be accepted in full, and where applicable with retrospective effect from 1 April 2009, plus a special arrangement for pensionable retirees in the interim period (from promulgation of the GSR report on 27 November 2008).

3.4 The Standing Commission noted that on 4 December 2009, the Finance Committee of the Legislative Council approved the recommendations relating to salaries and increments with retrospective effect from 1 April 2009 and the special arrangement for pensionable retirees.

### ***Other issues***

3.5 In the GSR Report, the Standing Commission also touched on issues that might not be directly related to the grade structure per se, hoping that this would help the relevant grades to recruit, retain and motivate talent.

3.6 The Commission noted that the Agriculture, Fisheries and Conservation Department had embarked on, amongst others, a bonded traineeship programme for veterinary students. The department had also nominated and would continue to nominate VOs to attend conferences and seminars to broaden their perspectives and consolidate their professional knowledge.

3.7 In respect of the GC Grade, the Commission noted that the Department of Justice draws up a manpower plan annually, and reviews its staffing requirements regularly to ensure necessary manpower resources are provided. Through the GC Grade Departmental Consultative Committee, the management and staff regularly exchange views on common concerns. The department also has a wide variety of training and development programmes for the GC grade, and will continue to provide ample training opportunities to facilitate their career and self-development.

### **Liaison with the Major Civil Service Staff Bodies**

3.8 Since 1992, we have held regular informal meetings with the Staff Sides of the Senior Civil Service Council (SCSC) and the Model Scale 1 Staff Consultative Council (MOD 1 Council), the two Central Consultative Councils of the Government in respect of the civilian grades. The Staff Side of the SCSC is made up of the Association of Expatriate Civil Servants of Hong Kong, the Hong Kong Chinese Civil Servants' Association and the Hong Kong Senior Government Officers Association. In order to canvass a wider spectrum of views, the Commission decided in 1996 to meet also three major confederation-type unions not represented on the SCSC, viz. the Government Employees Association, the Hong Kong Civil Servants General Union, and the Hong Kong Federation of Civil Service Unions. These meetings have proven to be very useful in keeping the Commission apprised of issues of topical concern to civil servants.

3.9 As part of our follow-up actions after the last round of informal meetings, the Commission requested the Administration to advise on the

actions taken in improving the provision of medical and dental benefits to civil service eligible persons (CSEPs). We noted that the Administration had taken a series of improvement measures and allocated additional resources to improve the medical and dental benefits for the CSEPs, and will continue to work closely with the relevant parties to make further improvements.

3.10 For this round of informal meetings with the civil service staff bodies, we met with the MOD 1 Council and the three service-wide staff bodies in December 2009, and scheduled a meeting with the SCSC in January 2010.

3.11 At the two meetings in December, we briefed the staff bodies on the progress of the 2009 SSS. We also exchanged views with the staff bodies on other civil service issues, including the provision of medical and dental benefits to the CSEPs, the new terms of appointment (i.e. three-year probationary terms followed by three-year agreement terms), recruitment of MOD 1 staff and their conditioned hours of work, extension of civil servants' retirement age, and the succession issue in the civil service.

3.12 We found the exchange of views with the staff bodies useful. Their views will be conveyed to the Administration for consideration and follow-up as appropriate.

### **Liaison with External Stakeholders**

3.13 In the course of the year, the Commission and the Joint Secretariat maintained close contact with major interested private sector organisations to keep track of developments in the private sector and exchange views on civil service pay, conditions of service and pay trend surveys.





## Chapter 4

### Pay Trend Survey System

4.1 The pay trend survey (PTS) system aims to ascertain the year-on-year average movements in private sector pay. In accordance with the recommendations of a Committee of Inquiry in 1988, the Administration deducts the value of civil service increments at their payroll cost in the relevant year (expressed as a percentage of the total payroll cost for each salary band) from the gross pay trend indicators (PTIs) to produce the net PTIs. Having regard to the net PTIs derived from the PTSs and other pertinent considerations, namely, the state of the economy of Hong Kong, the Government's fiscal position, changes in the cost of living, pay claims of the staff sides and civil service morale, the Chief Executive-in-Council decides on the specific rates of adjustment for civil service pay.

#### Pay Trend Survey Committee

4.2 The Pay Trend Survey Committee (PTSC) is an independent committee established by the Administration on the Standing Commission's advice in 1983. Its Chairman and Alternate Chairman are nominated from Members of the Commission. Ms Virginia Choi and Mr Barry Cheung, JP, have been the Chairman and the Alternate Chairman of the PTSC since January 2008 respectively. The PTSC also comprises representatives of the Standing Committee on Disciplined Services Salaries and Conditions of Service, the Administration and the staff sides. Its composition is at **Appendix C**.

4.3 The main function of the PTSC is to commission the annual PTS, analyse the results of the survey, ensure that the agreed criteria for the interpretation of the data collected have been properly applied and agree on its results. The PTSC is the only and final authority for the conduct of the PTS. Once the findings of a PTS have been agreed, neither the PTSC nor the Commission is involved in any way in subsequent discussions between the Administration and the staff sides on any pay adjustment based on the survey results. The PTSC held six meetings during 2009.

4.4 In tendering advice to the Administration on the methodology for the PTS, the Standing Commission will, as prescribed by its terms of reference, have regard to the recommendations of the PTSC.

### **Pay Survey and Research Unit**

4.5 The fieldwork of the PTS is conducted by the Pay Survey and Research Unit, which is an independent unit under the Joint Secretariat. The Pay Survey and Research Unit collects information from companies/organisations in the survey field as approved by the PTSC on changes in basic salaries and additional payments relating to cost of living, general prosperity and company performance, general changes in market rates, inscale increments and merit during the survey period. These data are analysed to produce gross PTIs for three different salary bands. The findings are then presented to the PTSC for validation and agreement.

### **The Improved Methodology of the Pay Trend Survey**

4.6 Starting from 2007, the PTS has adopted an improved methodology as approved by the Chief Executive-in-Council in March 2007. Under the improved methodology, the survey field is broadened to cover larger companies (with 100 or more employees) and smaller companies (with 50 to 99 employees) in order to enhance the representativeness and credibility of the PTS. To complement the broadening of survey field, the data consolidation method is modified to ensure that the data from smaller companies with 50 to 99 employees are suitably represented.

4.7 Since the 2008 PTS, a technical refinement in data collection was adopted to facilitate future assessment on the feasibility of aligning the methodologies for the Pay Level Survey (PLS) and the PTS. Under the arrangement, five salary bands as adapted from the PLS are used for data collection, while maintaining the existing three-band system for data consolidation and calculation of PTIs.

## **The 2009 Pay Trend Survey**

4.8 The 2009 PTS, commissioned by the PTSC in January 2009, was conducted between January and May 2009. It followed the improved PTS methodology with the technical refinement in data collection.

4.9 A total of 121 companies, comprising 88 larger companies (73%) and 33 smaller companies (27%), participated in the 2009 PTS. The Pay Survey and Research Unit collected information on pay adjustments in these 121 companies (comprising 185 321 employees) over the 12-month period from 2 April 2008 to 1 April 2009 and analysed the data in accordance with the improved methodology. The survey findings were released on 18 May 2009 and considered by the PTSC on 25 May 2009 and 8 June 2009. A summary of the results of the survey is at **Appendix D**.

4.10 In June 2009, the Chief Executive-in-Council decided, among others, that civil service pay for the lower and middle salary bands should be frozen; and that for the upper salary band and above should be reduced by 5.38%, subject to the proviso that no pay point in the upper salary band should be less than \$48,700 (i.e. \$300 above the upper limit of \$48,400 of the middle salary band). Following Chief Executive-in-Council's decision, the Public Officers Pay Adjustment Bill was introduced into the Legislative Council. The Public Officers Pay Adjustment Ordinance came into effect on 24 December 2009. Pursuant to the Ordinance, the relevant civil service pay scales would be revised with effect from 1 January 2010. The revised pay scales relevant to the Commission's purview are shown at **Appendix E**.

## **Review of Survey Methodology**

4.11 It has been an established practice for the PTSC, as assisted by the Pay Survey and Research Unit, to conduct a review of the PTS methodology and submit its recommendations to the Standing Commission before the conduct of the next PTS. To prepare for the 2010 PTS, the PTSC completed the review of the PTS methodology and submitted its recommendations to the Commission in December 2009. Overall speaking, the PTSC had considered various aspects of the methodology and reaffirmed that the improved methodology (with the technical refinement in data collection) was reasonable and feasible. The PTSC recommended that the same methodology be used in the 2010 PTS.

4.12 At the Commission meeting on 22 December 2009, we considered the PTSC's recommendations. A summary of the PTSC's key recommendations on the review of the survey methodology is at **Appendix F**. We supported that the methodology of the 2009 PTS should continue to be adopted for the 2010 PTS. We will convey our advice to the Administration accordingly.

### **Review of the Operation of PTSC**

4.13 Separately, the Commission noted that the PTSC had completed a review of its operation in the light of the experience in the 2009 PTS. It would adopt a series of measures to enhance its operation in various areas, including the reporting of changes in the survey field, and more timely provision of information to facilitate PTSC Members' consideration of the survey results. These improvement measures would be implemented in the 2010 PTS.

## **Chapter 5**

### **Future Programme of Work**

5.1 In the first quarter of 2010, we will continue to concentrate on the 2009 Starting Salaries Survey. We target to submit our recommendations to the Chief Executive in early 2010.

5.2 We understand that, in view of the implementation of the “3-3-4” new academic structure for secondary and tertiary education and the introduction of the Hong Kong Diploma of Secondary Education Examination (HKDSEE) in 2012 replacing the Hong Kong Certificate of Education Examination (HKCEE) and the Hong Kong Advanced Level Examination (HKALE), the Administration has been working closely with relevant parties on the proposed comparability of the results of the HKDSEE with those of HKCEE and HKALE. In the light of the latest progress, the Administration plans to seek the Commission’s advice on its comparability proposals in the first quarter of 2010.

5.3 We shall continue to carry out our responsibilities under the Commission’s terms of reference and tender advice on any proposals from the Administration for changes to the pay and conditions of service for individual grades or for the civil service as a whole. We shall also keep the methodology of the pay trend survey under review to ensure that the data collected are as credible as possible.

5.4 As in the past, we shall maintain our contact with the major civil service staff bodies and interested private sector organisations to ensure that we keep abreast of developments relating to the discharge of our duties and responsibilities.



## **Standing Commission on Civil Service Salaries and Conditions of Service**

### **Terms of Reference**

I. To advise and make recommendations to the Chief Executive in respect of the non-directorate civil service, other than judicial officers and disciplined services staff, on :

- (a) the principles and practices governing grade, rank and salary structure;
- (b) the salary and structure of individual grades;
- (c) whether overall reviews of pay scales (as opposed to reviews of the salary of individual grades) should continue to be based on surveys of pay trends in the private sector conducted by the Pay Survey and Research Unit, or whether some other mechanisms should be substituted;
- (d) the methodology for surveys of pay trends in the private sector conducted by the Pay Survey and Research Unit, subject to advice under I(c) and having regard to the advice of the Pay Trend Survey Committee;
- (e) matters relating to those benefits, other than salary, which the Commission advises as being relevant to the determination of the civil service remuneration package, including the introduction of new benefits or proposed changes to existing benefits;
- (f) suitable procedures and machinery to enable staff associations and staff to discuss with management their views on matters within the terms of reference of the Commission;
- (g) the circumstances in which it would be appropriate for the Commission itself to consider any issue, and how staff associations and management might present their views to the Commission in such circumstances; and
- (h) such matters as the Chief Executive may refer to the Commission.

II. The Commission shall keep the matters within its terms of reference under continuing review, and recommend to the Chief Executive any necessary changes.

III. The Commission shall give due weight to any wider community interest, including financial and economic considerations, which in its view are relevant.

IV. The Commission shall give due weight to the need for good staff relations within the Civil Service, and in tendering its advice shall be free to make any recommendations which would contribute to this end.

V. In considering its recommendations and advice, the Commission shall not prejudice the 1968 Agreement between the Government of the Hong Kong Special Administrative Region and the Main Staff Associations (1998 Adapted Version).

VI. The staff associations making up the Staff Side of the Senior Civil Service Council and the Model Scale 1 Staff Consultative Council may jointly or individually refer matters relating to civil service salaries or conditions of service to the Commission.

VII. The heads of departments may refer matters relating to the structure, salaries or conditions of service of individual grades to the Commission.

VIII. The Commission shall not consider cases of individual officers.

IX. The Commission may wish to consider in the light of experience whether changes in its composition or role are desirable.

X. In carrying out its terms of reference, the Commission should ensure that adequate opportunities are provided for staff associations and management to express their views. The Commission may also receive views from other bodies which in its view have a direct interest.



## Membership of the Commission in 2009

### Chairman

Mr Nicky Lo Kar-chun, JP

### Members

Mr Owen Chan Shui-shing

Mr Barry Cheung Chun-yuen, JP

Ms Virginia Choi Wai-kam

Dr Miranda Chung Chan Lai-foon

Professor Ho Lok-sang

The Honourable Jeffrey Lam, SBS, JP

Mr Andy Lo Kwong-shing

Mr Pang Yiu-kai, SBS, JP



## **Composition of the Pay Trend Survey Committee**

### **Members**

Two Members of the Standing Commission on Civil Service Salaries and Conditions of Service, one as Chairman and the other as Alternate Chairman

Up to two Representatives of the Standing Committee on Disciplined Services Salaries and Conditions of Service

Secretary General of the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service

Two Representatives of the Administration

Three Staff Side Representatives of the Senior Civil Service Council

Three Staff Side Representatives of the Model Scale 1 Staff Consultative Council

Two Staff Side Representatives of the Police Force Council

Two Staff Side Representatives of the Disciplined Services Consultative Council

### **Observers**

Three Staff Side Representatives of the Senior Civil Service Council

Three Staff Side Representatives of the Model Scale 1 Staff Consultative Council

A Management Side and two Staff Side Representatives of the Police Force Council

Three Staff Side Representatives of the Disciplined Services Consultative Council



## Summary of the 2009 Pay Trend Survey

### Introduction

Pay trend surveys (PTSs) yield information on the general movements of pay in the private sector over a given period. They are not concerned with the comparison of pay levels for specific occupational groups. Prior to 1983, PTSs were undertaken by the then Pay Investigation Unit, under the auspices of a Steering Committee of the Senior Civil Service Council. The Pay Survey and Research Unit was established in December 1982 and the Pay Trend Survey Committee (PTSC) shortly after. The 2009 PTS was the 32<sup>nd</sup> of its kind.

### Survey Period

2. The survey covered a 12-month period from 2 April 2008 to 1 April 2009.

### Participating Companies

3. A total of 121 companies took part in the survey including 88 larger companies (with 100 or more employees) and 33 smaller companies (with 50 to 99 employees) in the ratio of 73 : 27. The pay data of their 185 321 employees were used in the calculation of the 2009 gross pay trend indicators (PTIs).

### Data Collection

4. Following the adoption of a technical refinement to the improved methodology for the PTSs (the methodology was endorsed by the Chief Executive-in-Council in March 2007), data collection in the 2009 PTS was based on five salary bands by subdividing the middle and upper salary bands into two bands while keeping the lower salary band intact. The classification is as follows –

- |     |  |                               |
|-----|--|-------------------------------|
| (a) | <u>Lower Salary Band</u><br>(below MPS <sup>1</sup> Point 10)                            | below \$15,785 per month      |
| (b) | <u>Middle Salary Band (I)</u><br>(MPS Points 10 to 23)                                   | \$15,785 – \$30,615 per month |
| (c) | <u>Middle Salary Band (II)</u><br>(Above MPS Point 23 to 33)                             | \$30,616 – \$48,400 per month |
| (d) | <u>Upper Salary Band (I)</u><br>(Above MPS Point 33 to 44)                               | \$48,401 – \$77,675 per month |
| (e) | <u>Upper Salary Band (II)</u><br>(Above MPS Point 44 to<br>GDS(O) <sup>1</sup> Point 38) | \$77,676 – \$97,545 per month |

5. Data collection commenced in January 2009 and ended in May 2009. Questionnaires with guidance notes were sent to participating companies for completion. The staff of the Pay Survey and Research Unit followed up by field visits or telephone discussions. The companies were asked to provide data on changes in basic salaries and additional payments other than those relating to fringe benefits.

6. Information collected for the survey was recorded in individual company statements, after their accuracy had been confirmed by the company concerned. Strict confidentiality was observed in the handling of company data which were made non-attributable in survey reports, so as to preserve the anonymity of the participating companies.

## **Survey Findings**

7. The Pay Survey and Research Unit analysed the company data in accordance with the approved methodology and presented its findings to the PTSC on 18 May 2009. The survey findings showed that, taking into account only those adjustments which related to the cost of living, general prosperity and company performance, general changes in market rates, inscale

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<sup>1</sup> MPS denotes Master Pay Scale; GDS(O) denotes General Disciplined Services (Officer) Pay Scale.

increment and merit, the following pay adjustments had been made in the surveyed companies during the period from 2 April 2008 to 1 April 2009 –

(a)	Lower Salary Band (below \$15,785 per month)	– 0.17%
(b)	Middle Salary Band (\$15,785 to \$48,400 per month)	– 1.34%
(c)	Upper Salary Band (\$48,401 to \$97,545 per month)	– 4.79%

8. The PTSC met on 25 May 2009 and 8 June 2009 to consider the findings of the Pay Survey and Research Unit. Of the 16 members, 12 members validated and accepted the survey findings. The remaining four members had different views and did not accept the survey findings.

### **Pay Trend Indicators**

9. The findings of the PTSs were known as the gross PTIs. In accordance with the recommendations of a Committee of Inquiry in 1988, the Administration, after deducting the value of civil service increments at their payroll cost, which were 0.79%, 0.64% and 0.59% respectively for the lower, middle and upper salary bands in 2009, arrived at the net PTIs as follows –

(a)	Lower Salary Band	– 0.96%
(b)	Middle Salary Band	– 1.98%
(c)	Upper Salary Band	– 5.38%





**Civil Service Pay Scales Relevant to the Commission's Purview**  
(with effect from 1 January 2010)

<u>Master Pay Scale</u>		<u>Model Scale 1 Pay Scale</u>		<u>Craft Apprentice Pay Scale</u>	
<u>Point</u>	<u>\$</u>	<u>Point</u>	<u>\$</u>	<u>Point</u>	<u>\$</u>
49	87,735	13	11,700	4	7,970
48	84,690	12	11,470	3	7,300
47	81,750	11	11,230	2	6,600
46 (44B)	78,885	10	11,015	1	5,935
45 (44A)	76,155	9	10,800	0	5,595
44	73,500	8	10,595		
43	70,940	7	10,395		
42	68,015	6	10,190		
41	65,210	5	9,985		
40	62,510	4	9,785		
39	59,930	3	9,580		
38	57,280	2	9,375		
37	54,765	1	9,175		
36 (33C)	52,295	0	8,980		
35 (33B)	49,975				
34 (33A)	48,700				
33	48,400				
32	46,230				
31	44,155				
30	42,175				
29	40,290				
28	38,470				
27	36,740				
26	35,095				
25	33,520				
24	32,055				
23	30,615				
22	29,235				
21	27,910				
20	26,585				
19	25,320				
18	24,120				
17	22,985				
16	21,880				
15	20,835				
14	19,835				
13	18,885				
12	17,805				
11	16,760				
10	15,785				
9	14,890				
8	13,985				
7	13,120				
6	12,310				
5	11,580				
4	10,845				
3	10,190				
2	9,565				
1	8,985				
0	8,455				

<u>Training Pay Scale</u>		<u>Technician Apprentice Pay Scale</u>	
<u>Point</u>	<u>\$</u>	<u>Point</u>	<u>\$</u>
16	20,785	4	10,080
15	19,790	3	9,190
14	18,840	2	8,305
13	18,015	1	7,640
12	16,910	0	7,165
11	15,505		
10	14,240		
9	13,405		
8	12,585		
7	11,815		
6	11,100		
5	10,410		
4	9,775		
3	9,190		
2	8,610		
1	8,090		



## **Summary of the Pay Trend Survey Committee's Recommendations on the Review of the Methodology of the Pay Trend Survey**

### **Overall Recommendation**

- (a) The 2009 Pay Trend Survey (PTS) methodology should continue to be adopted for the 2010 PTS.

### **Survey Field**

- (b) The status quo should be maintained, i.e. the inclusion of smaller companies (with 50 to 99 employees) alongside with larger companies (with 100 or more employees), in the ratio of 25:75, with the flexibility of a deviation of around plus/minus 5 percentage points.

### **Salary Bands**

- (c) The technical arrangement to collect data based on five salary bands, while consolidating data and calculating the pay trend indicators (PTIs) based on three salary bands, should continue.

### **Employees Covered**

- (d) The status quo should be maintained, i.e. employees whose basic salaries are beyond the highest pay point for the non-directorate civil servants are not covered in the PTS.

### **Components of Pay Adjustment**

- (e) Additional payments should continue to be included in the calculation of PTIs.
- (f) No pay leave should not be considered in the calculation of PTIs.

### **Calculation Criteria**

- (g) The existing formula for calculating changes in additional payments should continue to be used.

### **Data Consolidation**

- (h) The current data consolidation method by the weighted employee-based approach should be maintained.

