

5 March 2002

Views of Superintendents' Association on Civil Service Pay Issues

There are two separate issues being addressed in the coming months. The first is the Annual Pay Review which is going to be conducted in the traditional manner utilising the Pay Trend Survey. The second is the Working Group Review of the Pay Structure mechanism. It is unfortunate that a number of political parties, self-interest groups and individuals in Government have been using the media to confuse the two issues and make political headway for their own reasons. The Govt officials in charge of Civil Service pay should not be swayed by all the rhetoric. The two issues must be dealt with separately.

Annual Pay Review:

This is a long established and accepted system and the SPA will consider its recommendations with an open mind. Submissions will be made once the results are published and we are called on to do so.

Our stance for the last few years has remained the same. There has been a pay freeze for several years at a time when private companies continued to grow, receive annual increases and bonuses. The Civil Service did not benefit during this period and all Associations supported the Govt's wishes to keep the HKSAR stable by enforcing the freeze.

In January 2002 Hewitt Associates (published in "Human Resources": Jan 02) ran an independent review of salaries in Asia surveying 726 foreign, locally owned and joint venture Companies using the same methodology as our own Pay Trend Survey. The survey was intended to find out which Asian City major businesses would favour. The findings indicated that the smallest % increase in salaries in 2001 was in Hong Kong , but it was still a positive amount of between 2.9 to 4.1%. Companies cut costs by reducing fringe benefits, overheads and the work force, but did not reduce salaries. They predict the pay trend for 2002 should be average increases of 1.5 to 2.3% in Hong Kong. They also indicate wide spread pay freezes in many sectors.

Associations generally will be looking forward to this year's Pay Trend Survey to

see if it follows the same lines and a pay freeze would be acceptable.

In the Civil Service Reform document published in 1998 reviewing fringe benefits, allowances and salaries was listed for action. The SPA and we believe many associations, would much prefer the Govt to announce its findings on the allowances issue now, before this year's Pay Trend is discussed. It is believed that there is a great deal of scope in trimming, cutting and realigning allowances within and outside the Force. Cutting allowances first would be far preferable to a basic salary cut or freeze.

The Pay Structure Review:

The SPA welcomes this initiative and as it was listed in the reform publication in 1998 it should not have come as a surprise to anyone when it was announced. However many have used the timing to stir up negative media reports on the issue. We will only be able to comment properly on this once the recommendations are known. Once again we consider that the officials in charge of Civil Service Pay would not second guess the outcome of the review. An arbitrary announcement in the Budget speech or shortly afterwards to cut pay would be totally unacceptable to a Civil Service that has supported the Govt and the established methodology to assess pay issues.

Political pressure or speculation for across the board pay cuts fails to recognise the diverse nature of work across the various grades and ranks of the civil service. Such a move is not anticipated and would be unacceptable to civil servants as it would be contrary to the principles of fairness and reasonableness.

The Secretary for the Civil Service in his letter to colleagues on 25th January 2002 clearly stated that he hoped that through a comprehensive review , consensus could be reached amongst staff , management and the community to improve the civil service pay policy and system. The SPA considers that consensus needs to be built by ensuring quality research , fairness and reasonableness in the Pay review process.

Adjustments, if any, on pay in 2002 should follow the existing Pay Trend Survey Mechanism. It would however be understandable to hold in abeyance any adjustment that may be proposed , whilst the Review of Civil Service Pay Policy and System is being pursued. However this should not be used as a tactic to avoid the issue. The Directorate lost their 6% increases a few years ago through this rather underhanded method.

The SPA recognises that the two Phase review process now underway is a complex exercise with far-reaching implications and as such understands that it should continue in a considered and business like manner. We anticipate that the advisory bodies will make recommendations on Phase One to the Administration in the mid-2002. Speculative comments in the media on the result of such review(s) or suggestion of changes to pay may be implemented because of political pressure are both wholly inappropriate and premature.

The SPA will actively participate in consultation and communication with the advisory bodies. It is agreed that it is important that any changes are regarded as being fair and that any new system is shown to have clear improvements in simplifying the administration of pay and building in more flexibility to facilitate the matching of jobs, talents and pay.

The public rightly demands a stable, effective, highly efficient and clean police service and this therefore requires sufficient remuneration to attract, retain and motivate career police officers. The challenges faced by police officers continue to grow, the transnational nature of crime, the unique broad scope of police duties, dangers faced by police officers and the need for professionalism and high standards of excellence and integrity at work need to be matched in a separate and unique Police Pay Scale (PPS). The comparison in policing in various jurisdictions and communities is complex and very much job specific. The PPS should be highly competitive and reflect higher percentile pay. The Hong Kong Police has a reputation internationally that needs to be retained to assure the continued rule of law in Hong Kong.

The Standing Commission on Civil Service Salaries and Conditions of Service has in its letter of 15th January 2002 laid out a schedule of work to be completed in order to properly review pay policy and systems in the Civil Service. We await information, to be provided in mid-2002, on the methodology, facts and figures revealed and findings from Phase One - The analytical study on the latest developments and best practices in civil service pay administration in other governments. We do not expect immediate adjustments to Police Pay Levels. We expect the job specific comparisons with other jurisdictions and the complex nature of policing in Hong Kong to indicate the need for a separate and unique Police Pay Scale (PPS). The community and ourselves should be patient and allow the Standing Commission on Civil Service Salaries and Conditions of Service to complete the review work.

The SPA has so far not submitted its views to JSSCS and considers that it is only appropriate to do so once the analytical studies by the Task Force are provided to us. We hope such studies will be forwarded to us in a timely manner so that we may submit our views.

Robin Tse
Secretary, SPA