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\$5b approved for civil service pay

By Bill Ko

THE Finance Committee approved \$5 billion for this year's civil servants pay rise yesterday, despite strong opposition from some Legislative Councillors.

Some councillors questioned the size of the rise and the validity of the survey on pay trends which serves as an important reference for Government pay increases.

After heated debate, 21 councillors approved the rise, five voted against and eight abstained.

Those voting against were Selina Chow, Peter Wong, Tai Chin-wah, Cheung Yan-lung and So Chai Yim-ping.

Mrs Chow said a 12 per

cent increase would have been more reasonable.

"Many employers told me the 15 per cent increase was extremely generous and 12 per cent was the guideline they were using in salary reviews in January this year."

She questioned the reliability of the pay trend survey and said in view of uncertainties in the economy the Government should have been more cautious.

Mr Wong questioned whether the Government had considered that an "on-the-high-side increase" would affect the public purse in subsequent years, as civil service pensions are calculated on the basis of salaries.



■ Selina Chow ... opposed pay rise.

Principal assistant secretary for the civil service David Todd argued that the result of the pay trend survey was in fact slightly lower than other surveys over the same period such

as one by the Institute of Personnel Management.

The provision endorsed yesterday included \$3.1 billion for the civil service and \$1.9 billion for subvented organisations.

In addition, supplementary provisions of up to \$110 million were granted for subvented bodies through discretionary grants.

The Executive Council decided on April 10 that all civil servants be offered a 15 per cent rise with effect from April 1.

After the decision, major civil service unions rejected the offer and demanded 17 per cent.

In the light of staff reaction, the Executive Council met again on April 24 but stuck to its decision.

Mrs Chow queried

whether companies chosen for the survey reflected a cross-section of Hongkong's economy.

Principal assistant secretary for the civil service, Brenda Fung, said the number of samples drawn in the survey had increased from 49 in 1981/82 to 73 in the 1989/90 fiscal year.

"We chose steady, good employers who have established a stable pay policy," Mrs Fung said.

Yesterday's Finance Committee meeting also endorsed proposals made by the Standing Commission on Civil Service Salaries and Conditions of Service which included the introduction of a new Master Pay Scale and Training Pay Scale.