

BRIEF FOR THE LEGISLATIVE COUNCIL

Public Officers Pay Adjustments (2004/2005) Bill

INTRODUCTION

At the meeting of the Executive Council on 8 April 2003, the Council ADVISED and the Chief Executive ORDERED that –

- (a) agreement in principle should be given to the draft Public Officers Pay Adjustments (2004/2005) Bill at [Annex A](#);
- (b) we should not apply the pay reduction for civil servants which are to take effect from 1 January 2004 and 1 January 2005 respectively to judges and judicial officers in the draft Bill;
- (c) we should consult staff on the draft Bill; and
- (d) the Council's approval should be sought for the introduction of the Bill into the Legislative Council after staff consultation on the draft Bill.

PREVIOUS EXECUTIVE COUNCIL DECISION

2. On 25 February 2003, the Council ADVISED and the Chief Executive ORDERED, among others, that –

- (a) we should restore the dollar value of all civil service pay points below Directorate Pay Scale Point 3 (D3) or equivalent to the levels as at 30 June 1997 in cash terms by two adjustments of broadly equal amount to be implemented from 1 January 2004 and 1 January 2005 respectively;
- (b) we should restore the dollar value of all civil service pay points at D3 and above or equivalent to the levels as at 30 June 1997 in cash terms from 1 January 2004;
- (c) we should aim to introduce legislation into the Legislative Council as soon as possible to implement the pay reduction referred to in (a) and (b) above;
- (d) the pay reduction referred to in (a) above should also apply to officers on starting salaries who are offered appointment from

26 February 2003; and

- (e) as the pay and conditions of service of judges and judicial officers are determined separately from the civil service, the Judiciary should be consulted on the pay adjustment for judges and judicial officers before a decision is to be made.

JUSTIFICATIONS

Need for legislation

3. Although it is inherent in the established civil service pay adjustment mechanism that some of the consideration factors for determining the annual civil service pay adjustment may have a positive or negative impact on the size of the pay adjustment, the contractual employment arrangements between the Government and the vast majority of serving civil servants do not contain an express provision authorising the Government to reduce pay. In the context of the 2002 pay adjustment exercise, legal advice is that legislation is the only way to implement with certainty a justified decision on a civil service pay reduction. Accordingly, we have sought the enactment of the Public Officers Pay Adjustment Ordinance to implement the decision to reduce civil service pay from 1 October 2002. According to legal advice, legislation will again be necessary for implementing a further pay reduction decision on serving officers.

4. Following the decision to reduce civil service pay in January 2004 and January 2005 respectively, we have specified in the Memorandum on Conditions of Service (MOCS) and the standard form of appointment letters for issue to new recruits, including those on a delinked starting salary, when making offers of appointment from 26 February 2003 that they will be subject to the pay reductions which are to take effect from 1 January 2004 and 1 January 2005 respectively. Similarly, we shall advise those officers who are promoted to a basic rank on a delinked starting salary on or after 26 February 2003 that the pay reduction decision will apply to them. This notwithstanding, the adjusted reference pay scales applicable to these new recruits and promotees will be subject to the approval of the Legislative Council.

Scope of the legislation

5. To implement the pay reduction decision, the draft Bill should stipulate the following-

- (a) the civil service pay scales and the ICAC pay scale as adjusted on 1 January 2004 and 1 January 2005 respectively in accordance with the pay reduction decision in paragraph 2(a), (b) and (d) above;

- (b) the categories of civil servants and other public officers who will be subject to the pay reduction decision;
- (c) the categories of allowances payable to civil servants and other public officers which will be subject to the pay reduction decision; and
- (d) with regard to the adjustment of the pay of concerned public officers and of the amounts of the allowances payable to public officers which are adjusted in accordance with or by reference to the adjustments to the civil service pay scales/the ICAC pay scale or the adjustments to the relevant salary band, the rate of adjustment applicable to each salary band with effect from 1 January 2004 and 1 January 2005 respectively.

These issues are further examined in paragraphs 6 to 21 below.

(A) Adjusted pay scales

6. In recent annual pay adjustment exercises, the established practice was that we applied a uniform percentage of adjustment to all the pay points in each of the three salary bands¹. For the present pay adjustment exercise, however, this approach is not feasible as the restoration of the dollar amount of each pay point on the civil service pay scales and the ICAC pay scale to the level as at 30 June 1997 in cash terms would result in the application of different adjustment percentages for different pay points in each salary band. For clarity and accuracy, the draft Bill will prescribe the adjusted civil service pay scales² and the adjusted ICAC pay scale² in full.

¹ The three salary bands are:-

- Lower salary band: below Master Pay Scale (MPS) Point 10 (i.e. \$15,270) or equivalent;
- Middle salary band: MPS Points 10-33 (i.e. \$46,810) or equivalent; and
- Upper salary band: above MPS Point 33 (i.e. \$46,810) to General Disciplined Services (Officer) Pay Scale (GDS(O)) Point 38 (i.e. \$93,025) or equivalent.

² There are currently 11 sets of civil service pay scales (such as the Master Pay Scale, the Directorate Pay Scale, the Police Pay Scale, the Model Scale 1 Pay Scale, etc.) and one set of ICAC pay scale.

7. Following a review of the starting salaries in the civil service in April 2000, we have introduced additional pay points on selected pay scales. These pay points³ do not have their corresponding dollar amounts as at 30 June 1997. For fairness and for maintaining relativity with the other pay points on the same pay scale, the dollar amount of these pay points will be reduced by the same percentage of adjustment applicable to the pay point which has the nearest dollar amount and which has the corresponding dollar amount as at 30 June 1997.

8. Following the starting salary review in 2000 as mentioned in paragraph 7 above, officers appointed to the basic ranks are remunerated on starting salaries, the amount of which is determined in accordance with the relevant reference pay scales. The reference pay scales were delinked from the civil service pay adjustment in 2001 and 2002 and are essentially the corresponding pay scales which took effect from 1 April 2000. In the light of the decision that the impending pay reductions should also apply to officers on starting salaries who are offered appointment from 26 February 2003, we need to adjust downwards the reference pay scales on 1 January 2004 and 1 January 2005 respectively such that with effect from 1 January 2005, the dollar amounts of the pay points on the reference civil service pay scales/reference ICAC pay scale and the pay points on the adjusted civil service pay scales/the adjusted ICAC pay scale will be aligned.

(B) Categories of officers who will be subject to the pay reduction

Civil servants

Civil servants on civil service pay scales

9. The great majority of civil servants are remunerated in accordance with the pay scales of their respective grade and rank. Following the downward adjustments of the dollar amount of the pay points on the respective pay scales, the salary payable to a civil servant in accordance with a pay point on the relevant civil service pay scale will be reduced accordingly.

Civil servants on personal salaries

10. A small number of civil servants in four ranks (namely Amah II, Carpark Attendant II, Explosives Depot Attendant and Estate Assistant) are on personal salaries, which do not relate to any pay

³ They are Master Pay Scale Point 0, Model Scale 1 Pay Scale Points 0 – 5, Police Pay Scale Point 1a, General Disciplined Services (Officer) Pay Scale Points 1a – 1d, General Disciplined Services (Rank and File) Pay Scale Point 1a, Technician Apprentice Pay Scale Point 0, Craft Apprentice Pay Scale Point 0, ICAC Pay Scale Points 3, 13 and 15.

point on any of the existing civil service pay scales and which are hitherto adjusted in accordance with the rate of adjustment to the relevant civil service salary band. In view of the pay reduction decision, the salaries of these officers should be brought back to the levels as at 30 June 1997 in cash terms by two adjustments of broadly the same amount to be implemented from 1 January 2004 and from 1 January 2005 respectively.

Civil servants accommodated in civil service shadow posts

11. In addition, about 4150 civil servants on secondment to publicly funded organizations are accommodated in shadow posts in the civil service. The salaries of these officers are determined with reference to a point on the civil service pay scales or adjusted in accordance with the rate of adjustment applicable to the relevant civil service salary bands. The draft Bill will cover this category of officers.

Civil servants on delinked starting salaries

12. New recruits to the civil service who were offered appointment on a delinked starting salary before 26 February 2003 and so long as they remain on that delinked starting salary will not be subject to the pay reduction decision. However, once they move from the reference pay scale to the relevant civil service pay scale, they will be paid at the relevant pay point as adjusted from 1 January 2004 and 1 January 2005 respectively. Similarly, civil servants promoted to a basic rank on a delinked starting salary before 26 February 2003⁴ will not be subject to the pay reduction decision.

13. New recruits to the civil service who are offered appointment from 26 February 2003, including those on a delinked starting salary, will be subject to the pay reduction decision. Likewise, civil servants promoted to a basic rank on a delinked starting salary after 26 February 2003⁴ will be subject to the pay reduction decision.

Officers in the Independent Commission Against Corruption

14. The pay reduction decision applies to ICAC officers, who are defined as officers of the Commission appointed under Section 8 of the Independent Commission Against Corruption (Cap.24). These ICAC officers are not civil servants and the majority of them are remunerated in accordance with the ICAC pay scale. In addition,

⁴ Following a review of the starting salaries in 2000, an officer recruited to the assistant/student/training ranks of certain professional grades (e.g. Engineer grade, Surveyor grade, etc.) who is offered an appointment on or after 1 April 2000 is remunerated on the delinked starting salary of the relevant rank until he reaches his first increment. On promotion to an operational rank, the officer will be remunerated on the delinked starting salary of that operational rank until he reaches his first increment.

there are certain ICAC officers engaged in administrative and other functions whose pay is determined and adjusted in accordance with the civil service pay scales or the ICAC pay scale. The draft Bill will cover both types of ICAC officers.

15. New recruits to the ICAC who were offered appointment on a delinked starting salary before 26 February 2003 and so long as they remain on that delinked starting salary will not be subject to the pay reduction decision. Once they move from the reference ICAC pay scale to the ICAC pay scale, they will be paid at the relevant pay point as adjusted from 1 January 2004 and 1 January 2005 respectively.

16. New recruits to the ICAC who are offered appointment from 26 February 2003, including those on a delinked starting salary, will be subject to the pay reduction decision. Likewise, ICAC officers promoted to a basic rank on a delinked starting salary after 26 February 2003 will be subject to the pay reduction decision.

Public Officers who are not civil servants or ICAC officers

17. In addition to civil service appointments and appointments to the ICAC, bureaux/departments make various non-civil service appointments on different terms of employment. Examples are members of the auxiliary forces, undergraduate/graduate trainees in the Department of Justice and works departments, and temporary teachers. The pay reduction decision applies to officers on such appointments if their pay is –

- (a) determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales or the ICAC pay scale;
- (b) adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales or the ICAC pay scale; or
- (c) determined and adjusted in accordance with or by reference to a point on the civil service pay scales or the ICAC pay scale.

Director of Audit

18. Under section 4(A) of the Audit Ordinance (Cap.122), the Chief Executive may, from time to time, increase the rate of salary of the Director of Audit by order published in the Gazette. In view of the pay reduction decision, the salary of the Director of Audit should be brought back to the level it was at on 30 June 1997 from 1 January 2004. Legal advice is that given section 4(A) of the Audit Ordinance, it is necessary to provide a statutory reduction of the salary of the Director of Audit.

The Judiciary

19. We have consulted the Judiciary on the adjustment for judicial pay having regard to the civil service pay reductions which are to take effect from 1 January 2004 and 1 January 2005 respectively. The Chief Executive in Council noted that the Administration is awaiting a proposal from the Chief Justice on the appropriate system for the determination of judicial remuneration for Hong Kong having regard to the experience in a number of overseas jurisdictions. In view of this, it has been decided that similar to the approach adopted for the 2002 civil service pay adjustment exercise, when the new institutional structure, mechanism and methodology for the determination and revision from time to time of the pay and conditions of service for judges and judicial officers are in place, an assessment would be made within that structure as to whether the previous pay reduction implemented will effect from 1 October 2002 and this pay reduction proposed for implementation on civil servants with effect from 1 January 2004 and 1 January 2005 should also be applied to judges and judicial officers and if so, as from what date. Meanwhile, the pay reduction proposed for civil servants with effect from 1 January 2004 and 1 January 2005 respectively will not be applied to judges and judicial officers in the draft legislation.

(C) Allowances which will be subject to the pay reduction

20. In the civil service, duty-related allowances are paid for the performance of additional duties which are not otherwise compensated by regular pay. Duty-related allowances are also paid to certain public officers who are not civil servants. These allowances are determined and adjusted in different ways. The pay reduction decision covers the following types of allowance –

- (a) allowances which are determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales or the ICAC pay scale (e.g. Hardship Allowance (Dangerous Duties) is set at 9.3% of MPS 1); and
- (b) allowances which are adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales or the ICAC pay scale (e.g. the Consolidated Overtime Allowance payable to the domestic staff in the official residences of the Chief Executive, the Chief Justice, the Chief Secretary for Administration, the Financial Secretary and the Secretary for Justice is adjusted annually in line with the adjustments made to the lower salary band of the civil service).

(D) Rates of adjustment applicable to each salary band

21. As mentioned in paragraphs 17 and 20 above, the salary payable to certain public officers and the amounts of certain allowances payable to public officers are adjusted in accordance with or by reference to the adjustments to the civil service pay scales/the ICAC pay scale or the adjustments to the relevant salary band. To facilitate the adjustment of these salaries and of the amounts of the concerned allowances, the draft Bill will prescribe the rate of adjustment applicable to each salary band with effect from 1 January 2004 and 1 January 2005 respectively.

THE BILL

22. The key provisions of the draft Bill at [Annex A](#) are set out below –

- (a) [Clause 2](#) defines the terms used in the Bill.
- (b) [Clause 3](#) provides that the Bill does not apply to officers on delinked starting salaries appointed pursuant to an offer of employment made to them before 26 February 2003, or to officers promoted to a basic rank on delinked starting salaries before that date, so long as they remain on those salaries. The Bill also does not apply to judicial officers.
- (c) [Clause 4](#) adjusts the civil service pay scales by reducing the rates of pay pertaining to all pay points on those scales, on 1 January 2004 and 1 January 2005 as appropriate, to the amounts specified in Schedule 1 in respect of each date. Pay is payable to civil servants in accordance with the adjusted scales on and from the respective dates.
- (d) [Clause 5](#) makes similar adjustments to the rates of pay payable to civil servants on personal salaries.
- (e) [Clause 6](#) applies the adjustments made by Clause 4 to other civil servants whose pay is determined in accordance with or by reference to the civil service pay scales or adjusted in accordance with or by reference to adjustments made in respect of such scales.
- (f) [Clause 7](#) makes adjustments to the reference civil service pay scales to bring these scales into line with the corresponding civil service pay scales on 1 January 2005.
- (g) [Clause 8](#) makes adjustments to the ICAC pay scale by reducing the levels of pay pertaining to all pay points on the ICAC pay scale, on 1 January 2004 and 1 January 2005 as

appropriate, to the amounts specified in Schedule 5 in respect of each date. Pay is payable to ICAC officers in accordance with the adjusted scale on and from the respective dates.

- (h) Clause 9 applies the adjustments made by Clauses 4 and 8 to other ICAC officers whose pay is determined and adjusted in accordance with a point on a civil service pay scale or the ICAC pay scale.
- (i) Clause 10 makes adjustments to the reference ICAC pay scale to bring it into line with the ICAC pay scale on 1 January 2005.
- (j) Clause 11 applies the adjustments made by Clauses 4 and 8 to other public officers whose pay is determined or determined and adjusted in accordance with or by reference to the civil service pay scales or the ICAC pay scale or adjusted in accordance with or by reference to adjustments made in respect of such scales.
- (k) Clause 12 reduces the salary of the Director of Audit to the level it was at on 30 June 1997.
- (l) Clause 13 makes corresponding adjustments to the amounts of the allowances payable to public officers where the amounts of those allowances are determined in accordance with or by reference to the civil service pay scales or the ICAC pay scale or adjusted in accordance with or by reference to adjustments made in respect of such scales.
- (m) Clause 14 provides that the Bill does not prohibit adjustments made after 1 January 2005 to the pay or the amounts of allowances payable to public officers.
- (n) Clause 15 varies the contracts of employment of public officers so that the contracts expressly authorize the adjustments made by the Bill.

LEGISLATIVE TIMETABLE

23. We will consult staff until 28 April 2003 on the draft Bill. We intend to introduce the Bill, subject to the approval of the Chief Executive in Council, into the Legislative Council as soon as possible following the staff consultation.

24. It should be noted that there are pending judicial review cases before the court on the lawfulness of the Public Officers Pay Adjustment Ordinance. The court hearing for one of the cases has been scheduled for 6 – 9 May 2003. We have been advised that

pending the conclusion of these cases, the Administration is not precluded from discussing with staff the draft legislation for implementing the pay reduction. We have been further advised that the Administration is not precluded from introducing a bill into the Legislative Council, pending the judgment of the court, but that it would be prudent to defer the resumption of the second reading debate until after the judgment is given.

IMPLICATIONS OF THE PROPOSAL

25. The Department of Justice has advised that the draft Bill is consistent with the Basic Law, including the provisions concerning human rights. As the draft Bill seeks to implement the decision on the 2003 Civil Service Pay Adjustment, the financial and civil service implications as well as the economic implications are the same as those set out in the Legislative Council Brief issued on 25 February 2003. Relevant extract is at [Annex B](#).

BINDING EFFECT OF THE LEGISLATION

26. The draft Bill does not contain any express binding effect provision, but it will bind the SARG by necessary implications.

PUBLICITY

27. A press release will be issued in the afternoon on 8 April 2003 and a spokesman will be available to answer media enquiries. The Secretary for the Civil Service will write to all civil servants on the same day informing them of this development. We will also proceed with staff consultation on the draft Bill.

SUBJECT OFFICERS

28. Enquiries on this brief should be addressed to Mr. Eddie Mak, Principal Assistant Secretary for the Civil Service (tel: 2810 3112).

Civil Service Bureau
8 April 2003

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A BILL

To

Adjust the pay pertaining to each pay point on the civil service pay scales and the ICAC pay scale by reducing it to the level it was at, in dollar terms, on 30 June 1997; to make corresponding adjustments in relation to pay points created since 1 July 1997; to adjust the pay and the amounts of the allowances payable to civil servants and specified public officers in accordance with or by reference to those adjustments; and for connected purposes.

Enacted by the Legislative Council.

PART 1

PRELIMINARY

1. Short title

This Ordinance may be cited as the Public Officers Pay Adjustments (2004/2005) Ordinance.

2. Interpretation

In this Ordinance, unless the context otherwise requires –

“allowance” () means any remuneration, other than pay, payable to a public officer;

“civil servant” () means a public officer employed by the Government on civil service terms of appointment and at a civil service rank;

“civil service pay scales” () means any pay scale set out in Schedule 1;

“delinked starting salary” (鈎) means the salary, the amount of which is determined by reference to a reference pay scale in effect at the time of the appointment or promotion, payable to an employee on

appointment to or promotion within the civil service or the Independent Commission Against Corruption at or to a basic rank, being a salary not adjusted in accordance with or by reference to the pay adjustments made in 2001 and 2002 to the civil service pay scales or the ICAC pay scale;

“ICAC officer” () means a public officer who is an officer within the meaning of section 2 of the Independent Commission Against Corruption Ordinance (Cap. 204);

“ICAC pay scale” () means the pay scale set out in Schedule 5;

“pay” () includes a consultancy fee, a training allowance and an honorarium;

“personal salary” () means the salary payable to a civil servant serving in the rank of Amah II, Carpark Attendant II, Estate Assistant or Explosives Depot Attendant, which is not payable in accordance with or by reference to a point on the civil service pay scales or the reference pay scales but is adjusted in accordance with adjustments made to the civil service pay scales;

“reference pay scales” () means any pay scale set out in Schedule 3.

3. Application

(1) This Ordinance does not apply to –

- (a) the pay of a public officer who is remunerated on a delinked starting salary pursuant to the acceptance of an offer of employment made to him before 26 February 2003 or who was promoted before that date to a basic rank on a delinked starting salary, so long as he remains on that salary;
- (b) the pay or allowances of a judicial officer –
 - (i) holding a judicial office –

- (A) specified in Schedule 1 to the Judicial Officers Recommendation Commission Ordinance (Cap. 92); or
 - (B) known as Senior Deputy Registrar, High Court; or
- (ii) appointed by the Chief Justice.
- (2) Where the pay of a public officer referred to in subsection (1)(a) becomes payable in accordance with a civil service pay scale or the ICAC pay scale, it is payable in accordance with the relevant scale as adjusted by this Ordinance.

PART 2

CIVIL SERVANTS

4. Adjustment of pay of civil servants on civil service pay scales

- (1) The civil service pay scales as set out in Schedule 1 are adjusted –
- (a) on 1 January 2004, by replacing the monthly rates of pay pertaining to each point on those scales as set out in column 2 of the scales with the rates of pay pertaining to those points as set out in column 3 of those scales; and
 - (b) on 1 January 2005, by replacing the monthly rates of pay pertaining to each point on those scales as set out in column 2 of the scales with the rates of pay pertaining to those points as set out in column 4 of those scales.
- (2) The pay payable to a civil servant in accordance with a civil service pay scale is payable –
- (a) in accordance with that scale as adjusted by subsection (1)(a), on and from 1 January 2004;

- (b) in accordance with that scale as adjusted by subsection (1)(b), on and from 1 January 2005.

5. Adjustment of pay of civil servants on personal salaries

(1) The rates of pay payable to civil servants as personal salaries as set out in Schedule 2 are adjusted –

- (a) on 1 January 2004, by replacing the monthly rates of pay payable to those civil servants as set out in column 2 of that Schedule with the rates of pay set out opposite them in column 3 of that Schedule; and
 - (b) on 1 January 2005, by replacing the monthly rates of pay payable to those civil servants as set out in column 2 of that Schedule with the rates of pay set out opposite them in column 4 of that Schedule.
- (2) The pay payable to a civil servant as a personal salary is payable –
- (a) in accordance with the rate as adjusted by subsection (1)(a), on and from 1 January 2004;
 - (b) in accordance with the rate as adjusted by subsection (1)(b), on and from 1 January 2005.

6. Adjustment of pay of civil servants not covered by section 4 or 5

(1) Where the pay of a civil servant (not being a civil servant covered by section 4 or 5) is determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales, the pay payable to that civil servant is to be determined –

- (a) with effect on and from 1 January 2004, in accordance with or by reference to the rate of pay pertaining to that point as adjusted by section 4(1)(a); and

- (b) with effect on and from 1 January 2005, in accordance with or by reference to the rate of pay pertaining to that point as adjusted by section 4(1)(b).

(2) Where the pay of a civil servant (not being a civil servant covered by section 4 or 5) is adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales, the pay payable to that civil servant is –

- (a) on and from 1 January 2004, to be adjusted in accordance with or by reference to the percentage pay adjustment as set out in column 2 of Schedule 4 opposite the relevant salary band listed in column 1 of Part 1 or 2 of that Schedule, as the case may be, in accordance with the adjustments to which or by reference to the adjustments to which his pay is adjusted, with the result rounded up to the nearest dollar; and
- (b) on and from 1 January 2005, to be further adjusted in accordance with or by reference to the percentage pay adjustment as set out in column 3 of Schedule 4 opposite the relevant salary band listed in column 1 of Part 1 or 2 of that Schedule, as the case may be, in accordance with the adjustments to which or by reference to the adjustments to which his pay is adjusted, with the result rounded up to the nearest dollar.

7. Adjustment of reference civil service pay scales

The reference civil service pay scales as set out in Part 1 of Schedule 3 are adjusted –

- (a) on 1 January 2004, by replacing the monthly rates of pay pertaining to each point on those scales as set out in

- column 2 of the scales with the rates of pay pertaining to those points as set out in column 3 of those scales; and
- (b) on 1 January 2005, by replacing the monthly rates of pay pertaining to each point on those scales as set out in column 2 of the scales with the rates of pay pertaining to those points as set out in column 4 of those scales.

PART 3

PUBLIC OFFICERS OTHER THAN CIVIL SERVANTS

8. Adjustment of pay of ICAC officers on the ICAC pay scale

- (1) The ICAC pay scale as set out in Schedule 5 is adjusted –
- (a) on 1 January 2004, by replacing the monthly rates of pay pertaining to each point on that scale as set out in column 2 of the scale with the rates of pay pertaining to those points as set out in column 3 of the scale; and
- (b) on 1 January 2005, by replacing the monthly rates of pay pertaining to each point on that scale as set out in column 2 of the scale with the rates of pay pertaining to those points as set out in column 4 of the scale.
- (2) The pay payable to an ICAC officer in accordance with the ICAC pay scale is payable –
- (a) in accordance with that scale as adjusted by subsection (1)(a), on and from 1 January 2004;
- (b) in accordance with that scale as adjusted by subsection (1)(b), on and from 1 January 2005.

9. Adjustment of pay of ICAC officers not covered by section 8

Where the pay of an ICAC officer (not being an ICAC officer covered by section 8) is determined and adjusted in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales or the ICAC pay scale, the pay payable to that officer is to be determined and adjusted –

- (a) with effect on and from 1 January 2004, in accordance with or by reference to the rate of pay pertaining to that point as adjusted by section 4(1)(a) or 8(1)(a), as the case may be; and
- (b) with effect on and from 1 January 2005, in accordance with or by reference to the rate of pay pertaining to that point as adjusted by section 4(1)(b) or 8(1)(b), as the case may be.

10. Adjustment of reference ICAC pay scale

The reference ICAC pay scale as set out in Part 2 of Schedule 3 is adjusted –

- (a) on 1 January 2004, by replacing the monthly rates of pay pertaining to each point on that scale as set out in column 2 of the scale with the rates of pay pertaining to those points as set out in column 3 of the scale; and
- (b) on 1 January 2005, by replacing the monthly rates of pay pertaining to each point on that scale as set out in column 2 of the scale with the rates of pay pertaining to those points as set out in column 4 of the scale.

11. Adjustment of pay of certain public officers who are not civil servants or ICAC officers

(1) Subject to section 12, where the pay of a public officer (not being a civil servant or ICAC officer) is determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales or the ICAC pay scale, the pay payable to that officer is to be determined –

- (a) with effect on and from 1 January 2004, in accordance with or by reference to the rate of pay pertaining to that point as adjusted by section 4(1)(a) or 8(1)(a), as the case may be; and
- (b) with effect on and from 1 January 2005, in accordance with or by reference to the rate of pay pertaining to that point as adjusted by section 4(1)(b) or 8(1)(b), as the case may be.

(2) Subject to subsection (3), where the pay of a public officer (not being a civil servant or ICAC officer) is adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales or the ICAC pay scale, the pay payable to that officer is –

- (a) on and from 1 January 2004, to be adjusted in accordance with or by reference to the percentage pay adjustment as set out in column 2 of Schedule 4 opposite the relevant salary band listed in column 1 of Part 1 or 2 of that Schedule, as the case may be, in accordance with the adjustments to which or by reference to the adjustments to which his pay is adjusted, with the result rounded up to the nearest dollar; and
- (b) on and from 1 January 2005, to be further adjusted in accordance with or by reference to the percentage pay adjustment as set out in column 3 of Schedule 4 opposite

the relevant salary band listed in column 1 of Part 1 or 2 of that Schedule, as the case may be, in accordance with the adjustments to which or by reference to the adjustments to which his pay is adjusted, with the result rounded up to the nearest dollar.

(3) Where the pay of a public officer (not being a civil servant or ICAC officer) is adjusted on a biennial basis in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales or the ICAC pay scale, any adjustment to the pay payable to that officer that is –

(a) to be made after 1 January 2004, is to be made in accordance with or by reference to the percentage pay adjustment as set out in column 2 of Schedule 4 opposite the relevant salary band listed in column 1 of Part 1 or 2 of that Schedule, as the case may be, in accordance with the adjustments to which or by reference to the adjustments to which his pay is adjusted, with the result rounded up to the nearest dollar; and

(b) to be made after 1 January 2005, is to be made in accordance with or by reference to the percentage pay adjustment as set out in column 3 of Schedule 4 opposite the relevant salary band listed in column 1 of Part 1 or 2 of that Schedule, as the case may be, in accordance with the adjustments to which or by reference to the adjustments to which his pay is adjusted, with the result rounded up to the nearest dollar.

(4) Where the pay of a public officer (not being a civil servant or ICAC officer) is determined and adjusted in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales or the ICAC pay scale, the pay payable to that officer is to be determined and adjusted –

- (a) with effect on and from 1 January 2004, in accordance with or by reference to the rate of pay pertaining to that point as adjusted by section 4(1)(a) or 8(1)(a), as the case may be; and
- (b) with effect on and from 1 January 2005, in accordance with or by reference to the rate of pay pertaining to that point as adjusted by section 4(1)(b) or 8(1)(b), as the case may be.

12. Adjustment of salary of Director of Audit

(1) Notwithstanding section 4A of the Audit Ordinance (Cap. 122) or any order made under that section, the salary of the Director of Audit is, on 1 January 2004, adjusted to \$165,900 a month.

(2) The salary payable to the Director of Audit in accordance with the salary as adjusted by subsection (1) is payable with effect on and from 1 January 2004.

(3) This section does not prejudice the operation of any order made under section 4A of the Audit Ordinance (Cap. 122) after 1 January 2005.

PART 4

ALLOWANCES

13. Adjustment of allowances

(1) Where the amount of an allowance payable to a public officer is determined in accordance with or by reference to, directly or indirectly, a point on the civil service pay scales or the ICAC pay scale, the amount of the allowance payable to that officer is to be determined –

- (a) in so far as it is payable for or attributable to any period beginning on or after 1 January 2004, in accordance with or by reference to the rate of pay pertaining to that point as

adjusted by section 4(1)(a) or 8(1)(a), as the case may be;
and

- (b) in so far as it is payable for or attributable to any period beginning on or after 1 January 2005, in accordance with or by reference to the rate of pay pertaining to that point as adjusted by section 4(1)(b) or 8(1)(b), as the case may be.

(2) Where the amount of an allowance payable to a public officer is adjusted in accordance with or by reference to, directly or indirectly, adjustments to the civil service pay scales or the ICAC pay scale, the amount of the allowance payable to that officer –

- (a) in so far as it is payable for or attributable to any period beginning on or after 1 January 2004, is to be adjusted in accordance with or by reference to the percentage pay adjustment as set out in column 2 of Schedule 4 opposite the relevant salary band listed in column 1 of Part 1 or 2 of that Schedule, as the case may be, in accordance with the adjustments to which or by reference to the adjustments to which the amount of the allowance is adjusted, with the result rounded up to the nearest dollar; and
- (b) in so far as it is payable for or attributable to any period beginning on or after 1 January 2005, is to be further adjusted in accordance with or by reference to the percentage pay adjustment as set out in column 3 of Schedule 4 opposite the relevant salary band listed in column 1 of Part 1 or 2 of that Schedule, as the case may be, in accordance with the adjustments to which or by reference to the adjustments to which the amount of the allowance is adjusted, with the result rounded up to the nearest dollar.

PART 5
GENERAL PROVISIONS

14. Future adjustments

The adjustments made by this Ordinance to the pay and the amounts of any allowances payable to public officers do not prohibit any adjustment to the pay or the amounts of the allowances being made after 1 January 2005.

15. Express authority for adjustments

The contracts of employment of public officers are varied so as to expressly authorize the adjustments to the pay and the amounts of the allowances made by this Ordinance.

SCHEDULE 1

[ss. 2 & 4]

CIVIL SERVICE PAY SCALES

Master Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
49	88,425	85,765	83,105
48	85,355	82,788	80,220
47	82,390	79,913	77,435
46	79,510	77,118	74,725
45	76,755	74,445	72,135
44	74,075	71,845	69,615
43	71,490	69,340	67,190
42	68,550	66,488	64,425
41	65,725	63,745	61,765
40	63,005	61,108	59,210
39	60,405	58,585	56,765
38	57,730	55,993	54,255
37	55,195	53,533	51,870
36	52,705	51,120	49,535
35	50,370	48,853	47,335

34	48,140	46,690	45,240
33	46,810	45,375	43,940
32	44,705	43,335	41,965
31	42,705	41,395	40,085
30	40,785	39,535	38,285
29	38,970	37,773	36,575
28	37,200	36,060	34,920
27	35,535	34,445	33,355
26	33,940	32,900	31,860
25	32,415	31,423	30,430
24	31,005	30,053	29,100
23	29,610	28,700	27,790
22	28,275	27,408	26,540
21	26,995	26,168	25,340
20	25,715	24,925	24,135
19	24,495	23,743	22,990
18	23,335	22,618	21,900
17	22,230	21,548	20,865
16	21,160	20,510	19,860
15	20,150	19,533	18,915
14	19,195	18,603	18,010
13	18,270	17,708	17,145
12	17,220	16,693	16,165
11	16,210	15,713	15,215
10	15,270	14,800	14,330
9	14,415	13,965	13,515
8	13,530	13,110	12,690
7	12,695	12,300	11,905
6	11,915	11,543	11,170
5	11,205	10,855	10,505
4	10,505	10,175	9,845
3	9,865	9,555	9,245
2	9,255	8,965	8,675
1	8,700	8,425	8,150
0	8,190	7,932	7,674

Model Scale 1 Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
13	11,320	10,968	10,615
12	11,100	10,753	10,405

11	10,875	10,533	10,190
10	10,660	10,328	9,995
9	10,455	10,128	9,800
8	10,260	9,938	9,615
7	10,060	9,745	9,430
6	9,865	9,555	9,245
5	9,665	9,362	9,059
4	9,470	9,173	8,876
3	9,275	8,984	8,693
2	9,075	8,790	8,505
1	8,880	8,601	8,322
0	8,690	8,417	8,144

Police Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
59	181,700	181,050	181,050
58(2)	154,700	154,150	154,150
58(1)	150,110	149,600	149,600
57(3)	136,015	135,550	135,550
57(2)	132,140	131,700	131,700
57(1)	128,365	127,900	127,900
56(3)	124,305	120,553	116,800
56(2)	120,670	117,035	113,400
56(1)	117,040	113,520	110,000
55(3)	107,865	104,633	101,400
55(2)	104,615	101,458	98,300
55(1)	101,460	98,405	95,350
54	93,025	90,228	87,430
53	89,420	86,730	84,040
52	85,830	83,245	80,660
51	82,615	80,130	77,645
50	79,555	77,160	74,765
49	76,705	74,398	72,090
48	74,030	71,803	69,575
47	71,380	69,233	67,085
46	68,795	66,725	64,655
45	66,325	64,328	62,330
44	63,880	61,958	60,035
43	61,595	59,740	57,885
42	59,345	57,558	55,770

41	57,110	55,393	53,675
40	55,090	53,433	51,775
39	53,095	51,498	49,900
38	51,160	49,620	48,080
37	49,445	47,958	46,470
36	47,845	46,405	44,965
35	46,735	45,300	43,865
34	45,055	43,673	42,290
33	43,195	41,870	40,545
32	41,385	40,113	38,840
31	39,560	38,345	37,130
30	37,785	36,625	35,465
29	36,040	34,935	33,830
28	34,325	33,273	32,220
27	32,610	31,610	30,610
26	31,190	30,235	29,280
25	30,265	29,335	28,405
24	29,375	28,473	27,570
23	28,495	27,620	26,745
22	27,850	26,993	26,135
21	27,145	26,313	25,480
20	26,430	25,620	24,810
19	25,765	24,973	24,180
18	25,045	24,278	23,510
17	24,345	23,598	22,850
16	23,675	22,948	22,220
15	23,025	22,318	21,610
14	22,370	21,683	20,995
13	21,735	21,068	20,400
12	21,125	20,475	19,825
11	20,605	19,973	19,340
10	19,910	19,300	18,690
9	19,315	18,723	18,130
8	18,730	18,153	17,575
7	18,190	17,630	17,070
6	17,635	17,093	16,550
5	17,115	16,590	16,065
4	16,620	16,108	15,595
3	16,110	15,615	15,120
2	15,630	15,150	14,670
1	15,185	14,713	14,240
1a	14,740	14,282	13,823

General Disciplined Services (Commander) Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
4	163,205	162,650	162,650
3(3)	136,015	135,550	135,550
3(2)	132,140	131,700	131,700
3(1)	128,365	127,900	127,900
2(3)	124,305	120,553	116,800
2(2)	120,670	117,035	113,400
2(1)	117,040	113,520	110,000
1(3)	107,865	104,633	101,400
1(2)	104,615	101,458	98,300
1(1)	101,460	98,405	95,350

General Disciplined Services (Officer) Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
38	93,025	90,228	87,430
37	89,420	86,730	84,040
36	85,830	83,245	80,660
35	82,615	80,130	77,645
34	79,555	77,160	74,765
33	76,705	74,398	72,090
32	74,030	71,803	69,575
31	71,380	69,233	67,085
30	68,795	66,725	64,655
29	66,325	64,328	62,330
28	63,880	61,958	60,035
27	61,595	59,740	57,885
26	59,345	57,558	55,770
25	57,110	55,393	53,675
24	55,090	53,433	51,775
23	53,095	51,498	49,900
22	51,160	49,620	48,080
21	49,445	47,958	46,470
20	47,845	46,405	44,965
19	46,735	45,300	43,865
18	45,055	43,673	42,290

17	43,195	41,870	40,545
16	41,340	40,073	38,805
15	39,475	38,263	37,050
14	37,620	36,465	35,310
13	35,810	34,713	33,615
12	34,015	32,970	31,925
11	32,360	31,365	30,370
10	30,805	29,858	28,910
9	29,285	28,388	27,490
8	27,765	26,913	26,060
7	26,260	25,455	24,650
6	24,780	24,020	23,260
5	23,260	22,545	21,830
4	21,950	21,275	20,600
3	20,915	20,273	19,630
2	19,870	19,260	18,650
1	19,020	18,435	17,850
1a	18,205	17,646	17,087
1b	17,420	16,885	16,350
1c	16,680	16,167	15,654
1d	15,960	15,470	14,980

General Disciplined Services (Rank and File) Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
27	28,405	27,533	26,660
26	27,590	26,743	25,895
25	26,755	25,935	25,115
24	25,990	25,193	24,395
23	25,325	24,548	23,770
22	24,620	23,865	23,110
21	23,945	23,210	22,475
20	23,315	22,600	21,885
19	22,695	21,998	21,300
18	22,070	21,393	20,715
17	21,420	20,763	20,105
16	20,830	20,193	19,555
15	20,255	19,633	19,010
14	19,675	19,070	18,465
13	19,100	18,513	17,925
12	18,525	17,955	17,385

11	17,955	17,403	16,850
10	17,390	16,855	16,320
9	16,845	16,328	15,810
8	16,280	15,780	15,280
7	15,720	15,238	14,755
6	15,235	14,763	14,290
5	14,620	14,163	13,705
4	14,215	13,770	13,325
3	13,820	13,388	12,955
2	13,410	12,993	12,575
1	13,045	12,638	12,230
1a	12,685	12,290	11,894

Directorate Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
8	181,700	181,050	181,050
7	176,205	175,600	175,600
6	163,205	162,650	162,650
5	154,700	154,150	154,150
4(2)	150,110	149,600	149,600
4(1)	145,665	145,150	145,150
3(3)	136,015	135,550	135,550
3(2)	132,140	131,700	131,700
3(1)	128,365	127,900	127,900
2(3)	124,305	120,553	116,800
2(2)	120,670	117,035	113,400
2(1)	117,040	113,520	110,000
1(3)	104,615	101,458	98,300
1(2)	101,460	98,405	95,350
1(1)	98,595	95,623	92,650

Directorate (Legal) Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
6	163,205	162,650	162,650
5	154,700	154,150	154,150

4(2)	150,110	149,600	149,600
4(1)	145,665	145,150	145,150
3(3)	136,015	135,550	135,550
3(2)	132,140	131,700	131,700
3(1)	128,365	127,900	127,900
2(3)	124,305	120,553	116,800
2(2)	120,670	117,035	113,400
2(1)	117,040	113,520	110,000
1(3)	104,615	101,458	98,300
1(2)	101,460	98,405	95,350
1(1)	98,595	95,623	92,650

Training Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
16	20,105	19,488	18,870
15	19,140	18,553	17,965
14	18,225	17,665	17,105
13	17,420	16,888	16,355
12	16,355	15,853	15,350
11	15,000	14,535	14,070
10	13,780	13,350	12,920
9	12,975	12,570	12,165
8	12,180	11,800	11,420
7	11,440	11,080	10,720
6	10,740	10,405	10,070
5	10,075	9,760	9,445
4	9,460	9,165	8,870
3	8,890	8,613	8,335
2	8,335	8,073	7,810
1	7,825	7,583	7,340

Technician Apprentice Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
4	9,755	9,450	9,145
3	8,890	8,613	8,335

2	8,040	7,788	7,535
1	7,395	7,163	6,930
0	6,935	6,718	6,500

Craft Apprentice Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
4	7,715	7,473	7,230
3	7,065	6,843	6,620
2	6,390	6,188	5,985
1	5,750	5,568	5,385
0	5,415	5,244	5,072

SCHEDULE 2

[s. 5]

PERSONAL SALARIES

Rank	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
Amah II	9,815	9,508	9,200
Carpark Attendant II	12,445	12,055	11,665
Estate Assistant	15,030	14,565	14,100
Explosives Depot Attendant	13,180	12,768	12,355

SCHEDULE 3

[ss. 2, 7 & 10]

REFERENCE PAY SCALES

PART 1

REFERENCE CIVIL SERVICE PAY SCALES

Reference Master Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
49	88,115	85,610	83,105
48	85,055	82,638	80,220
47	82,105	79,770	77,435
46	79,230	76,978	74,725
45	76,485	74,310	72,135
44	73,815	71,715	69,615
43	71,240	69,215	67,190
42	68,310	66,368	64,425
41	65,490	63,628	61,765
40	62,780	60,995	59,210
39	60,190	58,478	56,765
38	57,525	55,890	54,255
37	55,000	53,435	51,870
36	52,520	51,028	49,535
35	50,190	48,763	47,335
34	47,970	46,605	45,240
33	46,485	45,213	43,940
32	44,395	43,180	41,965
31	42,405	41,245	40,085
30	40,500	39,393	38,285
29	38,695	37,635	36,575
28	36,940	35,930	34,920
27	35,285	34,320	33,355
26	33,705	32,783	31,860
25	32,190	31,310	30,430
24	30,785	29,943	29,100
23	29,400	28,595	27,790
22	28,075	27,308	26,540
21	26,805	26,073	25,340
20	25,530	24,833	24,135
19	24,320	23,655	22,990
18	23,170	22,535	21,900
17	22,075	21,470	20,865
16	21,010	20,435	19,860
15	20,010	19,463	18,915
14	19,055	18,533	18,010
13	18,140	17,643	17,145
12	17,100	16,633	16,165
11	16,095	15,655	15,215

10	15,160	14,745	14,330
9	14,300	13,908	13,515
8	13,425	13,058	12,690
7	12,595	12,250	11,905
6	11,820	11,495	11,170
5	11,115	10,810	10,505
4	10,420	10,133	9,845
3	9,785	9,515	9,245
2	9,180	8,928	8,675
1	8,625	8,388	8,150
0	8,125	7,900	7,674

Reference Model Scale 1 Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
13	11,230	10,923	10,615
12	11,010	10,708	10,405
11	10,785	10,488	10,190
10	10,575	10,285	9,995
9	10,370	10,085	9,800
8	10,175	9,895	9,615
7	9,980	9,705	9,430
6	9,785	9,515	9,245
5	9,590	9,325	9,059
4	9,395	9,136	8,876
3	9,200	8,947	8,693
2	9,005	8,755	8,505
1	8,810	8,566	8,322
0	8,615	8,380	8,144

Reference Police Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
54	92,700	90,065	87,430
53	89,110	86,575	84,040
52	85,525	83,093	80,660
51	82,325	79,985	77,645

50	79,275	77,020	74,765
49	76,435	74,263	72,090
48	73,770	71,673	69,575
47	71,130	69,108	67,085
46	68,555	66,605	64,655
45	66,090	64,210	62,330
44	63,655	61,845	60,035
43	61,375	59,630	57,885
42	59,135	57,453	55,770
41	56,910	55,293	53,675
40	54,895	53,335	51,775
39	52,910	51,405	49,900
38	50,980	49,530	48,080
37	49,270	47,870	46,470
36	47,675	46,320	44,965
35	46,405	45,135	43,865
34	44,740	43,515	42,290
33	42,895	41,720	40,545
32	41,090	39,965	38,840
31	39,280	38,205	37,130
30	37,520	36,493	35,465
29	35,790	34,810	33,830
28	34,085	33,153	32,220
27	32,380	31,495	30,610
26	30,975	30,128	29,280
25	30,050	29,228	28,405
24	29,165	28,368	27,570
23	28,295	27,520	26,745
22	27,650	26,893	26,135
21	26,955	26,218	25,480
20	26,245	25,528	24,810
19	25,580	24,880	24,180
18	24,870	24,190	23,510
17	24,175	23,513	22,850
16	23,505	22,863	22,220
15	22,860	22,235	21,610
14	22,210	21,603	20,995
13	21,580	20,990	20,400
12	20,975	20,400	19,825
11	20,460	19,900	19,340
10	19,770	19,230	18,690
9	19,180	18,655	18,130
8	18,595	18,085	17,575
7	18,060	17,565	17,070

6	17,510	17,030	16,550
5	16,995	16,530	16,065
4	16,500	16,048	15,595
3	15,995	15,558	15,120
2	15,520	15,095	14,670
1	15,065	14,653	14,240
1a	14,625	14,224	13,823

Reference General Disciplined Services (Officer) Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
38	92,700	90,065	87,430
37	89,110	86,575	84,040
36	85,525	83,093	80,660
35	82,325	79,985	77,645
34	79,275	77,020	74,765
33	76,435	74,263	72,090
32	73,770	71,673	69,575
31	71,130	69,108	67,085
30	68,555	66,605	64,655
29	66,090	64,210	62,330
28	63,655	61,845	60,035
27	61,375	59,630	57,885
26	59,135	57,453	55,770
25	56,910	55,293	53,675
24	54,895	53,335	51,775
23	52,910	51,405	49,900
22	50,980	49,530	48,080
21	49,270	47,870	46,470
20	47,675	46,320	44,965
19	46,405	45,135	43,865
18	44,740	43,515	42,290
17	42,895	41,720	40,545
16	41,050	39,928	38,805
15	39,195	38,123	37,050
14	37,355	36,333	35,310
13	35,560	34,588	33,615
12	33,775	32,850	31,925
11	32,130	31,250	30,370
10	30,585	29,748	28,910
9	29,080	28,285	27,490

8	27,570	26,815	26,060
7	26,075	25,363	24,650
6	24,605	23,933	23,260
5	23,095	22,463	21,830
4	21,795	21,198	20,600
3	20,765	20,198	19,630
2	19,730	19,190	18,650
1	18,885	18,368	17,850
1a	18,075	17,581	17,087
1b	17,300	16,825	16,350
1c	16,560	16,107	15,654
1d	15,850	15,415	14,980

Reference General Disciplined Services (Rank and File) Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
27	28,205	27,433	26,660
26	27,395	26,645	25,895
25	26,570	25,843	25,115
24	25,805	25,100	24,395
23	25,145	24,458	23,770
22	24,450	23,780	23,110
21	23,775	23,125	22,475
20	23,150	22,518	21,885
19	22,535	21,918	21,300
18	21,915	21,315	20,715
17	21,270	20,688	20,105
16	20,685	20,120	19,555
15	20,110	19,560	19,010
14	19,535	19,000	18,465
13	18,965	18,445	17,925
12	18,390	17,888	17,385
11	17,825	17,338	16,850
10	17,265	16,793	16,320
9	16,725	16,268	15,810
8	16,165	15,723	15,280
7	15,610	15,183	14,755
6	15,115	14,703	14,290
5	14,500	14,103	13,705
4	14,100	13,713	13,325
3	13,710	13,333	12,955

2	13,305	12,940	12,575
1	12,940	12,585	12,230
1a	12,585	12,240	11,894

Reference Training Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
16	19,965	19,418	18,870
15	19,005	18,485	17,965
14	18,095	17,600	17,105
13	17,300	16,828	16,355
12	16,240	15,795	15,350
11	14,885	14,478	14,070
10	13,670	13,295	12,920
9	12,870	12,518	12,165
8	12,085	11,753	11,420
7	11,345	11,033	10,720
6	10,655	10,363	10,070
5	9,995	9,720	9,445
4	9,385	9,128	8,870
3	8,820	8,578	8,335
2	8,265	8,038	7,810
1	7,765	7,553	7,340

Reference Technician Apprentice Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
4	9,675	9,410	9,145
3	8,820	8,578	8,335
2	7,975	7,755	7,535
1	7,335	7,133	6,930
0	6,880	6,690	6,500

Reference Craft Apprentice Pay Scale

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
4	7,650	7,440	7,230
3	7,005	6,813	6,620
2	6,335	6,160	5,985
1	5,700	5,543	5,385
0	5,370	5,221	5,072

PART 2

REFERENCE ICAC PAY SCALE

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
44	92,700	90,065	87,430
43	89,110	86,575	84,040
42	85,525	83,093	80,660
41	82,325	79,985	77,645
40	79,275	77,020	74,765
39	76,375	74,203	72,030
38	73,725	71,628	69,530
37	71,060	69,040	67,020
36	68,480	66,533	64,585
35	65,795	63,925	62,055
34	63,350	61,548	59,745
33	60,870	59,140	57,410
32	58,430	56,768	55,105
31	55,950	54,360	52,770
30	53,495	51,975	50,455
29	51,070	49,618	48,165
28	48,620	47,238	45,855
27	46,235	44,970	43,705
26	44,835	43,608	42,380
25	42,775	41,605	40,435
24	40,660	39,548	38,435
23	38,575	37,520	36,465
22	36,485	35,488	34,490
21	34,390	33,450	32,510

20	32,790	31,893	30,995
19	31,195	30,343	29,490
18	29,870	29,053	28,235
17	28,555	27,773	26,990
16	27,225	26,480	25,735
15	26,230	25,513	24,795
14	25,895	25,188	24,480
13	25,220	24,531	23,842
12	24,540	23,868	23,195
11	23,220	22,585	21,950
10	21,915	21,315	20,715
9	20,695	20,128	19,560
8	19,500	18,968	18,435
7	18,295	17,795	17,295
6	17,025	16,560	16,095
5	15,755	15,325	14,895
4	14,500	14,103	13,705
3	13,970	13,587	13,203
2	13,440	13,070	12,700
1	12,950	12,596	12,242

SCHEDULE 4

[ss. 6, 11 & 13]

PERCENTAGE PAY ADJUSTMENTS

PART 1

CIVIL SERVICE PAY SCALES

Salary band	Percentage pay adjustment effective 1.1.2004	Percentage pay adjustment effective 1.1.2005
1. Monthly salary on 31 December 2003 is below \$15,270	-3.13%	-3.23%
2. Monthly salary on 31 December 2003 is \$15,270 or above but not above \$46,810	-3.07%	-3.17%

3. Monthly salary on 31 December 2003 is above \$46,810 but not above \$93,025	-3.01%	-3.10%
4. Monthly salary on 31 December 2003 is above \$93,025 but not above \$124,305	-3.01%	-3.11%
5. Monthly salary on 31 December 2003 is above \$124,305	-0.35%	0%

PART 2

ICAC PAY SCALE

Salary band	Percentage pay adjustment effective 1.1.2004	Percentage pay adjustment effective 1.1.2005
1. Monthly salary on 31 December 2003 is below \$15,270	-3.12%	-3.23%
2. Monthly salary on 31 December 2003 is \$15,270 or above but not above \$46,810	-3.07%	-3.17%
3. Monthly salary on 31 December 2003 is above \$46,810 but not above \$93,025	-3.01%	-3.10%
4. Monthly salary on 31 December 2003 is above \$93,025 but not above \$124,305	-3.01%	-3.10%
5. Monthly salary on 31 December 2003 is above \$124,305	-0.35%	0%

SCHEDULE 5

[ss. 2 & 8]

INDEPENDENT COMMISSION AGAINST
CORRUPTION PAY SCALE

Point	Monthly rate of pay \$	Rate of pay effective 1.1.2004 \$	Rate of pay effective 1.1.2005 \$
48(2)	154,700	154,150	154,150
48(1)	150,110	149,600	149,600
47(3)	136,015	135,550	135,550
47(2)	132,140	131,700	131,700
47(1)	128,365	127,900	127,900
46(3)	124,305	120,553	116,800
46(2)	120,670	117,035	113,400
46(1)	117,040	113,520	110,000
45(3)	107,865	104,633	101,400
45(2)	104,615	101,458	98,300
45(1)	101,460	98,405	95,350
44	93,025	90,228	87,430
43	89,420	86,730	84,040
42	85,830	83,245	80,660
41	82,615	80,130	77,645
40	79,555	77,160	74,765
39	76,645	74,338	72,030
38	73,985	71,758	69,530
37	71,310	69,165	67,020
36	68,720	66,653	64,585
35	66,030	64,043	62,055
34	63,575	61,660	59,745
33	61,085	59,248	57,410
32	58,635	56,870	55,105
31	56,145	54,458	52,770
30	53,685	52,070	50,455
29	51,250	49,708	48,165
28	48,790	47,323	45,855
27	46,560	45,133	43,705
26	45,150	43,765	42,380
25	43,080	41,758	40,435
24	40,950	39,693	38,435
23	38,850	37,658	36,465
22	36,745	35,618	34,490
21	34,635	33,573	32,510

20	33,020	32,008	30,995
19	31,415	30,453	29,490
18	30,080	29,158	28,235
17	28,760	27,875	26,990
16	27,420	26,578	25,735
15	26,415	25,605	24,795
14	26,080	25,280	24,480
13	25,400	24,621	23,842
12	24,715	23,955	23,195
11	23,390	22,670	21,950
10	22,070	21,393	20,715
9	20,845	20,203	19,560
8	19,640	19,038	18,435
7	18,425	17,860	17,295
6	17,145	16,620	16,095
5	15,870	15,383	14,895
4	14,620	14,163	13,705
3	14,080	13,642	13,203
2	13,545	13,123	12,700
1	13,055	12,649	12,242

Explanatory Memorandum

The objects of this Bill are to –

- (a) adjust the pay of public officers remunerated below the level applicable to Directorate Pay Scale Point 3 or equivalent by reducing the pay pertaining to each relevant point on the civil service pay scales and the ICAC pay scale to their 30 June 1997 levels in dollar terms by 2 adjustments of broadly the same amounts on 1 January 2004 and 1 January 2005;
- (b) adjust the pay of public officers remunerated at the level applicable to Directorate Pay Scale Point 3 and above or equivalent by reducing the pay pertaining to each relevant point on the civil service pay scales and the ICAC pay

scale to their 30 June 1997 levels in dollar terms on 1 January 2004;

- (c) make corresponding adjustments to the amounts of the allowances payable to public officers that are determined or adjusted in accordance with or by reference to the civil service pay scales or the ICAC pay scale or adjustments made to those pay scales;
- (d) adjust the reference pay scales (the pay scales applicable to public officers appointed or promoted to a basic rank) by reducing the pay pertaining to each point on those scales by 2 adjustments of broadly the same amounts on 1 January 2004 and 1 January 2005 so that they will be in alignment with the civil service pay scales and the ICAC pay scale respectively on 1 January 2005 in dollar terms.

2. Clause 2 defines terms used in the Bill.

3. Clause 3 provides that the Bill does not apply to officers on delinked starting salaries appointed pursuant to an offer of employment made to them before 26 February 2003, or to officers promoted to a basic rank on delinked starting salaries before that date, so long as they remain on those salaries. Once these officers are transferred to a civil service pay scale or the ICAC pay scale, they will be covered by the provisions of the Bill. The Bill also does not apply to judicial officers.

4. Clause 4 adjusts the civil service pay scales by reducing the rates of pay pertaining to all pay points on those scales, on 1 January 2004 and on 1 January 2005 as appropriate, to the amounts specified in Schedule 1 in respect of each date. Pay is payable to civil servants in accordance with the adjusted scales on and from the respective dates.

5. Clause 5 makes similar adjustments to the rates of pay payable to civil servants as personal salaries. Pay is payable in accordance with the adjusted rates on and from the respective dates set out in Schedule 2.

6. Clause 6 applies the adjustments made by clause 4 to other civil servants whose pay is determined in accordance with or by reference to the civil service pay scales or adjusted in accordance with or by reference to adjustments made to those scales.
7. Clause 7 makes adjustments to the reference civil service pay scales to bring these scales into line with the corresponding civil service pay scales on 1 January 2005.
8. Clause 8 makes adjustments to the ICAC pay scale by reducing the rates of pay pertaining to all pay points on the ICAC pay scale, on 1 January 2004 and on 1 January 2005 as appropriate, to the amounts specified in Schedule 5 in respect of each date. Pay is payable to ICAC officers in accordance with the adjusted scale on and from the respective dates.
9. Clause 9 applies the adjustments made by clauses 4 and 8 to other ICAC officers whose pay is determined and adjusted in accordance with or by reference to a point on a civil service pay scale or the ICAC pay scale.
10. Clause 10 makes adjustments to the reference ICAC pay scale to bring it into line with the ICAC pay scale on 1 January 2005.
11. Clause 11 applies the adjustments made by clauses 4 and 8 to other public officers whose pay is determined or determined and adjusted in accordance with or by reference to the civil service pay scales or the ICAC pay scale or adjusted in accordance with or by reference to adjustments made in respect of such scales.
12. Clause 12 reduces the salary of the Director of Audit to the level it was at on 30 June 1997.
13. Clause 13 makes corresponding adjustments to the amounts of the allowances payable to public officers where the amounts of those allowances are determined in accordance with or by reference to the civil service pay scales or the ICAC pay scale or adjusted in accordance with or by reference to adjustments made in respect of such scales.

14. Clause 14 provides that the Bill does not prohibit adjustments made after 1 January 2005 to the pay or the amounts of the allowances payable to public officers.

15. Clause 15 varies the contracts of employment of public officers so that the contracts expressly authorize the adjustments made by the Bill.

IMPLICATIONS OF THE PROPOSAL

Financial and Staffing Implications

If the pay of all civil servants is to be brought back to the 30 June 1997 level in cash terms, our ballpark assessment is that it will bring about total annual savings of \$7.3 billion from 2005-06. As a rough indication, the estimated savings for the civil service and the subvented sector and the implications for government and public expenditure are set out below¹ –

	2003-04 (\$million)	2004-05 (\$million)	From 2005-06 (\$million)
(a) Civil service	376	1,882	3,009
(b) Subvented sector	481	2,404	3,846
(c) Government expenditure [i.e. (a) + (b)]	857	4,286	6,855
(d) Civil servants working in public bodies (e.g. Housing Authority and Trading Funds)	51	255	408
(e) Public expenditure [i.e. (c)+(d)]	908	4,541	7,263

Economic Implications

2. The reduction in civil service pay in itself might cause only very little dampening effect on private consumption and henceforth overall GDP in the economy. Yet the dampening effect might become very much magnified, though relatively speaking still not large in aggregate terms, if the measure should lead to corresponding pay reduction in the private sector. Nevertheless, it might be pondered that such a spill-over effect to the private sector is in practice not necessarily material, as the private sector is more expeditious in its pay adjustment and if indeed the level of private sector pay is, as suggested in

¹ We have used the salary portion of the public expenditure as the basis of calculation and have assumed that there will be no change in the number and profile of staff during the period from 2003-04 and 2005-06.

some quarters, already below that in the civil service. Also, the dampening effect could be offset somewhat where, within the overall target of Government expenditure cut, a feasible reduction in civil service pay would imply lesser cuts being necessitated in other expenditure areas.

3. Currently, the civil service makes up about 5% of the total workforce and civil service emoluments account for about 10% of the overall employment remuneration in the economy. Taking account of the subvented sector, the civil service and employees in subvented organisations together account for about 20% of the overall employment remuneration in the economy. A well-constituted civil service pay system compatible with the functioning of the labour market as a whole, whilst recognising the characteristics of specific civil service appointment, is conducive to a robust and efficient civil service and sound deployment of manpower resources for the economy at large.