

For discussion on  
16 March 2011

## **Legislative Council Panel on Public Service**

### **Civil Service-related Issues Featuring in the 2011-12 Budget**

#### **Purpose**

This paper provides some highlights on the civil service-related issues featuring in the 2011-12 Budget.

#### **Control of the civil service establishment**

2. In keeping with the principles of “big market – small government” and prudent management of public resources, the Government will continue to keep the civil service establishment under control in order to maintain a lean and efficient civil service. New civil service posts will only be created when the operational need is fully justified, when the work involved cannot be undertaken by re-deployment of existing staff, and when alternative modes of service delivery (e.g. outsourcing) are considered inappropriate.

3. The yearly changes to the civil service establishment since end-March 2007 are set out below -

- (a) end-March 2007: 161 015
- (b) end-March 2008: 161 960
- (c) end-March 2009: 163 216
- (d) end-March 2010: 164 504
- (e) end-March 2011: 166 569 (estimate)

4. The 2011-12 Draft Estimates of Expenditure project a 1% increase (1 680 posts) in the civil service establishment. Subject to the approval of the 2011-12 Draft Estimates by the Legislative Council, the civil service

establishment is estimated to stand at 168 249 posts by end-March 2012.

5. The profile of the civil service establishment in terms of grades categorised by qualifications and by directorate/non-directorate ranks has remained stable over the past five years. An analysis is attached at Annex.

### **Financial provisions**

6. The 2011-12 Draft Estimates of Expenditure seek the following financial provisions which are directly related to the policy area of central management of the civil service –

- (a) Head 37 Department of Health: Programme 7 “Medical and Dental Treatment for Civil Servants”: \$886.5 million;
- (b) Head 46 General Expenses of the Civil Service: \$2,848.0 million;
- (c) Head 143 Government Secretariat: Civil Service Bureau: \$420.0 million;
- (d) Head 174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service: \$19.2 million;
- (e) Head 120 Pensions: \$19,772.4 million; and
- (f) Head 136 Public Service Commission Secretariat: \$18.2 million.

7. The provision of \$886.5 million sought under Head 37 (paragraph 6(a) above) is for providing medical and dental services for serving and retired civil servants and their eligible dependants at government families clinics and dental clinics, as well as for reimbursement of medical fees and hospital charges. For the former, an allocation of \$506.5 million is proposed, representing an increase of \$31.9 million or 6.7% over the 2010-11 Revised Estimates. The additional provision is mainly for setting up additional dental surgeries and procuring specialist dental equipment. For the latter, an allocation of \$380.0 million is proposed, representing an increase of \$90 million or 31% over the 2010-11 Revised Estimates.

8. Of the total provision sought under Head 46 (paragraph 6(b) above), an amount of \$768.9 million is proposed for the payment of education allowances. Over time, these allowances will be phased out as recruits to the civil service

since 1 August 1996 and 1 June 2000 are no longer eligible for the overseas and local education allowances respectively. The remaining provision sought is mainly for housing allowances, passages, Long and Meritorious Service Travel Award Scheme, payments to estates of deceased officers and staff relief and welfare expenses.

9. Of the total provision sought under Head 143 (paragraph 6(c) above), an amount of \$107.9 million is proposed for civil service training and development. This represents an increase of \$7.6 million or 7.6% over the 2010-11 Revised Estimates. The increase is mainly to strengthen the national studies training programmes for civil servants. In brief, we will incorporate a new module on national studies in the induction programme for new recruits of degree or professional grades. We will increase the capacity of the national studies programmes for middle and senior civil servants. We will also organise more in-depth seminars on topical subjects relating to developments in the Mainland; and further enhance the current e-learning platform with new on-line courses on national studies for civil servants at all levels.

10. Of the total provision under Head 120 (paragraph 6(e) above), an amount of \$18,950.0 million is proposed for pension payments to eligible retired civil servants. This represents an increase of \$1,773.4 million or 10.3% over the 2010-11 Revised Estimates. The increase is due to an estimated increase in the number of new retirees in 2011-12 and the full-year effect of pension payments to those retiring in 2010-11. Since 1 June 2000, new recruits to the civil service are employed on terms which attract retirement benefits either under the Mandatory Provident Fund Scheme or the Civil Service Provident Fund (CSPF) Scheme. In the 2011-12 Draft Estimates of Expenditure, a total provision of \$827.5 million (under the expenditure heads of individual bureaux/departments) is sought for CSPF contributions. This represents an increase of \$256.4 million or 44.9% over the 2010-11 Revised Estimates, in view of an estimated increase in the number of new CSPF members in 2011-12 and the full-year effect of CSPF contributions to new members joining the Scheme in 2010-11.

Civil Service Bureau  
March 2011

**Profile of the Civil Service Establishment  
from 2006-07 to 2011-12**

**Introduction**

After achieving the target of reducing the size of the civil service establishment<sup>1</sup> to around 160 000 by the end of 2006-07, the civil service establishment has increased modestly at about 1% each year to meet the additional manpower demand arising from new policy initiatives and for new or improved public services. During the 5-year period from 2006-07, the profile of the service has remained largely the same. This profile is likely to continue in 2011-12.

**Categorisation by academic qualifications**

2. The profile of the civil service establishment, as categorised by the minimum academic qualification requirements for each grade, is shown in Appendix A. For civilian grades, the proportion of posts requiring (a) degree and professional qualification, (b) matriculation, technical and diploma qualification, and (c) junior grades has remained in the range of 18-20%, 20% and 60-62% respectively for the 5-year period of 2006-07 to 2010-11. During this period, the proportion of posts in the officer grades and rank-and-file grades of the disciplined services has remained at 14-15% and 85-86% respectively. Subject to the approval of the 2011-12 Draft Estimates of Expenditure, the afore-stated profiles will remain unchanged.

**Proportion of directorate and non-directorate civil service posts**

3. During the 5-year period of 2006-07 to 2010-11, the number of directorate posts has remained at 1% of the civil service establishment. The proportion is estimated to remain the same in 2011-12 subject to the approval of this year's Draft Estimates of Expenditure. Details are provided at Appendix B.

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<sup>1</sup> In analysing the profile of the civil service establishment in this Annex and Appendices to this Annex, all figures exclude judges, judicial officers, locally engaged staff in Hong Kong Economic & Trade Offices and staff in the Independent Commission Against Corruption.

### Profile of new civil service posts

4. The actual and estimated breakdown of new civil service posts created after 2006-07 and up to 2010-11 and additional civil service posts proposed in the 2011-12 Draft Estimates of Expenditure is at Appendix C. The proportion of new civil service posts created at the entry rank and the next higher rank of all grades has been consistently high. The ratio of new posts created at these two ranks and other higher ranks ranged from 4.3:1 to 11:1 during the above-mentioned period.

### Manpower situation of selected departments

5. The LegCo Panel on Public Service at an earlier meeting expressed interest on the manpower situation of the Buildings Department (BD), Home Affairs Department (HAD) and the Lands Department (LandsD). In the 5-year period of 2006-07 to 2010-11 and taking into account the proposals in the 2011-12 Draft Estimates of Expenditure, the cumulative growth in the civil service establishment of these departments are 38% for BD, 11% for HAD and 7% for LandsD, compared with the 4% cumulative growth of the overall civil service. Details are provided at Appendix D. The additional posts for these departments are primarily for implementing new building safety measures (BD), strengthening of district administration (HAD), and carrying out of land resumption and other related work for major infrastructure and railway projects (LandsD).

## Establishment Profile of the Civil Service from 31.3.2007 to 31.3.2012

| Grades                               | as at 31.3.2007 |      | as at 31.3.2008 |             | as at 31.3.2009 |             | as at 31.3.2010 |             | as at 31.3.2011<br>(Estimate) |             | as at 31.3.2012<br>(Estimate) |             |
|--------------------------------------|-----------------|------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-------------------------------|-------------|-------------------------------|-------------|
|                                      | Establishment   | %    | Establishment   | %           | Establishment   | %           | Establishment   | %           | Establishment                 | %           | Establishment                 | %           |
| <b>Civilian</b>                      |                 |      |                 |             |                 |             |                 |             |                               |             |                               |             |
| Degree and professional              | 19 997          | 18%  | 20 445          | 19%         | 21 108          | 19%         | 21 608          | 20%         | 22 155                        | 20%         | 22 682                        | 20%         |
| Matriculation, technical and diploma | 21 345          | 20%  | 21 736          | 20%         | 22 128          | 20%         | 22 496          | 20%         | 22 717                        | 20%         | 22 998                        | 20%         |
| Junior                               | 66 866          | 62%  | 66 244          | 61%         | 66 042          | 60%         | 65 972          | 60%         | 66 700                        | 60%         | 67 219                        | 60%         |
| <b>Sub-total (a)</b>                 | <b>108 208</b>  | 100% | <b>108 425</b>  | 100%        | <b>109 278</b>  | 100%        | <b>110 076</b>  | 100%        | <b>111 572</b>                | 100%        | <b>112 899</b>                | 100%        |
| <b>Year-on-year change</b>           | -               | -    | <b>217</b>      | <b>0.2%</b> | <b>853</b>      | <b>0.8%</b> | <b>798</b>      | <b>0.7%</b> | <b>1 496</b>                  | <b>1.4%</b> | <b>1 327</b>                  | <b>1.2%</b> |
| <b>Disciplined services</b>          |                 |      |                 |             |                 |             |                 |             |                               |             |                               |             |
| Officer                              | 7 345           | 14%  | 7 406           | 14%         | 7 516           | 14%         | 7 627           | 14%         | 7 755                         | 15%         | 7 807                         | 15%         |
| Rank-and-file                        | 43 848          | 86%  | 44 493          | 86%         | 44 753          | 86%         | 45 129          | 86%         | 45 554                        | 85%         | 45 851                        | 85%         |
| <b>Sub-total (b)</b>                 | <b>51 193</b>   | 100% | <b>51 899</b>   | 100%        | <b>52 269</b>   | 100%        | <b>52 756</b>   | 100%        | <b>53 309</b>                 | 100%        | <b>53 658</b>                 | 100%        |
| <b>Year-on-year change</b>           | -               | -    | <b>706</b>      | <b>1.4%</b> | <b>370</b>      | <b>0.7%</b> | <b>487</b>      | <b>0.9%</b> | <b>553</b>                    | <b>1%</b>   | <b>349</b>                    | <b>0.7%</b> |
| <b>Total [(a)+(b)]</b>               | <b>159 401</b>  |      | <b>160 324</b>  |             | <b>161 547</b>  |             | <b>162 832</b>  |             | <b>164 881</b>                |             | <b>166 557</b>                |             |
| <b>Year-on-year change</b>           | -               | -    | <b>923</b>      | <b>0.6%</b> | <b>1 223</b>    | <b>0.8%</b> | <b>1 285</b>    | <b>0.8%</b> | <b>2 049</b>                  | <b>1.3%</b> | <b>1 676</b>                  | <b>1%</b>   |

## Notes:

(1) Figures exclude judges, judicial officers, locally engaged staff in Hong Kong Economics & Trade Offices and staff in the Independent Commission Against Corruption.

(2) For civilian grades -

(a) Degree and professional grades refer to degree, professional and education related grades.

(b) Matriculation, technical and diploma grades refer to those requiring diploma, technical certificate or apprenticeship, or two passes at Advanced Level in Hong Kong Advanced Level Examination plus three credits in the Hong Kong Certificate of Education Examination (HKCEE).

(c) Junior grades refer to those requiring craft and skills, five passes in HKCEE or lower academic qualifications.

(3) For disciplined services grades -

(a) Officer grades refer to those on the General Disciplined Service Officer or Commander Pay Scales and police inspector/superintendent grades.

(b) Rank-and-file grades refer to those on the General Disciplined Service (Rank and File) Pay Scale and junior police officer grades.

**Directorate and Non-Directorate Establishment of the Civil Service from 31.3.2007 to 31.3.2012**

| <b>Rank</b>     | <b>as at 31.3.2007</b> |          | <b>as at 31.3.2008</b> |          | <b>as at 31.3.2009</b> |          | <b>as at 31.3.2010</b> |          | <b>as at 31.3.2011<br/>(Estimate)</b> |          | <b>as at 31.3.2012<br/>(Estimate)</b> |          |
|-----------------|------------------------|----------|------------------------|----------|------------------------|----------|------------------------|----------|---------------------------------------|----------|---------------------------------------|----------|
|                 | <b>Establishment</b>   | <b>%</b> | <b>Establishment</b>   | <b>%</b> | <b>Establishment</b>   | <b>%</b> | <b>Establishment</b>   | <b>%</b> | <b>Establishment</b>                  | <b>%</b> | <b>Establishment</b>                  | <b>%</b> |
| Directorate     | 1 329                  | 1%       | 1 331                  | 1%       | 1 335                  | 1%       | 1 347                  | 1%       | 1 365                                 | 1%       | 1 377                                 | 1%       |
| Non-directorate | 158 072                | 99%      | 158 993                | 99%      | 160 212                | 99%      | 161 485                | 99%      | 163 516                               | 99%      | 165 180                               | 99%      |
| <b>Total</b>    | <b>159 401</b>         |          | <b>160 324</b>         |          | <b>161 547</b>         |          | <b>162 832</b>         |          | <b>164 881</b>                        |          | <b>166 557</b>                        |          |

Note:  
 Figures exclude judges, judicial officers, locally engaged staff in Hong Kong Economics & Trade Offices and staff in the Independent Commission Against Corruption.

**Establishment profile of the civil service after 2006-07 :  
breakdown of year-on-year change**

|                    | Year-on-year change |       |                 |       |                 |       |                      |       |                      |       |
|--------------------|---------------------|-------|-----------------|-------|-----------------|-------|----------------------|-------|----------------------|-------|
|                    | as at 31.3.2008     |       | as at 31.3.2009 |       | as at 31.3.2010 |       | as at 31.3.2011      |       | as at 31.3.2012      |       |
|                    | change              | ratio | change          | ratio | change          | ratio | (estimate)<br>change | ratio | (estimate)<br>change | ratio |
| Entry rank         | 200                 | 4.3   | 633             | 6.2   | 643             | 10.5  | 1 315                | 10.5  | 1 108                | 11    |
| Next higher rank   | 549                 |       | 420             |       | 530             |       | 556                  |       | 429                  |       |
| Other higher ranks | 174                 | 1     | 170             | 1     | 112             | 1     | 178                  | 1     | 139                  | 1     |
| <b>Total:</b>      | <b>923</b>          |       | <b>1 223</b>    |       | <b>1 285</b>    |       | <b>2 049</b>         |       | <b>1 676</b>         |       |

Note: Figures exclude judges, judicial officers, locally engaged staff in Hong Kong Economics & Trade Offices and staff in the Independent Commission Against Corruption

**Establishment profile of the Buildings Department,  
Home Affairs Department and Lands Department  
from 31.3.2007 to 31.3.2012**

**Buildings Department**

| Establishment as at                         |            |            |            |            |                         |                         |             |
|---|------------|------------|------------|------------|-------------------------|-------------------------|-------------|
|   | 31.3.2007  | 31.3.2008  | 31.3.2009  | 31.3.2010  | (Estimate)<br>31.3.2011 | (Estimate)<br>31.3.2012 | Total       |
| Degree and professional grades              | 340        | 341        | 375        | 398        | 401                     | 483                     |             |
| Matriculation, technical and diploma grades | 229        | 229        | 255        | 307        | 308                     | 370                     |             |
| Junior grades                               | 282        | 284        | 284        | 287        | 287                     | 320                     |             |
| <b>Total</b>                                | <b>851</b> | <b>854</b> | <b>914</b> | <b>992</b> | <b>996</b>              | <b>1 173</b>            |             |
| <b>Year-on-year change</b>                  | -          | 3          | 60         | 78         | 4                       | 177                     | <b>322</b>  |
| <b>Year-on-year percentage change</b>       | -          | +0.4%      | +7.0%      | +8.5%      | +0.4%                   | +17.8%                  | <b>+38%</b> |

**Home Affairs Department**

| Establishment as at                         |              |              |              |              |                         |                         |             |
|---|--------------|--------------|--------------|--------------|-------------------------|-------------------------|-------------|
|   | 31.3.2007    | 31.3.2008    | 31.3.2009    | 31.3.2010    | (Estimate)<br>31.3.2011 | (Estimate)<br>31.3.2012 | Total       |
| Degree and professional grades              | 293          | 327          | 339          | 349          | 355                     | 361                     |             |
| Matriculation, technical and diploma grades | 536          | 546          | 556          | 557          | 567                     | 572                     |             |
| Junior grades                               | 871          | 900          | 901          | 913          | 951                     | 952                     |             |
| Disciplined services grade                  | 11           | 11           | 11           | 11           | 11                      | 11                      |             |
| <b>Total</b>                                | <b>1 711</b> | <b>1 784</b> | <b>1 807</b> | <b>1 830</b> | <b>1 884</b>            | <b>1 896</b>            |             |
| <b>Year-on-year change</b>                  | -            | 73           | 23           | 23           | 54                      | 12                      | <b>185</b>  |
| <b>Year-on-year percentage change</b>       | -            | +4.3%        | +1.3%        | +1.3%        | +3.0%                   | +0.6%                   | <b>+11%</b> |

**Lands Department**

| Establishment as at                         |              |              |              |              |                         |                         |            |
|---|--------------|--------------|--------------|--------------|-------------------------|-------------------------|------------|
|   | 31.3.2007    | 31.3.2008    | 31.3.2009    | 31.3.2010    | (Estimate)<br>31.3.2011 | (Estimate)<br>31.3.2012 | Total      |
| Degree and professional grades              | 366          | 373          | 391          | 409          | 444                     | 449                     |            |
| Matriculation, technical and diploma grades | 1 298        | 1 333        | 1 368        | 1 401        | 1 357                   | 1 366                   |            |
| Junior grades                               | 1 999        | 2 036        | 2 030        | 2 033        | 2 081                   | 2 094                   |            |
| <b>Total</b>                                | <b>3 663</b> | <b>3 742</b> | <b>3 789</b> | <b>3 843</b> | <b>3 882</b>            | <b>3 909</b>            |            |
| <b>Year-on-year change</b>                  | -            | 79           | 47           | 54           | 39                      | 27                      | <b>246</b> |
| <b>Year-on-year percentage change</b>       | -            | +2.2%        | +1.3%        | +1.4%        | +1.0%                   | +0.7%                   | <b>+7%</b> |

## Notes:

- (1) The 11 disciplined services grade posts in HAD belong to the Station Officer/Division Officer grade of the Fire Services Department and are responsible for licensing of hotels and guesthouses, clubs, karaoke establishments and bedspace apartments.
- (2) Degree and professional grades refer to degree, professional and education related grades.
- (3) Matriculation, technical and diploma grades refer to those requiring diploma, technical certificate or apprenticeship, or two passes at Advanced Level in Hong Kong Advanced Level Examination plus three credits in the Hong Kong Certificate of Education Examination (HKCEE).
- (4) Junior grades refer to those requiring craft and skills, five passes in HKCEE or lower academic qualifications.