

For discussion
on 20 March 2017

Legislative Council Panel on Public Service

Civil Service-related Matters Featured in the 2017-18 Budget

Purpose

This paper provides some highlights on the civil service-related matters featured in the 2017-18 Budget.

Civil service establishment

2. While encouraging other bureaux/departments (“B/Ds”) to enhance their efficiency through internal redeployment, re-prioritisation, streamlining and re-engineering, we provide them with additional manpower for implementing new policies and improving existing services through creation of new posts where justified.

3. The 2017-18 Draft Estimates of Expenditure provide for 3 378 additional civil service posts in various B/Ds, representing a year-on-year increase of 1.9% over the 2016-17 Revised Estimates (i.e. 178 327 posts). The change in the civil service establishment by B/Ds in 2017-18 is shown at **Annex**. In 2017-18, about 400 posts will be created in B/Ds for replacing non-civil service contract positions for which the long-term need has been established. Subject to the approval of the 2017-18 Draft Estimates by the Legislative Council, the civil service establishment is estimated to stand at 181 705 posts at the end of March 2018.

Financial provisions for work related to management of the civil service

4. The 2017-18 Draft Estimates of Expenditure seek the following financial provisions which are directly related to the policy area of management of the civil service -

- (a) Head 37 Department of Health: Programme 7 “Medical and Dental Treatment for Civil Servants”: \$1,521.9 million;
- (b) Head 46 General Expenses of the Civil Service: \$3,826.7 million;
- (c) Head 120 Pensions: Programme 1 “Public and Judicial Service Pension Benefits”: \$35,364.9 million;
- (d) Head 136 Public Service Commission Secretariat: \$30.4 million;
- (e) Head 143 Government Secretariat: Civil Service Bureau: \$600.6 million; and
- (f) Head 174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service: \$33.1 million.

5. The provision of \$1,521.9 million sought under Head 37 (paragraph 4(a) above) is for providing medical and dental services for serving civil servants, pensioners and their eligible dependants at Families Clinics and government dental clinics, as well as for payment and reimbursement of medical fees and hospital charges. For the former, an allocation of \$888.5 million is proposed, representing an increase of \$109.1 million (or 14.0%) over the 2016-17 Revised Estimate. The additional provision is mainly for setting up additional specialised dental surgeries, enhancing clinical psychology service and operating the new consultation rooms in Fanling Families Clinic on a full-year basis. Regarding the payment and reimbursement of medical fees and hospital charges, an allocation of \$633.4 million is proposed, representing an increase of \$53.4 million (or 9.2%) over the 2016-17 Revised Estimate. The additional provision is mainly for meeting the anticipated increase in applications for reimbursement of medical expenses from eligible persons.

6. Of the total provision sought under Head 46 (paragraph 4(b) above), an amount of \$582.1 million is for payment of local and overseas education allowances to eligible civil servants. This represents an increase of \$13.1 million (or 2.3%) over the 2016-17 Revised Estimate. Over time, the provision for local education allowance for civil servants will be reduced as recruits to the civil service since 1 June 2000 are no longer eligible for it. Likewise, the provision for overseas education allowance will also be reduced as recruits to the civil service since 1 August 1996 are no longer eligible for it. The remaining

provision sought is mainly for housing allowances, passages, the Long and Meritorious Service Travel Award Scheme, payments to estates of deceased officers, etc., which represents an increase of \$473.8 million (or 17.1%) over the 2016-17 Revised Estimate.

7. Of the total provision sought under Head 120 (paragraph 4(c) above), an amount of \$34,155.0 million is for pension payments to eligible retired public officers. This represents an increase of \$3,059.9 million (or 9.8%) over the 2016-17 Revised Estimate. The increase is due to an estimated increase in the number of new retirees in 2017-18 and the full-year effect of pension payments to those retiring in 2016-17. As at the end of March 2016, the present value of Government liability on pensions was \$874.7 billion.

8. Since 1 June 2000, new recruits to the civil service are employed on terms which attract retirement benefits under either the Mandatory Provident Fund (“MPF”) Scheme or the Civil Service Provident Fund (“CSPF”) Scheme. In the 2017-18 Draft Estimates of Expenditure, a total provision of \$3,948.7 million (under the expenditure heads of individual B/Ds) is sought for contributions to these Schemes. This represents an increase of \$700.8 million (or 21.6%) over the 2016-17 Revised Estimate, mainly due to an estimated increase in the number of new MPF/CSPF members in 2017-18.

9. The total provision sought under Head 136 (paragraph 4(d) above) is \$30.4 million. This represents an increase of \$5.4 million (or 21.6%) over the 2016-17 Revised Estimate. It is mainly due to the provision for four additional posts created in 2016-17 and a projected increase in departmental expenses.

10. The total provision sought under Head 143 (paragraph 4(e) above) is \$600.6 million. This represents an increase of \$23 million (or 4.0%) over the 2016-17 Revised Estimate. It is mainly due to increased salary provision for six additional posts in 2017-18, full-year salary provision for eight additional posts created in 2016-17 and salary increments for existing staff in 2017-18; and projected increase in training expenses.

11. The total provision sought under Head 174 (paragraph 4(f) above) is \$33.1 million. This represents an increase of \$2.7 million (or 8.9%) over the 2016-17 Revised Estimate. It is mainly due to the increase in provision for the conduct of a review on Pay Level Survey and Starting Salaries Survey, partly offset by reduced requirement for salary payments due to staff changes.

Advice Sought

12. Members are invited to note the content of this paper.

Civil Service Bureau
March 2017

Change in Civil Service Establishment by Bureaux/Departments in 2017-18

Bureau / Department / Organisation	Change in Establishment
Agriculture, Fisheries and Conservation Department	22
Architectural Services Department	23
Audit Commission	- 1
Auxiliary Medical Service	-
Buildings Department	55
Census and Statistics Department	- 12
Chief Executive's Office	-
Chief Secretary and Financial Secretary's Offices	- 4
Civil Aid Service	-
Civil Aviation Department	33
Civil Engineering and Development Department	6
Civil Service Bureau	6
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	22
Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	1
Companies Registry	29
Constitutional and Mainland Affairs Bureau	3
Correctional Services Department	62
Customs and Excise Department	455
Department of Health	130
Department of Justice	32
Development Bureau (Planning and Lands Branch)	6
Development Bureau (Works Branch)	20
Drainage Services Department	5
Education Bureau	121
Electrical and Mechanical Services Department	56
Environment Bureau	2
Environmental Protection Department	24
Financial Services and the Treasury Bureau (Financial Services Branch)	1
Financial Services and the Treasury Bureau (The Treasury Branch)	10
Fire Services Department	331
Food and Environmental Hygiene Department	-

Bureau / Department / Organisation	Change in Establishment
Food and Health Bureau (Food Branch)	3
Food and Health Bureau (Health Branch)	4
Government Flying Service	31
Government Laboratory	-
Government Logistics Department	2
Government Property Agency	- 2
Highways Department	45
Home Affairs Bureau	- 23
Home Affairs Department	5
Hong Kong Monetary Authority	- 5
Hong Kong Observatory	4
Hong Kong Police Force	608
Hospital Authority	- 156
Housing Authority	72
Immigration Department	711
Independent Commission Against Corruption	17
Information Services Department	- 2
Inland Revenue Department	12
Innovation and Technology Bureau	15
Innovation and Technology Commission	14
Intellectual Property Department	4
Invest Hong Kong	-
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	-
Judiciary	53
Labour and Welfare Bureau	- 6
Labour Department	12
Land Registry	-
Lands Department	55
Legal Aid Department	-
Legal Aid Services Council	-
Leisure and Cultural Services Department	107
Marine Department	26
Office for Film, Newspaper and Article Administration	1
Office of the Communications Authority	3
Office of the Government Chief Information Officer	7
Official Receiver's Office	-
Overseas Economic and Trade Offices	- 1

Bureau / Department / Organisation	Change in Establishment
Planning Department	- 14
Post Office	-
Public Service Commission Secretariat	-
Radio Television Hong Kong	9
Rating and Valuation Department	9
Registration and Electoral Office	- 8
Secretariat, Commissioner on Interception of Communications and Surveillance	-
Security Bureau	8
Social Welfare Department	120
Trade and Industry Department	4
Transport and Housing Bureau (Transport Branch)	9
Transport Department	62
Treasury	13
University Grants Committee	2
Vocational Training Council	- 2
Water Supplies Department	22
Working Family and Student Financial Assistance Agency	90
Total	3 378