

For discussion
on 19 March 2018

Legislative Council Panel on Public Service

Civil Service-related Matters Featured in the 2018-19 Budget

Purpose

This paper provides the highlights on the civil service-related matters featured in the 2018-19 Budget.

Civil Service Establishment

2. In 2018-19, the civil service establishment is expected to expand by 6 700 posts. This represents a year-on-year increase of about 3.7%, the highest since reunification¹. The manpower increase aims at supporting the implementation of the policies, initiatives and new measures of the Government of the new term and easing the work pressure on civil servants.

3. In addition, to mitigate the impact of time-limited posts on the relevant grades and civil servants, after a comprehensive review of these posts, the Government will in the coming year make permanent about 400 time-limited posts and extend about 590 posts. These posts can be used for promotion or substantively filled by civil servants, thus providing more career development opportunities. The substantial increase in manpower resources by the Government in the coming year represents not only its support for the civil service and a booster for bureaux and departments (“B/Ds”) for taking forward new initiatives, it also helps improve the quality of public service.

4. Subject to the approval of the 2018-19 Draft Estimates of Expenditure by the Legislative Council, the civil service establishment is expected to stand at 188 451 posts by end-March 2019. The establishment of the vast majority of B/Ds will be augmented next year. The establishment changes of B/Ds are set out at **Annex**.

¹ Since reunification and up to 2017-18, the year-on-year changes of the civil service establishment varied from about -4.1% to +2.0%.

Financial Provisions for Work Related to Management of the Civil Service

5. The 2018-19 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”: \$1,848.9 million;
- (b) Head 46 General Expenses of the Civil Service: \$3,825.9 million;
- (c) Head 120 Pensions: Programme 1 “Public and Judicial Service Pension Benefits”: \$37,916.4 million;
- (d) Head 136 Public Service Commission Secretariat: \$27.1 million;
- (e) Head 143 Government Secretariat: Civil Service Bureau: \$652.8 million; and
- (f) Head 174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service: \$33.8 million.

6. The provision of \$1,848.9 million sought under Head 37 (paragraph 5(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 \$953.7 million is proposed, representing an increase of \$95.0 million (or 11.1%) over the 2017-18 Revised Estimate. The additional provision is mainly for setting up additional specialised dental surgeries, establishing the sixth Families Clinic in Sai Kung and strengthening manpower support for Families Clinics to meet service and development needs. Regarding the payment and reimbursement of medical fees and hospital charges, an allocation of \$895.2 million is proposed, representing an increase of \$203.2 million (or 29.4%) over the 2017-18 Revised Estimate. The additional provision is mainly for meeting the anticipated increase in applications for reimbursement of medical expenses from eligible persons.

7. Of the total provision sought under Head 46 (paragraph 5(b) above), an amount of \$545.6 million is for payment of local and overseas education allowances to eligible staff. This represents an increase of \$15.3 million (or 2.9%) over the 2017-18 Revised Estimate. The remaining provision sought under this head 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 \$325.8 million (or 11.0%) over the 2017-18 Revised Estimate.

8. Of the total provision sought under Head 120 (paragraph 5(c) above), an amount of \$36,653.4 million is for pension payments to eligible retired public officers. This represents an increase of \$3,002.5 million (or 8.9%) over the 2017-18 Revised Estimate. The increase is due to an estimated increase in the number of new retirees in 2018-19 and the full-year effect of pension payments to those retiring in 2017-18. As at end-March 2017, the present value of the Government's liability on pensions was \$919.2 billion.

9. 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 2018-19 Draft Estimates of Expenditure, a total provision of \$4,655.7 million (under the expenditure heads of individual B/Ds) is sought for contributions to these Schemes. This represents an increase of \$824.9 million (or 21.5%) over the 2017-18 Revised Estimate, mainly due to an estimated increase in the number of new MPF/CSPF members in 2018-19.

10. The total provision sought under Head 136 (paragraph 5(d) above) is \$27.1 million. This represents a decrease of \$2.5 million (or 8.4%) over the 2017-18 Revised Estimate. It is mainly due to an estimated decrease in departmental expenses.

11. The total provision sought under Head 143 (paragraph 5(e) above) is \$652.8 million. This represents an increase of \$56.3 million (or 9.4%) over the 2017-18 Revised Estimate. It is mainly due to increased salary provision for 13 additional posts in 2018-19, and estimated increase in departmental expenses and training expenses. The increase in training expenses is mainly for enhancement of training for civil servants.

12. The total provision sought under Head 174 (paragraph 5(f) above) is \$33.8 million. This represents an increase of \$1.0 million (or 3.0%) over the 2017-18 Revised Estimate. It is mainly due to the increase in general departmental expenses and the proposed creation of three posts in 2018-19 to prepare for the next round of pay surveys, partly offset by reduced requirement for salary payments due to staff changes.

Advice Sought

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

Civil Service Bureau
March 2018

Changes in Civil Service Establishment by Bureaux/Departments in 2018-19

Bureau / Department / Organisation	Change in Establishment
Agriculture, Fisheries and Conservation Department	+ 102
Architectural Services Department	+ 47
Audit Commission	+ 5
Auxiliary Medical Service	-
Buildings Department	+ 125
Census and Statistics Department	+ 7
Chief Executive's Office	-
Chief Secretary and Financial Secretary's Offices	- 45
Civil Aid Service	+ 2
Civil Aviation Department	+ 82
Civil Engineering and Development Department	+ 91
Civil Service Bureau	+ 13
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	+ 26
Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	-
Companies Registry	+ 28
Constitutional and Mainland Affairs Bureau	+ 7
Correctional Services Department	+ 66
Customs and Excise Department	+ 766
Department of Health	+ 183
Department of Justice	+ 79
Development Bureau (Planning and Lands Branch)	+ 18
Development Bureau (Works Branch)	+ 10
Drainage Services Department	+ 58
Education Bureau	+ 117
Electrical and Mechanical Services Department	+ 104
Environment Bureau	-
Environmental Protection Department	+ 211
Financial Services and the Treasury Bureau (Financial Services Branch)	+ 10
Financial Services and the Treasury Bureau (The Treasury Branch)	+ 3
Fire Services Department	+ 383
Food and Environmental Hygiene Department	+ 107

Bureau / Department / Organisation	Change in Establishment
Food and Health Bureau (Food Branch)	+ 4
Food and Health Bureau (Health Branch)	+ 43
Government Flying Service	+ 11
Government Laboratory	-
Government Logistics Department	+ 3
Government Property Agency	-
Highways Department	+ 153
Home Affairs Bureau	+ 20
Home Affairs Department	+ 125
Hong Kong Monetary Authority	- 3
Hong Kong Observatory	+ 17
Hong Kong Police Force	+ 1 057
Hospital Authority	- 146
Housing Authority	+ 251
Immigration Department	+ 824
Independent Commission Against Corruption	+ 6
Information Services Department	+ 5
Inland Revenue Department	+ 37
Innovation and Technology Bureau	+ 120
Innovation and Technology Commission	+ 50
Intellectual Property Department	+ 3
Invest Hong Kong	+ 1
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	+ 3
Judiciary	+ 37
Labour and Welfare Bureau	+ 7
Labour Department	+ 139
Land Registry	+ 5
Lands Department	+ 378
Legal Aid Department	+ 3
Legal Aid Services Council	-
Leisure and Cultural Services Department	+ 242
Marine Department	+ 9
Office for Film, Newspaper and Article Administration	+ 1
Office of the Communications Authority	+ 12
Office of the Government Chief Information Officer	+ 16
Official Receiver's Office	+ 31
Overseas Economic and Trade Offices	+ 7

Bureau / Department / Organisation	Change in Establishment
Planning Department	+ 50
Post Office	-
Public Service Commission Secretariat	-
Radio Television Hong Kong	+ 7
Rating and Valuation Department	+ 18
Registration and Electoral Office	+ 3
Secretariat, Commissioner on Interception of Communications and Surveillance	-
Security Bureau	+ 33
Social Welfare Department	+ 292
Trade and Industry Department	+ 6
Transport and Housing Bureau (Transport Branch)	+ 2
Transport Department	+ 122
Treasury	+ 2
University Grants Committee	+ 9
Vocational Training Council	- 1
Water Supplies Department	+ 83
Working Family and Student Financial Assistance Agency	- 2
Total	+ 6 700