

**LegCo Panel on Public Service**  
**Supplementary Note on Containing the Size of the Civil Service**

**Purpose**

This note provides supplementary information in response to Members' enquiries raised at the Panel meeting on 18 February 2002 arising from the discussion on 'Containing the Size of the Civil Service'.

**Saving in Civil Service Salaries**

2. Through a series of initiatives on business re-engineering, staff re-deployment, outsourcing and the launch of the Voluntary Retirement Scheme, the civil service establishment has been reduced from an estimate of 198,000 in March 2000 to 184,280 as at 1 January 2002. Having discounted the pay rise and salary increment, the expenditure on civil service salaries in 2001/02 will have been reduced by \$1.43 billion as compared with that of 1999/2000.

***Non-Civil Service Contract Staff***

3. The Non-Civil Service Contract (NCSC) Staff Scheme was introduced in January 1999 to replace the arrangements for the employment of temporary staff on part-time or short-term basis. In 1998/99, a total of 13,931 temporary staff (comprising 11,244 on full-time basis and 2,506 on part-time basis) were engaged by Heads of Department (HoD). The NCSC Staff Scheme enables HoD to engage contract staff outside the Civil Service on fixed-term contracts up to 3-years to meet service needs which are part-time, short-term or under review. As the length of contracts of NCSC staff varies from weeks to 3 years, the number of NCSC staff fluctuates from time to time during a particular year. The Civil Service Bureau does not keep statistics of the total number of NCSC staff engaged by HoD on an annual basis. Departments are asked to provide statistics as at 30 June and 31 December each year. The number and profile of NCSC staff engaged as at 31 December of 1999, 2000 and 2001 are at *Annex A*.

4. In outsourcing, government departments usually specify the standard of service, nature of assignments and expected requirements to be delivered by contractors. They do not necessarily specify in contracts the number of employees to be engaged by contractors. We therefore do not have statistics on the number of employees employed by government contractors in outsourcing.

### **Wastage of the Civil Service**

5. Statistics on retirement and natural wastage of the Civil Service between 1997/98 and 2000/01 are set out in *Annex B*. It ranged from 2% to 3.7% during the period.

### **Socio-economic Statistics for Hong Kong**

6. Statistics in respect of the population, Gross Domestic Product (GDP), civil service establishment and emoluments of Hong Kong since 1987 are set out in *Annexes C* and *D* respectively. Members may wish to note that –

- (a) the civil service establishment has remained stable despite the population has increased by 20% since 1987; and
- (b) the percentage of civil service emoluments as compared with the government expenditure remains broadly consistent in the region of between 20-22% since 1997.

### Employment of Non-Civil Service Contract (NCSC) Staff

#### No. of NCSC Staff <sup>(1)</sup>

Nature of Employment	31 Dec 1999	31 Dec 2000	31 Dec 2001
No. of Full-time Staff	N.A.	6,635	11,244
No. of Part-time Staff		2,410	2,506
<b>Total</b>	<b>4,695</b>	<b>9,045</b>	<b>13,750</b>

#### Duration of contract

Period	31 Dec 1999	31 Dec 2000	31 Dec 2001	
			Full-time	Part-time
Less than 1 year	N.A.		3,113	919
1 to less than 2 years			5,629	1,380
2 to 3 years			2,502	207
<b>Total</b>	<b>4,695</b>	<b>9,045</b>	<b>11,244</b>	<b>2,506</b>

#### Salary Range <sup>(2)</sup>

Monthly Salary	31 Dec 1999
Below \$15,160	3,981
\$15,160 – \$46,485	682
\$46,486 or above	32
<b>Total</b>	<b>4,695</b>

Monthly Salary	31 Dec 2000	31 Dec 2001
	Full-time	Full-time
Below \$16,000	5,117	9,162
\$16,000 – \$49,999	1,485	1,984
\$50,000 or above	33	98
<b>Total</b>	<b>6,635</b>	<b>11,244</b>

#### Notes:

- (1) NCSC staff refer to those employed under Civil Service Bureau Circulars No. 2/99 and 2/2001. The figures also include temporary staff employed by departments before the introduction of NCSC Staff Scheme in January 1999.
- (2) Most of the part-time NCSC staff are remunerated on hourly rates. Their salaries hence vary with the hourly rates and the number of working hours in a particular month.

### Wastage in the Civil Service

Source (wastage against)	1997/98	1998/99	1999/2000	2000/01
Retirement <sup>(1)</sup>	3,625	1,728	2,552	2,073
Early retirement under Voluntary Retirement Scheme <sup>(2)</sup> and Housing Department's Voluntary Departure Scheme	-	-	-	2,072
Others <sup>(3)</sup>	3,348	2,113	2,197	1,690
<b>Total</b>	<b>6,973</b>	<b>3,841</b>	<b>4,749</b>	<b>5,835</b>
Civil service establishment as at 1 April of the year	191,824	194,037	197,241	195,226
Wastage rate against civil service establishment	3.7%	2%	2.4%	3%

*Notes:*

- (1) Include normal retirement, early retirement, re-employment after retirement without a break in service.
- (2) As at 28 February 2002, about 9,380 applications for retirement under the Voluntary Retirement Scheme were approved. 85% or about 8,000 successful applicants had been released from duties by end 2001. These officers will be struck off strength upon exhaustion of pre-retirement leave.
- (3) Include compulsory retirement, invaliding and abolition of office, resignation, completion of agreement, death, dismissal, termination of service, completion of apprenticeship, resolution of agreement by mutual consent and completion of re-employment on month-to-month terms.

**Statistics on Population and Civil Service Establishment  
in Hong Kong since 1987**

<b>Year</b>	<b>Mid-year Population (million)<sup>(1)</sup></b>	<b>Civil Service Establishment<sup>(2)(3)</sup></b>
1987	5.58	186,114
1988	5.62	191,908
1989	5.68	198,054
1990	5.70	198,245
1991	5.75	201,356
1992	5.80	193,037
1993	5.90	189,176
1994	6.03	187,686
1995	6.15	188,338
1996	6.43	190,451
1997	6.48	191,824
1998	6.54	194,037
1999	6.60	197,241
2000	6.66	195,226
2001	6.72	187,375
<b>Change Since 1987</b>	<b>+ 20%</b>	<b>+0.7%</b>

*Notes:*

- (1) Mid-year population refers to the position as at 30 June of the year.
- (2) Civil service establishment refers to the position as at 1 April of the year.
- (3) The civil service establishment is 184,280 as at 1 January 2002.

**Statistics on Gross Domestic Product,  
Government Expenditure and Civil Service Emoluments  
in Hong Kong since 1987**

<b>Year</b>	<b>Gross Domestic Product <sup>(1)</sup> (\$billion)</b>	<b>Civil Service Emoluments<sup>(1)(2)</sup> (% of government expenditure)<sup>(3)</sup> (\$billion)</b>
1987	384	13.50 (29.8%)
1988	455	15.83 (29.7%)
1989	523	18.96 (27.8%)
1990	582	23.44 (29.6%)
1991	668	25.27 (28.0%)
1992	779	25.82 (24.1%)
1993	897	28.70 (21.4%)
1994	1,010	32.08 (22.4%)
1995	1,077	34.83 (21.6%)
1996	1,191	37.40 (21.5%)
1997	1,323	40.11 (20.7%)
1998	1,259	44.09 (20.2%)
1999	1,227	46.49 (21.7%)
2000	1,267	50.50 (22.5%)
2001	1,263	52.18 (21.8%)

*Notes:*

- (1) Figures on Gross Domestic Product and civil service emoluments are at current market prices.
- (2) Civil service emoluments cover salaries and allowances of civil servants working in Government departments, bureaux and offices which are funded under the General Revenue Account on a financial year basis (i.e. figures on 2001 refers to those in the financial year of 2001/02). They exclude salaries and allowances on civil servants seconded to subvented organizations, Trading Funds and the Housing Authority.
- (3) Government Expenditure includes all expenditures under the General Revenue Account (i.e. Personal Emoluments, Personnel Related Expenses, Departmental Expenses, Other Charges, Subventions, Capital Account), Capital Works Reserve Fund, Loan Fund, and Innovation and Technology Fund. Revenues and expenditures for Trading Funds and Housing Authority are not included because they are financial autonomous and meet their costs, including staff costs, through their own resources.

