

Legislative Council Panel on Public Service

Meeting on 28 February 2006

**Civil Service-related Issues in the
Budget Speech 2006-07**

Purpose

This paper informs Members of the civil service-related issues in the Budget Speech 2006-07.

Background

2. The Financial Secretary delivered his Budget Speech 2006-07 on 22 February 2006 and reaffirmed his targets to keep fiscal accounts in balance and the share of public expenditure in Gross Domestic Product at 20 per cent or below over the next few years. He appreciated the civil service for realising the various savings initiatives which helped to achieve lower expenditure than in the preceding year. As far as civil service matters are concerned, paragraph 62 of the Budget Speech gives an update on the progress of reducing the civil service establishment.

Reducing the Civil Service Establishment

3. In his 2003 Policy Address, the Chief Executive announced the target to reduce the civil service establishment to around 160 000 by 2006-07.

To facilitate the implementation of this initiative, in addition to relying on natural wastage, we introduced a series of measures, including the Second Voluntary Retirement Scheme, a general civil service recruitment freeze, reengineering and reorganization, as well as redeployment of staff. As a result of these measures, we continue to make progress on this front. The civil service establishment has been reduced from some 165 000 in March 2005 to about 162 800 at present. This represents a reduction of over 17% from the peak of 198 000 at the beginning of 2000.

4. We anticipate that the establishment will be reduced by another 900 to around 161 900 by March 2007. We have been monitoring the staffing situation closely with bureaux and departments through the preparation of manpower plans. In the course of streamlining the civil service, we shall continue to maintain a professional, stable and motivated civil service.

Way Forward

5. Members are invited to note the above progress. A more detailed account of the establishment position of the civil service is provided in a separate paper entitled “Civil Service Establishment and Related Matters” submitted to the Panel. We shall continue to work closely with bureaux/departments to contain the size of the civil service establishment.

Civil Service Bureau

February 2006