

Legislative Council Panel on Public Service

Civil Service Establishment and Related Matters

PURPOSE

This paper updates Members on the progress of reducing the civil service establishment and related matters.

LATEST POSITION OF CIVIL SERVICE ESTABLISHMENT

2. The Chief Executive has reiterated in his 2005-06 Policy Address the goal set by the Government in 2003 to reduce the civil service establishment to around 160 000 by end of 2006-07. Through the launching of the Second Voluntary Retirement Scheme (VR II) in 2003, imposition of a general civil service recruitment freeze since 1 April 2003, natural wastage and continuous efforts by bureaux and departments to streamline and re-engineer their operations and mode of service delivery, the total civil service establishment will be reduced to around 162 800 by 31 March 2006¹. According to the latest projection, it will be further reduced to around 161 900 by 31 March 2007, which represents a reduction of about 36 000 posts (about 18%) in seven years from the peak of 198 000 posts in early 2000. No forced redundancy has been and will need to be implemented in order to contain the size of the civil service establishment to the target set for 2006-07.

OTHER RELATED MATTERS

Second Voluntary Retirement Scheme

3. In March 2003 we launched the VR II under which staff of 229

¹ Including 1 616 judicial officers, ICAC officers and locally engaged staff in Hong Kong Economic and Trade Offices.

designated grades with identified or anticipated staff surplus could apply to leave the civil service voluntarily with pension benefits and compensation. About 5 300 officers were approved to retire under the scheme. All of them have either retired or are taking their final leave before retirement. As a general rule, a post will be deleted upon the departure of every VR taker.

Targeted VR Schemes

4. We have already launched two rounds of service-wide VR scheme in 2000 and 2003 respectively to reduce the size of the civil service. While we have no plan to launch a third round, we remain open to the possibility of implementing targeted VR schemes for specific grades or ranks should this be considered useful to deal with a likely sizeable surplus staff situation in these grades and ranks, having regard to the particular circumstances in the concerned grades and departments. As a general principle, any proposed compensation under such schemes will not be more generous than that under VR II.

5. Since 2004, targeted VR schemes have been launched by a number of bureaux and departments. Housing Department launched a Voluntary Exit Scheme in July 2004 for surplus staff arising from the divestment of its retail and car-parking facilities. Education and Manpower Bureau has launched an Early Retirement Scheme for various teaching grades since 2005. The Office of Government Chief Information Officer will soon launch a Targeted VR Scheme for the Computer Operator Grade. A table showing the number of applications approved in the targeted schemes up to end-January 2006 is at **Annex A**.

Implementation of general recruitment freeze

6. In support of the initiative to reduce the civil service establishment to around 160 000 by 2006-07, we have imposed a general recruitment freeze to the civil service with effect from 1 April 2003. This is on top of the five-year recruitment freeze imposed on those grades included in either one of the two rounds of service-wide VR Scheme (VR grades).

7. Where operational needs so warrant, bureaux and departments may apply for exemption from the general recruitment freeze from a Panel co-chaired by the Chief Secretary and the Financial Secretary with the Secretary for the Civil Service as member (the Panel). Applications are considered by the Panel on a

case-by-case basis and exemption will only be granted subject to the following major criteria being met –

- (a) there are strong operational grounds to fill the vacancies failing which the provision of essential services to the public will be affected;
- (b) financial provision will be made available to meet the staff costs;
- (c) the service needs cannot be delivered through other alternative means;
- (d) the service needs must be provided by permanent civil servants and the vacancies cannot be filled in-house by re-deployment, promotion, or in-service appointment, etc; and
- (e) the proposed size of intake is the minimum required.

8. As at 31 January 2006, the Panel has granted exceptional approval for 19 bureaux and departments to conduct open recruitment to fill 4 223 posts, among which 4 052 (96%) posts are in the disciplined services departments. A breakdown of the posts approved for open recruitment is provided at **Annex B**. Applications are submitted to the Panel for consideration as and when received. In the case of the disciplined services departments, given the large intake required each year, these departments generally seek approval from the Panel for an annual quota of posts for open recruitment. This arrangement enables the departments to better synchronise the recruitment process and time required for training of new recruits with the filling of vacancies as they arise during the year. We will keep under review the continued need for the recruitment freeze in the light of the progress made in the reduction of the civil service establishment.

Surplus staff

9. In the process of working out the manpower plans since 2003, some departments indicated that they might have surplus staff in the following years due to mismatch of duties. To optimize the use of human resources, we have established a clearing house mechanism to redeploy surplus staff to take up time-limited work. For example, we have redeployed 555 staff from 59 bureaux and departments to the Immigration Department for the Smart Identity Card Replacement Exercise in July 2003 for four years. The staff are mainly deployed to work in the nine Smart

Identity Card Centres, providing frontline service such as registration, verification and input of applicants' particulars, allocating waiting quotas, maintaining order in the waiting hall, taking fingerprints and photographs, answering enquires and providing office administrative support. We will continue to identify opportunities to redeploy surplus staff to take up time-limited work.

10. We have also tightened the control over the employment of Non-Civil Service Contract (NCSC) staff since 1 June 2004 in the light of the surplus situation in the clerical and secretarial grades. Departments which have identified the need to employ new NCSC staff for certain duties should first seek the assistance of the Director of General Grades for the deployment of suitable civil servants from other departments. Such duties include those traditionally performed by clerical and secretarial grades, and those requiring only general skills which may be acquired readily through simple or reasonable re-training of serving clerical and secretarial officers. Recruitment of NCSC staff will only be allowed if the need cannot be met in part or in full by such deployment. Since the implementation of this measure, 342 surplus staff have been redeployed to take on time-limited jobs through the clearing house mechanism in various departments which originally planned to employ NCSC staff.

WAY FORWARD

11. We remain committed to containing the size of the civil service, and will continue to improve efficiency through re-engineering, computerization, etc. However, with the increasing demands arising from new service needs and in order to maintain the quality of the public service, we see little leeway to further reduce the civil service establishment to below 160 000 after 2006-07.

12. At present, the actual number of civil servants already stands far below 160 000 at around 157 000. To meet the manpower requirements arising from new policy initiatives and other operational needs, there will be a need to recruit civil servants to fill existing vacancies in the coming years. Some of the posts to be filled may belong to grades included in the VR II, which are subject to a recruitment freeze until March 2008. However, due to new circumstances and developments which have arisen following implementation of VR II and which could not be foreseen at the time of designating a grade as a VR grade (e.g. the establishment of new Economic and Trade Offices, and the outbreak of SARS, dengue fever, Japanese B Encephalitis,

avian flu, etc., which calls for a strengthening of the public health system and food safety control framework), there may be a need to apply some flexibility to allow recruitment for certain VR grades prior to the expiry of the recruitment freeze in 2008. We are currently examining the justifications for and feasibility of allowing a limited number of VR grades to resume open recruitment. We will consult Members when we have completed our examination.

Civil Service Bureau
February 2006

Targeted VR Schemes launched as at 31 Jan 2006

Target group	Launch date	No. of applications approved
Surplus staff in 17 grades (e.g. Housing Manager, Estate Surveyor, Maintenance Surveyor, Building Service Engineer, etc.) arising from the divestment of retail and car-parking facilities under the Housing Authority	July 2004	72
Teachers in Government primary / secondary schools and teaching resource centres (Primary School Master / Mistress and Certificated Master / Mistress grades)	April 2005	74
Teachers in Government secondary schools (Education Officer grade)	Jan 2006	Applications are being received

**Posts Exceptionally Approved for Open Recruitment
(Position up to 31 January 2006)**

Bureau/ Department	Rank	No. of posts approved (between 1 April 2003 and 31 January 2006)
Agriculture, Fisheries and Conservation Department	Forestry Officer	4
	Veterinary Officer	
	Fisheries Officer	
Civil Aviation Department	Senior Operations Officer (Senior Operations Inspector)	15
	Senior Operations Officer (Airworthiness)	
	Student Air Traffic Control Officer	
Civil Service Bureau	Administrative Officer	100
Commerce, Industry and Technology Bureau	Government Chief Information Officer	1
Correctional Services Department	Assistant Officer II	320
	Officer	
	Industrial Officer	
	Instructor	
	Clinical Psychologist	
	Technical Instructor	
Customs & Excise Department	Inspector of Customs & Excise	306
	Customs Officer	
Department of Justice	Government Counsel	15
Financial Secretary's Office	Government Economist	3
	Economist	
Fire Services Department	Station Officer	640
	Fireman	
	Ambulance Officer	
	Ambulanceman	
Food and Environmental Hygiene Department	Veterinary Officer	21
	Scientific Officer (Medical)	

Bureau/ Department	Rank	No. of posts approved (between 1 April 2003 and 31 January 2006)
	Pest Control Officer/ Assistant Pest Control Officer	
	Pest Control Assistant/ Student Pest Control Assistant	
Government Flying Services	Cadet Pilot	8
Hong Kong Observatory	Scientific Officer	1
Hong Kong Police Force	Chief Inspector of Police (Specialist)	2 431
	Inspector of Police	
	Police Constable	
Hongkong Post	Assistant Postmaster General (Business Development)	1
Immigration Department	Immigration Officer	347
	Immigration Assistant	
Intellectual Property Department	Solicitor	6
Judiciary	Judiciary Administrator	2
	Chief Steward	
Office of the Commissioner of Insurance	Assistant Commissioner of Insurance (Long Term Development)	1
University Grants Committee	Secretary-General, University Grants Committee	1
Total: 19	40	4 223