

**Speech by Mr LAM Woon-kwong, Secretary for the Civil Service
at the Special Meeting of the Finance Committee on 23 March 2000**

Mr Chairman,

The Financial Secretary announced in his budget speech that we had to strictly control the size of the Civil Service in the coming three years. The target is to reduce 10 000 posts in the Civil Service establishment, about 5 per cent of the present establishment, by 2003. This will bring the number of civil servants back to the 1995 level. The population of Hong Kong at that time is projected to be greater than that of 1995 by about 1 million. In order to maintain the standard and quality of the government's service, we must continue to strive for raising the productivity of the Civil Service.

To achieve the objective of reducing the establishment, we will require all departments to delete their existing vacancies and to provide service through contracting out or alternative means. Departments have to furnish full justifications if they consider it necessary to retain part of their vacancies. We will also require departments to devise medium-term manpower plans and to review their establishment in order to cope with service demands. We will continue to freeze Civil Service recruitment in the next financial year but departments can still apply for exemption in view of special circumstances. The Secretary for the Treasury and I will vet applications for retention of vacant posts and scrutinise the need to recruit for essential services. We will soon issue detailed guidelines on procedures and mechanism to control the Civil Service establishment to departments. I wish to emphasize that while the Civil Service establishment is being reduced, we will ensure that the level and quality of government service can be maintained.

Last year, we have established the clearing house mechanism to assist departments to match surplus staff with staffing needs through redeployment. We are going to further strengthen it this year. The staff for re-deployment will be provided with suitable training to cater for flexible deployment and to increase productivity. We will work out shortly the voluntary retirement scheme to assist departments to reduce manpower. We need to consult the Staff Sides further before finalising details.

In the coming financial year, the resources requested by Civil Service Bureau and departments under its charge, apart from the general expenses, are mainly deployed to the following -

- We request for provision to create up to 202 posts of varying duration in the central reserves. The creation of the posts is to facilitate the temporary deployment of staff released from the re-organisation of municipal services and other efficiency initiatives in bureaux and departments to work in other bureaux and departments.
- We request for increasing provision for recruiting expenses and Civil Service examinations. This is mainly required for meeting the expenditure on outsourcing of medical examination services on recruitment. However, as we have now decided to freeze recruitment in the following year, save in some special situations, we expect that the expenses will be substantially reduced.
- We have commissioned a consultancy study on the design and implementation of a Civil Service Provident Fund scheme. The consultancy study is to be undertaken in two stages: Stage 1 - study and design will be completed by mid-2000; Stage 2 - implementation study will take another four months.
- We will set up an independent disciplinary secretariat to process disciplinary cases. The secretariat will be staffed by a team of officers with relevant experience. At the same time, a dedicated pool of officers who are experienced in disciplinary matters has been set up to serve as potential adjudicating panel members. Our aim is to be more efficient and consistent in processing disciplinary cases.

We believe that through the various proposals of the Civil Service Reform and the control on the Civil Service establishment, the government will be able to reduce gradually public sector expenditure and to achieve the long term goal of “Scaling new height”.

Thank you.