

**Legislative Council Panel on Public Service  
Meeting on 21 March 2005**

**Civil Service-related Issues in the  
Budget Speech 2005-06**

**Purpose**

This paper informs Members of the civil service-related issues in the Budget Speech 2005-06.

**Background**

2. The Financial Secretary delivered his Budget Speech 2005-06 on 16 March 2005. He recognizes that the civil service has taken various steps, including reduction in the civil service establishment, adjustments to civil service pay, reprioritization of service provision, structural reorganization and streamlining of procedures, to assist the Government to reduce operating expenditure. The civil service has shown the flexibility to try new approaches and has striven to reduce expenditure while maintaining a quality service. On civil service matters, para 87 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, aside from relying on natural wastage, we have introduced a series of measures, including the Second Voluntary Retirement Scheme, a general civil service recruitment freeze, internal redeployment and reorganization. We are making steady progress on this front. The civil service establishment has been reduced from some 170,600 in March 2004 to about 166,000 at present. This represents a reduction of some 16% from the peak of 198,000 in early 2000.

4. We anticipate that the establishment will be reduced by another 2,700 to around 163,300 by March 2006. 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. We shall continue to brief the Panel of the latest progress in implementing this initiative from time to time.

Civil Service Bureau  
March 2005