

## **NOTE FOR FINANCE COMMITTEE**

### **Resumption of Open Recruitment for Selected Grades Included in the Second Voluntary Retirement Scheme**

#### **PURPOSE**

This paper informs Members of the implementation of a modified arrangement to the 5-year recruitment freeze imposed on grades included in the Second Voluntary Retirement (VR II) Scheme. The modified arrangement is applicable to selected grades to meet new essential service needs and to alleviate manpower planning problems.

#### **BACKGROUND**

##### **VR II Scheme and general civil service recruitment freeze**

2. To facilitate a reduction of the civil service establishment and to bring about long-term savings to the Government, the VR II Scheme<sup>1</sup> was introduced in 2003 and covered a total of 229 grades. To safeguard the integrity of the Scheme, we have imposed a 5-year open recruitment freeze (from March 2003 to March 2008) on all the ranks in the VR grades (even if only one or some of the ranks of a grade are included in the Scheme).

3. Separate from the VR II Scheme, we have also imposed a general civil service open recruitment freeze since 1 April 2003<sup>2</sup> but allowed exemption from this freeze on a case-by-case basis subject to the approval of a Panel co-chaired by the Chief Secretary for Administration and the Financial Secretary (the CS/FS Panel). This exemption arrangement however does not apply to VR grades.

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<sup>1</sup> Some 5 300 applications were approved under the VR II Scheme.

<sup>2</sup> The general recruitment freeze is implemented in parallel with the 5-year recruitment freeze on VR grades. No end date has been specified for the general recruitment freeze.

**The need for open recruitment**

4. Some departments and grade management have raised concern about staff shortage and consequential succession planning problem due to new responsibilities stemming from initiatives in the 2005-06 Policy Address and unanticipated wastage. While we consider it necessary to continue to ensure that the integrity of the VR II Scheme is not compromised, we also acknowledge there is a need to alleviate the severe manpower shortage problem in a few areas due to the open recruitment freeze arrangement on VR grades. We consider that this arrangement should be moderated on a limited basis for selected VR grades, having regard to the following main considerations –

- (a) whether there have been any material changes in circumstances that were unforeseeable when bureaux and departments drew up the lists of VR grades (e.g. subsequent demand for provision of new essential services or unexpected wastage after implementation of the VR II Scheme);
- (b) whether funding has been allocated for the creation of new posts; and
- (c) whether in-service recruitment has failed to or is unlikely to fully meet the shortfall.

5. Separately, there are 30 VR grades the entry ranks of which were not included in the VR II Scheme (e.g. Amenities Assistant III) because they were not projected to face a surplus situation, but are subject to the 5-year open recruitment freeze for VR grades because one or more of the higher ranks in these grades were included in the Scheme. We consider that, as a matter of principle, these entry ranks should be excluded from this rule. Instead, they should come under the general civil service open recruitment freeze and the concerned bureaux and departments should be allowed to seek exemption from the freeze on a case-by-case basis from the CS/FS Panel.

**MODERATION OF THE 5-YEAR OPEN RECRUITMENT FREEZE ARRANGEMENT FOR VR GRADES**

6. For the reasons set out in paragraph 4 above, we have obtained the approval of the Executive Council to moderate the 5-year open recruitment freeze arrangement for VR grades so as to allow a very limited number of VR grades to conduct open recruitment ahead of the expiry of the freeze in March 2008. To ensure only the most justified cases will be exempted from the recruitment freeze, the CS/FS Panel will also consider applications from VR grades, taking into account the following parameters –

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- (a) there have been material changes in circumstances which were unforeseeable when bureaux and departments drew up the lists of VR grades (e.g. new essential service needs or unexpected wastage after implementation of the VR II Scheme);
- (b) in-service recruitment has failed to recruit sufficient number of staff, or in-service recruitment is unlikely to offer sufficient candidates with the required entry qualifications;
- (c) funding is available to cover the recurrent costs of the new intake following open recruitment;
- (d) the service needs and manpower shortfall must be met by civil servants and not by other alternatives; and
- (e) the Government's overall plan to reduce the civil service establishment will not be adversely affected by the new intake from open recruitment.

Encl.

7. For the reason set out in paragraph 5 above, the Executive Council has also agreed to exclude the non-VR entry ranks of all 30 VR grades from the coverage of the 5-year open recruitment freeze. A list of these grades is at Enclosure. The bureaux and departments concerned may apply to the CS/FS Panel for exempting these entry ranks from the general civil service recruitment freeze. Their applications will be subject to the normal criteria for exempting non-VR grades from the general recruitment freeze<sup>3</sup>.

8. We have consulted the Legislative Council Panel on Public Service on the modified arrangements at the meeting on 20 April 2006 and obtained Members' support.

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<sup>3</sup> Exemption from the general civil service recruitment freeze will be granted under exceptional circumstances to non-VR grades, subject to the following general criteria and any other special considerations –

- (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 must be provided by permanent civil servants;
- (d) 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 and will not compromise the overall plan to reduce the civil service establishment.

**VR GRADES APPROVED TO CONDUCT OPEN RECRUITMENT**

9. The CS/FS Panel has considered and approved applications from bureaux and departments to conduct open recruitment to fill a total of 156 vacancies in 2006-07 and five vacancies in 2007-08 for six VR grades as follows –

- (a) 119 Health Inspector posts in 2006-07 and three Health Inspector posts in 2007-08 in the Food and Environmental Hygiene Department (FEHD);
- (b) two Chemist posts in 2006-07 in FEHD;
- (c) seven Science Laboratory Technician posts in 2006-07 in FEHD;
- (d) four Air Crewman Officer posts in 2006-07 and two Air Crewman Officer posts in 2007-08 in the Government Flying Service;
- (e) two Auditor posts in 2006-07 in the Audit Commission; and
- (f) 22 Trade Officer posts in 2006-07 in the Commerce, Industry and Technology Bureau.

10. There is an imminent need to conduct open recruitment to fill the above stated posts in order to –

- (a) implement new policy initiatives in the 2005-06 Policy Address such as enhancement of food safety control (Health Inspector, Chemist and Science Laboratory Technician) and setting up of new Economic and Trade Offices (Trade Officer); or
- (b) provide essential public services (Air Crewman Officer and Auditor).

**FINANCIAL IMPLICATIONS**

11. Resuming open recruitment for VR grades before the expiry of the 5-year recruitment freeze will have some limited impact on the savings achieved by the VR II Scheme. Assuming that all the staff recruited in 2006-07 and 2007-08 will report for duty on 1 September 2006 and 1 April 2007 respectively, the additional salary costs incurred up to 20 March 2008 (the last day of the recruitment freeze imposed on VR grades) is estimated to be about \$48.5 million. The total salary savings achieved by the VR II Scheme from 1 September 2006 to 20 March 2008 is about \$2.9 billion should there be no open recruitment of VR grades.

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**VR grades the entry ranks of which were not included in  
the VR II Scheme**

1. Agricultural Officer
2. Air Traffic Flight Services Officer
3. Amenities Assistant
4. Building Services Engineer
5. Building Surveyor
6. Cartographer
7. Electrical and Mechanical Engineer
8. Electrical Inspector
9. Engineer
10. Estate Surveyor
11. Fisheries Supervisor
12. Force Welfare Officer
13. Foreman
14. Geotechnical Engineer
15. Intellectual Property Examiner
16. Land Surveyor
17. Landscape Architect
18. Maintenance Surveyor
19. Occupational Hygienist
20. Occupational Therapist
21. Photographer
22. Physiotherapist
23. Planning Officer
24. Quantity Surveyor
25. Specialist (Education Services)
26. Structural Engineer
27. Telecommunications Engineer
28. Town Planner
29. Valuation Surveyor
30. Workshop Instructor

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