

**Legislative Council Panel on Public Service
Meeting on 11 March 2008**

**Civil Service-related Issues
featuring in the 2008 Budget Speech**

Purpose

This paper informs Members of the civil service-related issues featuring in the 2008-2009 Budget Speech.

Background

2. The Financial Secretary delivered the Budget Speech 2008-09 on 27 February 2008. Paragraph 188 of the Speech therein gives an update on the size of the civil service establishment and the resumption of open recruitment into the civil service. The following paragraphs provide more detailed information on these issues.

Control of the civil service establishment

3. In his 2003 Policy Address, the Chief Executive announced the initiative to reduce the civil service establishment to around 160 000 by 2006-07. Through the implementation of two rounds of service-wide Voluntary Retirement (VR) schemes, the imposition of a general civil service open recruitment freeze, and with the concerted and continuous efforts of bureaux and departments (B/Ds) in reengineering operations, streamlining procedures, and pursuing other modes of service delivery, the target was met in March 2007. At the end of March 2007, the civil service establishment stood at 161 015, representing a reduction of about 18% as compared with the establishment of around 198 000 in early 2000.

4. The Government is committed to continuing to keep the civil service establishment under control in order to maintain a lean and efficient civil service. This is in keeping with the “big market – small government” principle as well as the prudent management of public resources. New civil service posts will only be created when the operational need is fully justified, when the work involved cannot be undertaken by re-deployment of existing staff and when alternative modes of service delivery (e.g. outsourcing or hire of services) are considered infeasible. In view of the increasing demand on public services, we consider it justified to allow a moderate increase of about 1% (about 1 680 posts) in the civil service establishment in 2008-09, i.e. from about 162 830 in end-March 2008 to about 164 500 in end-March 2009.

5. Upon completion of the special review on the employment situation of Non-Civil Service Contract (NCSC) staff in B/Ds, we informed Members in December 2006 that we would gradually phase out some 4 000 NCSC positions as the work involved should more appropriately be performed by civil servants. By the end of March 2008, we estimate around 1 300 NCSC positions will be replaced by filling existing and anticipated vacant civil service posts and newly created civil service posts. In 2008-09, we estimate another 2 500 NCSC positions will be replaced in the same way.

Resumption of open recruitment of civil servants

6. In support of the initiative to reduce the civil service establishment mentioned in paragraph 3 above, we imposed a general open recruitment freeze on the civil service with effect from 1 April 2003. This is on top of the five-year open recruitment freeze imposed on those grades included in the second VR scheme.

7. The general civil service open recruitment freeze was lifted with effect from 1 April 2007, save for those grades included in the second VR scheme. As at the end of 2007, some 50 open recruitment exercises have been conducted and some 1 260 offers of appointment to the civil service have been made.

8. The five-year open recruitment freeze on those grades included in the second VR scheme will end later this month (i.e. 21 March 2008). As reported to Members in December 2007, most of these grades (154 grades) will be allowed to offer appointment to new recruits into the civil service from late March onwards. The remaining and other identified grades (76 grades) may conduct in-service recruitment to fill vacancies. They may also conduct open recruitment if necessary upon the prior approval from the Civil Service Bureau (CSB). This is because these grades either have existing/anticipated surplus staff, or are in a state of obsolescence, or where new intakes normally come from in-service recruitment, etc.

Way Forward

9. The civil service is the backbone of the Government. It contributes to the effective governance and stability of Hong Kong. We are committed to maintaining a permanent, honest, meritocratic, professional and politically neutral civil service. CSB will continue to monitor the staffing situation of individual B/Ds through their annual manpower plans; and work with Controlling Officers to ensure adequate and appropriate manpower is available to implement policy initiatives and meet the community's increasing demand for public services while keeping the size of the civil service establishment under control.

Civil Service Bureau
March 2008