

(Translation)
**Speech by the Secretary for the Civil Service at the
Special Meeting of the Finance Committee in the Legislative Council
on 27 March 2015**

Chairman and Honourable Members,

Of the items relating to civil service expenses in the 2015-16 Draft Estimates of Expenditure, I would like to highlight the following two items.

2. **First, civil service establishment.** The civil service has supported the Government in implementing many new policies and initiatives in a professional and effective manner. We will, on the one hand, continue to encourage bureaux and departments (B/Ds) to enhance efficiency through such measures as internal redeployment, streamlining and re-engineering, and on the other hand, render support to the civil service by strengthening the establishment to cope with additional workload. We will support creation of new civil service posts where operational need is fully justified and when the work involved cannot be undertaken by re-deployment of existing staff or through alternative modes of service delivery.

3. The growth of civil service establishment has been steady at about 1% annually from 2007-08 to 2013-14, followed by an increase of about 1.5% in 2014-15. The 2015-16 Draft Estimates of Expenditure provide for 2 540 additional civil service posts in various B/Ds, representing a year-on-year increase of 1.5% over the 2014-15 Revised Estimates (i.e. 173 908 posts), similar to that of 2014-15. Subject to the approval of the 2015-16 Draft Estimates by the Legislative Council, the civil service establishment is estimated to stand at 176 448 posts at the end of March 2016. The additional posts to be created in 2015-16 are mainly for assisting departments to implement new policy initiatives and improve existing services, such as the implementation of the Low-income Working Family Allowance Scheme, measures to increase land and housing supply as well as arrangements to tie in with the upcoming commissioning of the airport's Midfield Concourse.

4. **Second, financial provisions.** In the 2015-16 Draft Estimates of Expenditure, there are financial provisions under a few Heads of Expenditure which are directly related to the policy area of central management of the civil service. The following items are worthy of note -

- (a) Head 37 Department of Health: Programme 7 “Medical and Dental Treatment for Civil Servants”: a financial provision of \$1,232.4 million is proposed for providing medical and dental services for serving civil servants, pensioners and their eligible dependants at government Families Clinics and dental clinics, as well as for reimbursement of medical fees and hospital charges. For the former, an allocation of \$772.4 million is proposed, representing an increase of \$86.7 million (or 12.6%) over the 2014-15 Revised Estimate. The additional provision is mainly for setting up additional general dental surgeries and the new Families Clinic in Fanling, and procuring additional equipment. With regard to the reimbursement of medical fees and hospital charges, an allocation of \$460 million is proposed, representing an increase of \$58 million (or 14.4%) over the 2014-15 Revised Estimate. The additional provision is to meet an anticipated increase in applications for reimbursement of medical expenses and hospital charges from eligible persons.
- (b) Head 120 Pensions: Programme 1 “Public and Judicial Service Pension Benefits”: an amount of \$28,557.7 million is proposed for pension payments to eligible retired public officers. This represents an increase of \$2,993.9 million (or 11.7%) over the 2014-15 Revised Estimate. The increase is mainly due to an estimated increase in the number of new retirees in 2015-16 and the full-year effect of pension payments to those retiring in 2014-15.

5. Chairman, as the backbone of the Government, the civil service contributes to the stability and continuity of government operation. The Civil Service Bureau will continue to strive to maintain a professional and efficient civil service and encourage civil servants to pursue continuous improvement and do their best to deliver quality services to the public.

6. Chairman, my colleagues and I are pleased to answer questions from Members.