

For discussion
on 18 March 2019

Legislative Council Panel on Public Service
Civil Service-related Matters Featured in the 2019-20 Budget

Purpose

This paper provides the highlights of the civil service-related matters featured in the 2019-20 Budget.

Civil Service Establishment

2. To support the implementation of the policies, initiatives and new measures of the Government and ease the work pressure on civil servants, the civil service establishment was increased by about 3.7% in this financial year. We shall continue to provide departments with additional manpower as appropriate in 2019-20. The civil service establishment is expected to increase by 3 481 posts. This represents a year-on-year increase of about 1.8%, resuming the stable growth level of about 1% to 2% in the past ten years¹. The changes in civil service establishment of bureaux/departments (“B/Ds”) in 2019-20 are set out at **Annex**.

Financial Provisions for Work Related to Management of the Civil Service

3. The 2019-20 Draft Estimates of Expenditure seek the following financial provisions that are directly related to the policy area of management of the civil service –

- (a) Head 37 Department of Health: Programme 7 “Medical and Dental Treatment for Civil Servants”: \$2,111.1 million;
- (b) Head 46 General Expenses of the Civil Service: \$4,106.6 million;
- (c) Head 120 Pensions: Programme 1 “Public and Judicial Service Pension Benefits”: \$39,579.8 million;
- (d) Head 136 Public Service Commission Secretariat: \$27.7 million;

¹ The year-on-year increase of the number of civil servants remained within 0.6% to 1.9% in the past 10 financial years except for 2018-19 in which the increase in civil servants is significantly higher due to the commissioning of three new cross-boundary control points.

- (e) Head 143 Government Secretariat: Civil Service Bureau: \$733.8 million; and
- (f) Head 174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service: \$48.3 million.

4. The provision of \$2,111.1 million sought under Head 37 (paragraph 3(a) above) is for providing medical and dental services for serving civil servants, pensioners and their eligible dependants at Families Clinics and government dental clinics, as well as for payment and reimbursement of medical fees and hospital charges. For the former, an allocation of \$1,010 million is proposed, representing an increase of \$109.1 million (or 12.1%) over the 2018-19 Revised Estimate. The additional provision is mainly for setting up additional specialised dental surgeries and strengthening manpower support for Families Clinics and Dental Clinics to meet service and development needs. The Department of Health will implement two new programmes in Families Clinics in 2019-20, i.e. the “Risk Assessment and Management Programme” for improving the quality of care for patients with diabetes mellitus, and the “Stable Drug Use Pilot Programme” for enhancing drug safety for patients with chronic diseases and stable condition who are required to take multiple types of drugs. Regarding the payment and reimbursement of medical fees and hospital charges, an allocation of \$1,101.1 million is proposed, representing an increase of \$351.1 million (or 46.8%) over the 2018-19 Revised Estimate. The additional provision is mainly for meeting the anticipated increase in applications for reimbursement of medical expenses from eligible persons.

5. The provision sought under Head 46 (paragraph 3(b) above) is mainly for housing allowances, local and overseas education allowances, passages, the Long and Meritorious Service Travel Award Scheme, payments to estates of deceased officers, etc., which represents an increase of \$459.8 million (or 12.6%) over the 2018-19 Revised Estimate.

6. Of the total provision sought under Head 120 (paragraph 3(c) above), an amount of \$38,296.5 million is for pension payments to eligible retired public officers. This represents an increase of \$2,504.5 million (or 7.0%) over the 2018-19 Revised Estimate. The increase is due to an estimated increase in the number of new retirees in 2019-20 and the full-year effect of pension payments to those retiring in 2018-19. As at end-March 2018, the present value of the Government’s liability on pensions was \$964.6 billion.

7. Since 1 June 2000, new recruits to the civil service are employed on terms that attract retirement benefits under either the Mandatory Provident Fund (“MPF”) Scheme or the Civil Service Provident Fund (“CSPF”) Scheme. In the 2019-20 Draft Estimates of Expenditure, a total provision of \$5,534.6 million (under the expenditure heads of individual B/Ds) is sought for contributions to these Schemes. This represents an increase of \$971.2 million (or 21.3%) over the 2018-19 Revised Estimate, mainly due to an estimated increase in the number of new MPF/CSPF members in 2019-20.

8. The total provision sought under Head 136 (paragraph 3(d) above) is \$27.7 million. This represents an increase of \$0.2 million (or 0.7%) over the 2018-19 Revised Estimate. It is mainly due to an estimated increase in departmental expenses.

9. The total provision sought under Head 143 (paragraph 3(e) above) is \$733.8 million. This represents an increase of \$103.5 million (or 16.4%) over the 2018-19 Revised Estimate. It is mainly due to increased salary provision for 25 additional posts in 2019-20, and estimated increase in training expenses and departmental expenses. The increase in training expenses is mainly for enhancing training for civil servants in areas such as innovation, use of new technology, big data analytics and smart city, as well as providing more national studies programmes and exchanges with civil servants from the Mainland and other places.

10. The total provision sought under Head 174 (paragraph 3(f) above) is \$48.3 million. This represents an increase of \$11.1 million (or 29.8%) over the 2018-19 Revised Estimate. It is mainly due to the proposed creation of ten posts in 2019-20 for conducting a grade structure review for the disciplined services.

Advice Sought

11. Members are invited to note the content of this paper.

Civil Service Bureau
March 2019

Changes in Civil Service Establishment by Bureaux/Departments in 2019-20

Bureau / Department / Organisation	Change in Establishment
Agriculture, Fisheries and Conservation Department	+ 36
Architectural Services Department	+ 81
Audit Commission	-
Auxiliary Medical Service	-
Buildings Department	+ 72
Census and Statistics Department	+ 74
Chief Executive's Office	-
Chief Secretary and Financial Secretary's Offices	+ 8
Civil Aid Service	-
Civil Aviation Department	+ 26
Civil Engineering and Development Department	+ 69
Civil Service Bureau	+ 25
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	+ 30
Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	+ 4
Companies Registry	+ 9
Constitutional and Mainland Affairs Bureau	+ 22
Correctional Services Department	+ 33
Customs and Excise Department	+ 186
Department of Health	+ 336
Department of Justice	+ 15
Development Bureau (Planning and Lands Branch)	+ 22
Development Bureau (Works Branch)	+ 140
Drainage Services Department	+ 30
Education Bureau	+ 199
Electrical and Mechanical Services Department	+ 79
Environment Bureau	+ 3
Environmental Protection Department	+ 176
Financial Services and the Treasury Bureau (Financial Services Branch)	+ 1
Financial Services and the Treasury Bureau (The Treasury Branch)	+ 4

Bureau / Department / Organisation	Change in Establishment
Fire Services Department	+ 116
Food and Environmental Hygiene Department	+ 83
Food and Health Bureau (Food Branch)	+ 1
Food and Health Bureau (Health Branch)	+ 28
Government Flying Service	+ 30
Government Laboratory	+ 15
Government Logistics Department	+ 20
Government Property Agency	+ 69
Highways Department	+ 71
Home Affairs Bureau	+ 17
Home Affairs Department	+ 69
Hong Kong Monetary Authority	- 2
Hong Kong Observatory	+ 25
Hong Kong Police Force	+ 179
Hospital Authority	- 135
Housing Authority	+ 90
Immigration Department	+ 60
Independent Commission Against Corruption	+ 18
Information Services Department	+ 3
Inland Revenue Department	+ 36
Innovation and Technology Bureau	+ 4
Innovation and Technology Commission	+ 40
Intellectual Property Department	+ 18
Invest Hong Kong	+ 1
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	+ 10
Judiciary	+ 68
Labour and Welfare Bureau	+ 16
Labour Department	- 18
Land Registry	-
Lands Department	+ 175
Legal Aid Department	+ 12
Legal Aid Services Council	-
Leisure and Cultural Services Department	+ 87
Marine Department	+ 20

Bureau / Department / Organisation	Change in Establishment
Office for Film, Newspaper and Article Administration	-
Office of the Communications Authority	+ 20
Office of the Government Chief Information Officer	+ 23
Official Receiver's Office	+ 20
Overseas Economic and Trade Offices	+ 53
Planning Department	+ 24
Post Office	-
Public Service Commission Secretariat	-
Radio Television Hong Kong	+ 17
Rating and Valuation Department	+ 87
Registration and Electoral Office	+ 30
Secretariat, Commissioner on Interception of Communications and Surveillance	-
Security Bureau	- 14
Social Welfare Department	+ 71
Trade and Industry Department	+ 6
Transport and Housing Bureau (Transport Branch)	+ 11
Transport Department	+ 38
Treasury	+ 13
University Grants Committee	+ 10
Vocational Training Council	- 2
Water Supplies Department	+ 78
Working Family and Student Financial Assistance Agency	+ 90
Total	+ 3 481