

Head 46 — GENERAL EXPENSES OF THE CIVIL SERVICE

Controlling officers: expenditure under this Head will be accounted for as follows:

Permanent Secretary for the Civil Service (Subheads 001, 003, 010, 011, 023, 024, 025, 027, 028, 037 and 041)
 Registrar of Companies (Subhead 006)
 Chief Executive of Hong Kong Monetary Authority (Subhead 008)
 Land Registrar (Subhead 009)
 Director of Accounting Services (Subheads 013, 014, 020, 022, 032, 033, 038, 039 and 040)
 Director-General of Telecommunications (Subhead 081)
 Postmaster General (Subhead 082)
 Director of Electrical and Mechanical Services (Subhead 083)
 Director of Administration (Subhead 084)
 The Ombudsman (Subhead 085)

Estimate 2005–06..... **\$4,676.7m**

Establishment ceiling for Subhead 001 in 2005–06 (notional annual mid-point salary value) representing an estimated 998 non-directorate posts in the operational reserves and central reserves as at 31 March 2005 rising by 295 posts to 1 293 posts as at 31 March 2006 **\$260.3m**

Controlling Officers' Report

Programme

General Expenses of the Civil Service

This programme contributes to Policy Area 26: Central Management of the Civil Service (Secretary for the Civil Service).

Detail

	2003–04 (Actual)	2004–05 (Original)	2004–05 (Revised)	2005–06 (Estimate)
Financial provision (\$m)	4,702.4	4,872.9	4,627.2 (–5.0%)	4,676.7 (+1.1%)
				(or –4.0% on 2004–05 Original)

Aim

2 The aim is to pay for expenditure on terms and conditions of service and other personnel related expenses.

Brief Description

3 The Secretary for the Civil Service is in charge of the central management of the civil service. The Permanent Secretary for the Civil Service and the Director of Accounting Services are responsible for overall resource control of the general expenses of the civil service. These expenses include:

- expenses for recruitment, civil service examinations and operational and central reserves posts;
- allowances under the Home Purchase, Home Financing, Private Tenancy Allowance, Accommodation Allowance, Rent Allowance and Non-accountable Cash Allowance Schemes;
- passage expenses and personal allowances; and
- expenses relating to the relief and welfare of civil servants and pensioners, and various awards and assistance to civil servants.

4 In 2004–05, the Civil Service Bureau consulted staff on the change proposals under phase one of the review of fringe benefit type of civil service allowances.

5 Performance under this programme was generally maintained in 2004 as compared with 2003.

6 The key performance indicators in respect of general expenses of the civil service are:

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Indicators

	2003 (Actual)	2004 (Actual)	2005 (Estimate)
candidates of common recruitment examinations and other examinations conducted by Civil Service Bureau	15 200	25 530	41 625
recipients of long and meritorious service travel award.....	1 833	2 016	1 990
housing benefits			
recipients of home purchase allowance.....	15 391	14 801	15 010
recipients of private tenancy allowance	733	719	720
recipients of home financing allowance.....	7 902	7 518	6 840
recipients of accommodation allowance	102	96	94
recipients of rent allowance	6	8	13
recipients of non-accountable cash allowance	51	65	85
recipients of leave passage allowance.....	1 825	1 758	1 700
students receiving school passage allowance.....	7 193	7 217	7 600
students receiving local education allowance	19 995	20 122	20 810
students receiving overseas education allowance	5 173	5 170	5 640

Matters Requiring Special Attention in 2005–06

7 During 2005–06, the Civil Service Bureau will consult staff on the proposals on the review of civil service allowances after the Court of Final Appeal has delivered judgement on the appeals in respect of the civil service pay reduction legislation.

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ANALYSIS OF FINANCIAL PROVISION

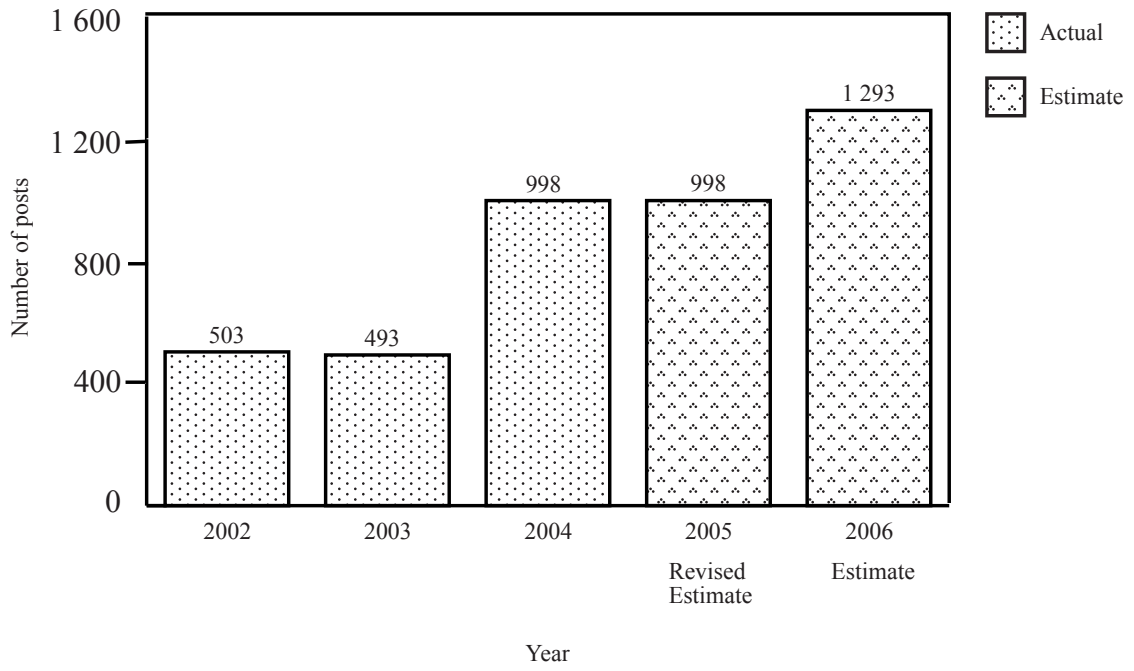
Programme	2003-04 (Actual) (\$m)	2004-05 (Original) (\$m)	2004-05 (Revised) (\$m)	2005-06 (Estimate) (\$m)
General Expenses of the Civil Service	4,702.4	4,872.9	4,627.2 (-5.0%)	4,676.7 (+1.1%)
				(or -4.0% on 2004-05 Original)

Analysis of Financial and Staffing Provision

Provision for 2005-06 is \$49.5 million (1.1%) higher than the revised estimate for 2004-05. This is mainly due to the creation of not more than 369 posts under the central reserves in order to extend the clearing house mechanism to accommodate surplus clerical and secretarial staff centrally redeployed from releasing bureaux and departments to take on time-limited projects in receiving bureaux and departments. These posts will be offset by the deletion of the same number of posts in the releasing bureaux and departments. Another reason for the increase in provision for 2005-06 is the projected increases in the required provision for personal allowances and quartering.

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*Changes in the size of the establishment
(as at 31 March)*



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Sub-head (Code)		Actual expenditure 2003-04	Approved estimate 2004-05	Revised estimate 2004-05	Estimate 2005-06
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
Personal Emoluments					
001	Salaries.....	131,872	191,641	172,951	243,955
003	Recoverable salaries and allowances (General).....				
	<i>Deduct</i> reimbursements..... <i>Cr.1,419</i>	—	—	—	—
006	Recoverable salaries and allowances (Companies Registry Trading Fund).....	103,800			
	<i>Deduct</i> reimbursements..... <i>Cr.103,800</i>	—	—	—	—
008	Recoverable salaries and allowances (Hong Kong Monetary Authority).....	29,357			
	<i>Deduct</i> reimbursements..... <i>Cr.29,357</i>	—	—	—	—
009	Recoverable salaries and allowances (Land Registry Trading Fund).....	133,400			
	<i>Deduct</i> reimbursements..... <i>Cr.133,400</i>	—	—	—	—
081	Recoverable salaries and allowances (Office of the Telecommunications Authority Trading Fund).....	113,000			
	<i>Deduct</i> reimbursements..... <i>Cr.113,000</i>	—	—	—	—
082	Recoverable salaries and allowances (Post Office Trading Fund).....	1,487,000			
	<i>Deduct</i> reimbursements..... <i>Cr.1,487,000</i>	—	—	—	—
083	Recoverable salaries and allowances (Electrical and Mechanical Services Trading Fund).....	1,067,000			
	<i>Deduct</i> reimbursements..... <i>Cr.1,067,000</i>	—	—	—	—
084	Recoverable salaries and allowances (Legal Aid Services Council).....	2,250			
	<i>Deduct</i> reimbursements..... <i>Cr.2,250</i>	—	—	—	—
085	Recoverable salaries and allowances (Office of The Ombudsman).....	—			
	<i>Deduct</i> reimbursements.....	—	—	—	—
	Total, Personal Emoluments.....	<u>131,872</u>	<u>191,641</u>	<u>172,951</u>	<u>243,955</u>
Personnel Related Expenses					
010	Recruiting expenses.....	319	550	550	550
011	Civil service examinations.....	2,285	4,491	3,826	4,466
013	Personal allowances.....	880,906	950,477	940,739	1,034,568
014	Home purchase allowance.....	1,034,232	1,068,000	956,516	999,000
020	Payments to estates of deceased officers.....	24,217	20,000	16,500	16,500
022	Passages.....	226,163	257,958	237,201	244,915
023	Quartering.....	16,593	27,116	19,146	49,464
024	Relief and welfare of civil servants.....	1,558	1,381	1,377	1,043
025	Long and Meritorious Service Travel Award Scheme.....	52,176	49,558	49,558	53,444
027	Staff Suggestions and Motivation Schemes.....	86	190	142	160
028	Legal assistance.....	707	1,448	1,448	1,448
032	Accommodation Allowance Scheme.....	29,861	28,000	26,527	26,600
033	Home Financing Scheme.....	2,127,439	2,082,000	2,036,905	1,826,000
037	Pensioners' welfare fund.....	797	910	910	910
038	Private tenancy allowance.....	160,376	169,000	147,283	152,000
039	Rent Allowance Scheme.....	1,318	2,800	1,575	2,700

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Sub-head (Code)	Actual expenditure 2003-04	Approved estimate 2004-05	Revised estimate 2004-05	Estimate 2005-06	
	\$'000	\$'000	\$'000	\$'000	
Operating Account — <i>Cont'd.</i>					
Personnel Related Expenses— <i>Cont'd.</i>					
040	Non-accountable Cash Allowance Scheme	11,474	17,300	13,990	18,900
041	Mandatory Provident Fund contribution	15	34	34	34
	Total, Personnel Related Expenses	<u>4,570,522</u>	<u>4,681,213</u>	<u>4,454,227</u>	<u>4,432,702</u>
	Total, Recurrent	<u>4,702,394</u>	<u>4,872,854</u>	<u>4,627,178</u>	<u>4,676,657</u>
	Total, Operating Account	<u>4,702,394</u>	<u>4,872,854</u>	<u>4,627,178</u>	<u>4,676,657</u>
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	Total Expenditure	<u><u>4,702,394</u></u>	<u><u>4,872,854</u></u>	<u><u>4,627,178</u></u>	<u><u>4,676,657</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2005–06 for general expenses of the civil service, including the operational and central reserves and recurrent personnel related expenses, is \$4,676,657,000. This represents an increase of \$49,479,000 over the revised estimate for 2004–05 and a decrease of \$25,737,000 against actual expenditure in 2003–04.

Operating Account

Recurrent

Personal Emoluments

2 Provision of \$243,955,000 for personal emoluments represents an increase of \$71,004,000 over the revised estimate for 2004–05.

3 Provision under *Subhead 001* is made up of two parts. The first part is for the operational reserves, i.e. staff in the administrative, executive, secretarial and clerical grades who are required by departments to replace officers on leave or full-time training or for handover purposes and for staff required to undertake special and *ad hoc* projects. The second part is the central reserves for staff redeployment. We established a clearing house mechanism in 2003–04 to centrally redeploy staff released arising from efficiency initiatives in bureaux and departments to the Immigration Department to assist in a time-limited project on replacement of Hong Kong Identity Cards. The staff so redeployed are accommodated in the central reserves. The clearing house mechanism will be extended in 2005–06 to cover other clerical and secretarial staff who are surplus to operational requirements of bureaux and departments and released by them to take on time-limited projects elsewhere in the Government.

4 Gross provision of \$1,419,000 under *Subhead 003* is for staff seconded to the Hong Kong Council for Academic Accreditation. Gross provision of \$103,800,000 under *Subhead 006* is for staff working in the Companies Registry. Gross provision of \$29,357,000 under *Subhead 008* is for staff seconded to the Hong Kong Monetary Authority. Gross provision of \$133,400,000 under *Subhead 009* is for staff working in the Land Registry. Gross provision of \$113,000,000 under *Subhead 081* is for staff working in the Office of the Telecommunications Authority. Gross provision of \$1,487,000,000 under *Subhead 082* is for staff working in the Post Office. Gross provision of \$1,067,000,000 under *Subhead 083* is for staff working wholly on trading fund activities in the Electrical and Mechanical Services Department. Gross provision of \$2,250,000 under *Subhead 084* is for staff seconded to the Legal Aid Services Council. *Subhead 085* is for staff seconded to the Office of The Ombudsman. No gross provision is required under this Subhead in 2005–06 due to no secondment being scheduled.

5 The establishment of the operational reserves will be 443 permanent non-directorate posts as at 31 March 2005 reducing by 74 posts to 369 posts as at 31 March 2006. The establishment of the central reserves will be 555 permanent non-directorate posts as at 31 March 2005. Due to the extension of the clearing house mechanism, a maximum of 369 posts will be created in the central reserves in 2005–06 if necessary to accommodate surplus clerical and secretarial staff centrally redeployed from releasing bureaux and departments to take on time-limited projects in receiving bureaux and departments. Any such posts created will be offset by the deletion of the same number of posts in the releasing bureaux and departments.

6 Subject to certain conditions, the controlling officer for *Subhead 001* may under delegated power create or delete non-directorate posts during 2005–06, but the notional annual mid-point salary value of all such posts must not exceed \$124,588,000 for the operational reserves and \$135,672,000 for the central reserves.

7 The establishment of staff for which the salaries and allowances are recoverable under *Subheads 003, 006, 008, 009, 081, 082, 083, 084 and 085* as at 31 March 2005 will be 10 479 permanent posts and three supernumerary posts. It is expected that 203 permanent posts will be deleted and five supernumerary posts will be created in 2005–06.

8 Subject to certain conditions, the controlling officers for *Subheads 003, 006, 008, 009, 081, 082, 083, 084 and 085* may under delegated power create or delete non-directorate posts during 2005–06, the cost of which is reimbursed by the Hong Kong Council for Academic Accreditation (for *Subhead 003*), the Companies Registry Trading Fund (for *Subhead 006*), the Hong Kong Monetary Authority (for *Subhead 008*), the Land Registry Trading Fund (for *Subhead 009*), the Office of the Telecommunications Authority Trading Fund (for *Subhead 081*), the Post Office Trading Fund (for *Subhead 082*), the Electrical and Mechanical Services Trading Fund (for *Subhead 083*), the Legal Aid Services Council (for *Subhead 084*) and the Office of The Ombudsman (for *Subhead 085*). Before exercising his delegated power, the controlling officer is required to ensure that the gross estimate under each respective subhead must not be exceeded without the prior approval of the Secretary for Financial Services and the Treasury. The controlling officers for *Subheads 003 and 084* are required to seek the endorsement of the relevant organisations that the proposals and their financial implications are acceptable.

Personnel Related Expenses

9 Provision of \$550,000 under *Subhead 010 Recruiting expenses* is for expenses in respect of recruitment for administrative and general grades, and for other miscellaneous recruiting expenses.

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10 Provision of \$4,466,000 under *Subhead 011 Civil service examinations* is mainly for the payment of remuneration to examiners, moderators and invigilators and for other minor expenses for examinations within, and for appointments to, the civil service. The increase of \$640,000 (16.7%) over the revised estimate for 2004–05 is mainly due to the need to settle some outstanding payments of examinations held in late 2004–05.

11 Provision of \$1,034,568,000 under *Subhead 013 Personal allowances* is for the payment of personal allowances to eligible officers. It comprises—

- \$1,018,524,000 for the payment of local and overseas education allowances to officers whose eligible children are receiving education either locally or overseas. Only officers offered appointment before 1 August 1996 are eligible for overseas education allowance, and only officers offered appointment before 1 June 2000 are eligible for local education allowance. The increase of \$93,729,000 (10.1%) over the revised estimate for 2004–05 is mainly due to the estimated increase in the number of children of eligible civil servants studying overseas;
- \$15,700,000 for the payment of house allowance to officers with a substantive monthly salary at Point 34 of the Master Pay Scale (or equivalent) or above who live in accommodation which they own themselves or which is owned by a member of their immediate family; and the payment of allowance in lieu of the provision of furniture and domestic appliances. Only eligible officers offered appointment before 1 May 1999 are eligible for furniture and domestic appliances allowances; and
- \$344,000 for the payment of allowance for air-conditioners to eligible directorate officers. Only officers reaching the directorate level before 1 May 1999 are eligible for air-conditioning allowance.

12 Provision of \$999,000,000 under *Subhead 014 Home purchase allowance* is for the payment of home purchase allowance to eligible officers offered appointment before 1 June 2000.

13 Provision of \$16,500,000 under *Subhead 020 Payments to estates of deceased officers* is for the payment in respect of earned vacation leave to the estates of civil servants who die in service.

14 Provision of \$244,915,000 under *Subhead 022 Passages* is for the payment of leave passage allowance, passages and related expenditure, including baggage and travelling allowances, in respect of civil servants and their eligible family members, and children of civil servants being educated overseas. It comprises—

- \$59,543,000 for the payment of leave passage allowance; and
- \$185,372,000 for the payment of school passage.

Eligible officers offered appointment on or after 1 June 2000 are eligible for non-accountable leave passage allowance for themselves only and not their family members. Only dependants of officers appointed before 1 August 1996 are eligible for school passage.

15 Provision of \$49,464,000 under *Subhead 023 Quartering* is for expenses incidental to the provision of housing benefits to eligible civil servants, and also to enable officers to be temporarily accommodated where necessary. The increase of \$30,318,000 (158.4%) over the revised estimate for 2004–05 is mainly due to the additional requirements for the payment of removal allowance for the exercise on purchase of surplus Home Ownership Scheme flats for reprovisioning departmental quarters for the disciplined services.

16 Provision of \$1,043,000 under *Subhead 024 Relief and welfare of civil servants* is for the relief and welfare of civil servants, including provision for Staff Welfare Fund for welfare and recreational activities and purchase of retirement souvenirs and commemorative awards for long and meritorious service. The decrease of \$334,000 (24.3%) against the revised estimate for 2004–05 is mainly due to an anticipated decrease in the number of recipients for retirement souvenirs upon completion of the Second Voluntary Retirement Scheme.

17 Provision of \$53,444,000 under *Subhead 025 Long and Meritorious Service Travel Award Scheme* is for recreational overseas travel for local non-directorate officers and their spouses, in recognition of long and meritorious service. The increase of \$3,886,000 (7.8%) over the revised estimate for 2004–05 is mainly due to the anticipated upward adjustment of the rate of travel allowance in accordance with the revision mechanism.

18 Provision of \$160,000 under *Subhead 027 Staff Suggestions and Motivation Schemes* is for giving awards under the Staff Suggestions Scheme and the Secretary for the Civil Service's Commendation Scheme. Awards under the Staff Suggestions Scheme are given in cash or in kind to civil servants who have made valuable suggestions to improve the efficiency of the civil service, and for sustaining the commitment of civil servants to the performance pledge programmes and to continuous improvement of service through educational programmes, publicity and awards. Through the Secretary for the Civil Service's Commendation, we give recognition to selected civil servants for consistently exemplary performance. The increase of \$18,000 (12.7%) over the revised estimate for 2004–05 is mainly due to the lower than expected requirement in 2004–05.

19 Provision of \$1,448,000 under *Subhead 028 Legal assistance* is for legal assistance to officers involved or likely to be involved in court proceedings and coroners' and other formal inquiries as a result of their official duties.

20 Provision of \$26,600,000 under *Subhead 032 Accommodation Allowance Scheme* is for the payment of accommodation allowance to eligible officers offered appointment between 1 October 1990 and 31 December 1998.

21 Provision of \$1,826,000,000 under *Subhead 033 Home Financing Scheme* is for the payment of home financing allowance to eligible officers offered appointment before 1 June 2000. The decrease of \$210,905,000 (10.4%) against the revised estimate for 2004–05 is mainly due to the anticipated decrease in the number of recipients.

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22 Provision of \$910,000 under *Subhead 037 Pensioners' welfare fund* is for the payment of one-off grants to pensioners and dependants in financial hardship.

23 Provision of \$152,000,000 under *Subhead 038 Private tenancy allowance* is for the payment of private tenancy allowance to eligible officers offered appointment before 1 October 1990.

24 Provision of \$2,700,000 under *Subhead 039 Rent Allowance Scheme* is for the payment of rent allowance to eligible officers offered appointment between 1 January 1999 and 31 May 2000. The increase of \$1,125,000 (71.4%) over the revised estimate for 2004–05 is mainly due to the anticipated increase in the number of recipients in 2005–06 through salary progression and promotion. The number of recipients in 2004–05 is relatively small.

25 Provision of \$18,900,000 under *Subhead 040 Non-accountable Cash Allowance Scheme* is for the payment of non-accountable cash allowance to eligible officers who are offered appointment on or after 1 June 2000. The increase of \$4,910,000 (35.1%) over the revised estimate for 2004–05 is mainly due to the anticipated increase in the number of recipients in 2005–06 through salary progression and promotion. The number of recipients in 2004–05 is relatively small.

26 Provision of \$34,000 under *Subhead 041 Mandatory Provident Fund contribution* is for the employer's contribution under the Mandatory Provident Fund Scheme for staff put under operational reserves.