

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, 041 and 042)
 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)
 Permanent Secretary for Home Affairs (Subhead 084)

Estimate 2008–09 **\$3,385.2m**

Establishment ceiling for Subhead 001 in 2008–09 (notional annual mid-point salary value representing an estimated 547 non-directorate posts in the operational reserves and central reserves as at 31 March 2008 reducing by 188 posts to 359 posts as at 31 March 2009) **\$148.4m**

Controlling Officer's 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

	2006–07 (Actual)	2007–08 (Original)	2007–08 (Revised)	2008–09 (Estimate)
Financial provision (\$m)	3,620.8	3,690.7	3,418.9 (–7.4%)	3,385.2 (–1.0%)
				(or –8.3% on 2007–08 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 eligible officers and pensioners, and various awards and assistance to eligible officers.

4 During 2007–08, the Civil Service Bureau has fully implemented all the change measures arising from the review of fringe benefit type of civil service allowances.

5 Performance under this programme was generally maintained in 2007 as compared with 2006.

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

Indicators

	2006 (Actual)	2007 (Actual)	2008 (Estimate)
candidates of common recruitment examinations and other examinations conducted by Civil Service Bureau	48 138	71 701	62 500
recipients of long and meritorious service travel award.....	1 876	1 911	1 910
housing benefits			
recipients of home purchase allowance.....	14 644	14 555	14 500
recipients of private tenancy allowance	704	684	700
recipients of home financing allowance.....	5 025	4 479	3 750
recipients of accommodation allowance	76	68	70
recipients of rent allowance	2	0	1
recipients of non-accountable cash allowance	125	201	420
recipients of leave passage allowance.....	1 691	1 676	1 660
students receiving school passage allowance.....	6 316	5 971	6 060
students receiving local education allowance	21 748	22 621	24 100
students receiving overseas education allowance	4 604	4 183	4 250

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ANALYSIS OF FINANCIAL PROVISION

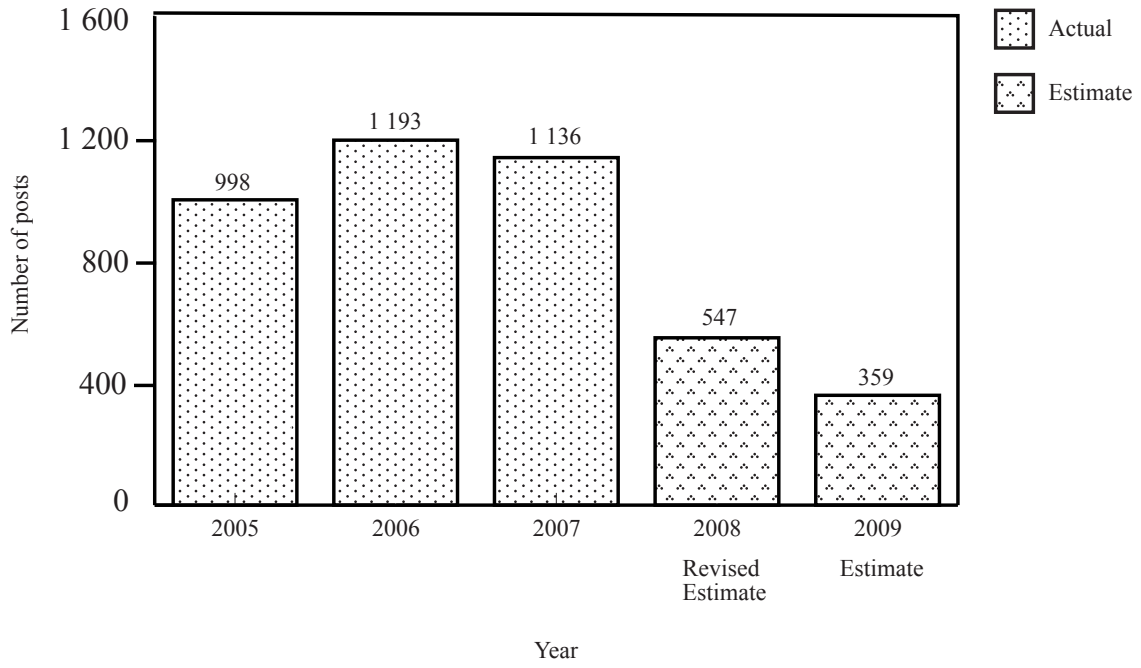
Programme	2006-07 (Actual) (\$m)	2007-8 (Original) (\$m)	2007-08 (Revised) (\$m)	2008-09 (Estimate) (\$m)
General Expenses of the Civil Service	3,620.8	3,690.7	3,418.9 (-7.4%)	3,385.2 (-1.0%)
				(or -8.3% on 2007-08 Original)

Analysis of Financial and Staffing Provision

Provision for 2008-09 is \$33.7 million (1.0%) lower than the revised estimate for 2007-08. This is mainly due to reduced expenditure on Home Financing Scheme and salaries for staff on the central reserves, partly offset by the projected increase in the required provision for other housing and education allowances.

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



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Sub-head (Code)		Actual expenditure 2006–07	Approved estimate 2007–08	Revised estimate 2007–08	Estimate 2008–09
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
Personal Emoluments					
001	Salaries	186,614	109,638	102,441	63,165
003	Recoverable salaries and allowances (General) 647				
	Deduct reimbursements <i>Cr. 647</i>	—	—	—	—
006	Recoverable salaries and allowances (Companies Registry Trading Fund) 112,400				
	Deduct reimbursements <i>Cr. 112,400</i>	—	—	—	—
008	Recoverable salaries and allowances (Hong Kong Monetary Authority)..... 25,270				
	Deduct reimbursements <i>Cr. 25,270</i>	—	—	—	—
009	Recoverable salaries and allowances (Land Registry Trading Fund)..... 162,300				
	Deduct reimbursements <i>Cr. 162,300</i>	—	—	—	—
081	Recoverable salaries and allowances (Office of the Telecommunications Authority Trading Fund) 119,010				
	Deduct reimbursements <i>Cr. 119,010</i>	—	—	—	—
082	Recoverable salaries and allowances (Post Office Trading Fund) 1,601,000				
	Deduct reimbursements <i>Cr. 1,601,000</i>	—	—	—	—
083	Recoverable salaries and allowances (Electrical and Mechanical Services Trading Fund) 1,131,000				
	Deduct reimbursements <i>Cr. 1,131,000</i>	—	—	—	—
084	Recoverable salaries and allowances (Legal Aid Services Council) 1,908				
	Deduct reimbursements <i>Cr. 1,908</i>	—	—	—	—
	Total, Personal Emoluments.....	<u>186,614</u>	<u>109,638</u>	<u>102,441</u>	<u>63,165</u>
Personnel Related Expenses					
010	Recruiting expenses	755	900	900	900
011	Civil service examinations	5,624	4,878	6,001	6,236
013	Personal allowances.....	897,902	989,132	954,253	1,020,800
014	Home purchase allowance	803,577	848,000	768,032	803,000
020	Payments to estates of deceased officers	11,831	16,500	15,708	15,708
022	Passages.....	180,608	218,060	192,400	197,973
023	Quartering.....	26,149	33,105	24,178	25,171
024	Staff relief and welfare.....	1,942	2,590	2,475	3,218
025	Long and Meritorious Service Travel Award Scheme	54,422	57,860	58,008	64,468
028	Legal assistance	1,219	1,448	7,848	1,448
032	Accommodation allowance.....	20,204	20,900	19,253	20,300
033	Home financing allowance.....	1,256,537	1,191,000	1,069,508	897,000
037	Pensioners' welfare fund.....	905	910	910	910
038	Private tenancy allowance.....	147,044	154,000	155,221	172,000
039	Rent allowance.....	256	570	40	40
040	Non-accountable cash allowance	25,147	41,000	41,422	92,400
041	Mandatory Provident Fund contribution.....	40	34	149	192

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Sub-head (Code)	Actual expenditure 2006-07	Approved estimate 2007-08	Revised estimate 2007-08	Estimate 2008-09	
	\$'000	\$'000	\$'000	\$'000	
Operating Account — Cont'd.					
Personnel Related Expenses— <i>Cont'd.</i>					
042	Civil Service Provident Fund contribution	—	108	154	304
	Staff Suggestions Scheme ϕ	6	27	12	—
	Total, Personnel Related Expenses	3,434,168	3,581,022	3,316,472	3,322,068
	Total, Recurrent	3,620,782	3,690,660	3,418,913	3,385,233
	Total, Operating Account	3,620,782	3,690,660	3,418,913	3,385,233
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	Total Expenditure	3,620,782	3,690,660	3,418,913	3,385,233

ϕ The subhead *Staff Suggestions Scheme*, originally provided for awards in cash or in kind to eligible officers who have made valuable suggestions under the Staff Suggestions Scheme to improve the efficiency of the civil service, will be subsumed under Head 143—Government Secretariat: Civil Service Bureau starting from 2008-09. No provision will be made under this subhead in 2008-09.

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Details of Expenditure by Subhead

The estimate of the amount required in 2008–09 for general expenses of the civil service, including the operational reserves and recurrent personnel related expenses, is \$3,385,233,000. This represents a decrease of \$33,680,000 against the revised estimate for 2007–08 and of \$235,549,000 against actual expenditure in 2006–07.

Operating Account

Recurrent

Personal Emoluments

2 Provision of \$63,165,000 for personal emoluments represents a decrease of \$39,276,000 against the revised estimate for 2007–08.

3 Provision under *Subhead 001* is for 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. A clearing house mechanism was established in 2003–04 to centrally redeploy staff released arising from efficiency initiatives to the Immigration Department to assist in a time-limited project on replacement of Hong Kong Identity Cards. The clearing house mechanism was extended in 2005–06 to cover other clerical and secretarial staff who were surplus to operational requirements of bureaux and departments and released by them to take on time-limited projects elsewhere in the Government. The staff so redeployed were accommodated in central reserves under the subhead. With the completion of the projects in 2007–08, the staff will be redeployed to other functional posts in various bureaux and departments, and the posts in the central reserves will no longer be required in 2008–09.

4 Gross provision of \$647,000 under *Subhead 003* is for staff seconded to the Hong Kong Council for Accreditation of Academic and Vocational Qualifications. Gross provision of \$112,400,000 under *Subhead 006* is for staff working in the Companies Registry. Gross provision of \$25,270,000 under *Subhead 008* is for staff seconded to the Hong Kong Monetary Authority. Gross provision of \$162,300,000 under *Subhead 009* is for staff working in the Land Registry. Gross provision of \$119,010,000 under *Subhead 081* is for staff working in the Office of the Telecommunications Authority. Gross provision of \$1,601,000,000 under *Subhead 082* is for staff working in the Post Office. Gross provision of \$1,131,000,000 under *Subhead 083* is for staff working wholly on trading fund activities in the Electrical and Mechanical Services Department. Gross provision of \$1,908,000 under *Subhead 084* is for staff seconded to the Legal Aid Services Council.

5 The establishment of the operational reserves will be 359 permanent non-directorate posts as at 31 March 2008 and remain the same as at 31 March 2009. The establishment of central reserves will be 188 permanent non-directorate posts as at 31 March 2008, which will be deleted in 2008–09.

6 Subject to certain conditions, the controlling officer for *Subhead 001* may under delegated power create or delete non-directorate posts during 2008–09, but the notional annual mid-point salary value of all such posts must not exceed \$148,353,000.

7 The establishment of staff for which the salaries and allowances are recoverable under *Subheads 003, 006, 008, 009, 081, 082, 083 and 084* as at 31 March 2008 will be 9 911 permanent posts and four supernumerary directorate posts. It is expected that there will be a net decrease of one permanent post in 2008–09.

8 Subject to certain conditions, the controlling officers for *Subheads 003, 006, 008, 009, 081, 082, 083 and 084* may under delegated power create or delete non-directorate posts during 2008–09, the cost of which is reimbursed by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (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*) and the Legal Aid Services Council (for *Subhead 084*). 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 Expenses on allowances under the following subheads include provisions for civil servants, Judges and Judicial Officers and Independent Commission Against Corruption (ICAC) officers where applicable.

10 Provision of \$900,000 under *Subhead 010 Recruiting expenses* is for expenses in respect of recruitment for administrative and general grades, and for other miscellaneous recruiting expenses.

11 Provision of \$6,236,000 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.

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12 Provision of \$1,020,800,000 under *Subhead 013 Personal allowances* is for the payment of standard personal allowances to eligible officers. It comprises—

- \$1,004,187,000 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;
- \$16,600,000 for 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 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 (only eligible officers offered appointment before 1 October 1990 are eligible for house allowance); and
- \$13,000 for the payment of air-conditioning allowance to eligible Judges and Judicial Officers. Provision of air-conditioning allowance has been ceased for civil servants and ICAC officers with effect from 1 October 2006.

13 Provision of \$803,000,000 under *Subhead 014 Home purchase allowance* is for the payment of home purchase allowance to eligible officers offered appointment before 1 June 2000.

14 Provision of \$15,708,000 under *Subhead 020 Payments to estates of deceased officers* is for the payment in respect of earned vacation leave to the estates of eligible officers who die in service.

15 Provision of \$197,973,000 under *Subhead 022 Passages* is for the payment of leave passage allowance, passages and related expenditure, including baggage and travelling allowances, in respect of eligible officers and their dependants, and children of eligible officers being educated overseas. The provision comprises—

- \$69,300,000 for the payment of leave passage allowance; and
- \$128,673,000 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 offered appointment before 1 August 1996 are eligible for school passage.

16 Provision of \$25,171,000 under *Subhead 023 Quartering* is for expenses incidental to the provision of housing benefits to eligible officers, and also to enable eligible officers to be temporarily accommodated where necessary.

17 Provision of \$3,218,000 under *Subhead 024 Staff relief and welfare* is for the relief and welfare of eligible officers, including provision for Staff Welfare Fund for welfare and recreational activities, for the purchase of retirement souvenirs, and for the purchase of commemorative awards for long and meritorious service. The increase of \$743,000 (30.0%) over the revised estimate for 2007–08 is mainly due to an anticipated increase in the cost of commemorative awards and the number of recipients for long and meritorious service awards.

18 Provision of \$64,468,000 under *Subhead 025 Long and Meritorious Service Travel Award Scheme* is for recreational overseas travel for eligible officers and their spouses, in recognition of long and meritorious service. The increase of \$6,460,000 (11.1%) over the revised estimate for 2007–08 is mainly due to the anticipated upward adjustment of the rate of travel allowance in accordance with the revision mechanism.

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. The decrease of \$6,400,000 (81.5%) against the revised estimate for 2007–08 is mainly due to the adjustment in the anticipated requirement for legal assistance for 2008–09.

20 Provision of \$20,300,000 under *Subhead 032 Accommodation allowance* is for the payment of accommodation allowance to eligible officers offered appointment between 1 October 1990 and 31 December 1998.

21 Provision of \$897,000,000 under *Subhead 033 Home financing allowance* is for the payment of home financing allowance to eligible officers offered appointment before 1 June 2000. The decrease of \$172,508,000 (16.1%) against the revised estimate for 2007–08 is mainly due to the anticipated decrease in the average number of recipients in 2008–09.

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 \$172,000,000 under *Subhead 038 Private tenancy allowance* is for the payment of private tenancy allowance to eligible officers offered appointment before 1 October 1990. The increase of \$16,779,000 (10.8%) over the revised estimate for 2007–08 is mainly due to the anticipated increase in the average number of recipients in 2008–09 through salary progression and promotion.

24 Provision of \$40,000 under *Subhead 039 Rent allowance* is for the payment of rent allowance to eligible officers offered appointment between 1 January 1999 and 31 May 2000.

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25 Provision of \$92,400,000 under *Subhead 040 Non-accountable cash allowance* 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 \$50,978,000 (123.1%) over the revised estimate for 2007–08 is mainly due to the anticipated increase in the average number of recipients in 2008–09 through salary progression, promotion and new appointment. The number of recipients in 2007–08 is relatively small.

26 Provision of \$192,000 under *Subhead 041 Mandatory Provident Fund contribution* is for the employer's contribution under Mandatory Provident Fund Scheme for staff put under operational reserves. The increase of \$43,000 (28.9%) over the revised estimate for 2007–08 is mainly due to the expected increase in requirement in 2008–09.

27 Provision of \$304,000 under *Subhead 042 Civil Service Provident Fund contribution* is for the Government's contribution under the Civil Service Provident Fund Scheme for staff put under operational reserves. The increase of \$150,000 (97.4%) over the revised estimate for 2007–08 is mainly due to the expected increase in requirement in 2008–09.