

## Head 46 — GENERAL EXPENSES OF THE CIVIL SERVICE

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**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 2004–05** ..... **\$4,872.9m**

**Establishment ceiling for Subhead 001 in 2004–05** (notional annual mid-point salary value) representing an estimated 998 non-directorate posts in the operational reserves and central reserves as at 31 March 2004 and as at 31 March 2005 ..... **\$211.5m**

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### 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**

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	<b>2004–05 (Estimate)</b>
Financial provision (\$m)	4,671.3	5,105.9	4,745.5 (–7.1%)	<b>4,872.9</b> (+2.7%)
				(or –4.6% on 2003–04 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 2003–04, the Civil Service Bureau reviewed and enhanced the existing staff commendation schemes so that there would be more opportunities for the management to recognise the exemplary performance of civil servants.

5 Performance under this programme was generally maintained in 2003 as compared with 2002.

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

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*Indicators*

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
candidates of common recruitment examinations and other examinations conducted by Civil Service Bureau.....	50 054	15 200	<b>37 600</b>
recipients of long and meritorious service travel award .....	1 900	1 833	<b>1 850</b>
housing benefits			
recipients of home purchase allowance .....	15 378	15 391	<b>15 520</b>
recipients of private tenancy allowance.....	707	733	<b>750</b>
recipients of home financing allowance .....	8 448	7 902	<b>7 540</b>
recipients of accommodation allowance.....	112	102	<b>100</b>
recipients of rent allowance.....	6	6	<b>16</b>
recipients of non-accountable cash allowance.....	28	51	<b>70</b>
recipients of leave passage allowance .....	1 880	1 825	<b>1 770</b>
students receiving school passage allowance .....	6 758	7 193	<b>7 653</b>
students receiving local education allowance.....	18 884	19 995	<b>20 207</b>
students receiving overseas education allowance .....	4 511	5 173	<b>5 740</b>

***Matters Requiring Special Attention in 2004–05***

7 During 2004–05, the Civil Service Bureau will, in consultation with staff, take forward the review on civil service allowances to ensure that they are in line with present day circumstances and achieve substantive savings in the next few years.

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### ANALYSIS OF FINANCIAL PROVISION

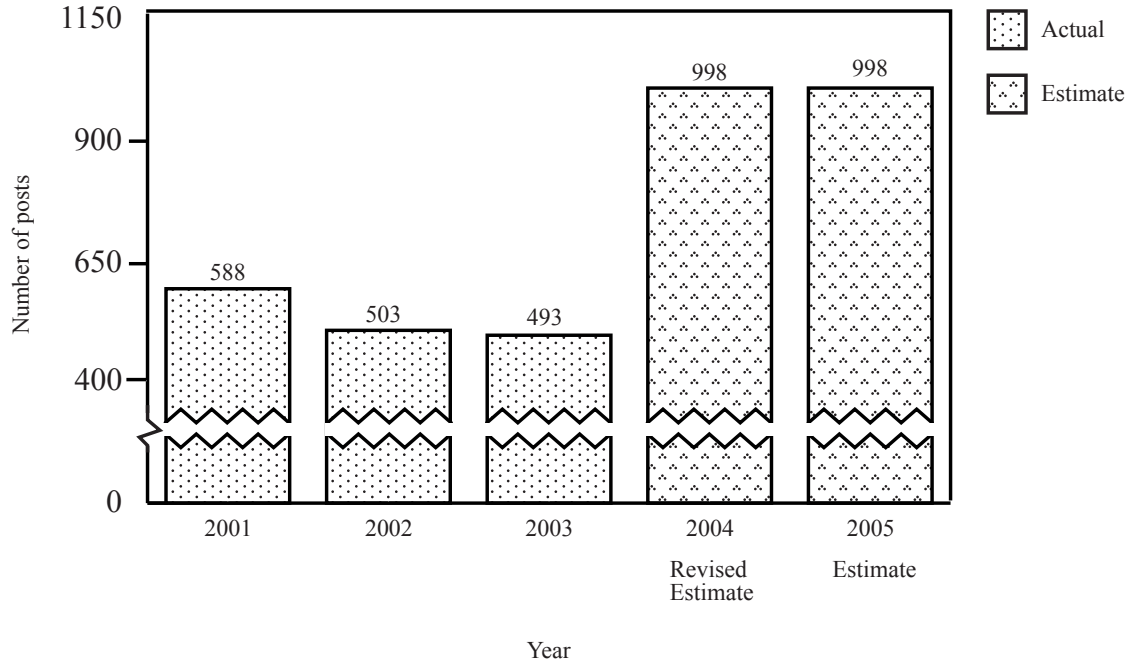
<b>Programme</b>	2002-03 (Actual) (\$m)	2003-04 (Original) (\$m)	2003-04 (Revised) (\$m)	<b>2004-05 (Estimate) (\$m)</b>
General Expenses of the Civil Service.....	4,671.3	5,105.9	4,745.5 (-7.1%)	<b>4,872.9 (+2.7%)</b>
				<b>(or -4.6% on 2003-04 Original)</b>

### Analysis of Financial and Staffing Provision

Provision for 2004-05 is \$127.4 million (2.7%) higher than the revised estimate for 2003-04. This is mainly due to the projected increases in the required provision for personal allowances and passages, and the full-year provision for 555 posts created and filled in 2003-04 under central reserves for redeployment to the Immigration Department for a time-limited project on replacement of Hong Kong Identity Cards.

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



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Sub-head (Code)		Actual expenditure 2002-03	Approved estimate 2003-04	Revised estimate 2003-04	Estimate 2004-05
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating Account</b>					
Recurrent					
Personal Emoluments					
001	Salaries .....	93,619	257,109	132,459	<b>191,641</b>
003	Recoverable salaries and allowances (General)..... 1,441				
	<i>Deduct</i> reimbursements..... <u>Cr.1,441</u>	—	—	—	—
006	Recoverable salaries and allowances (Companies Registry Trading Fund) 109,000				
	<i>Deduct</i> reimbursements..... <u>Cr.109,000</u>	—	—	—	—
008	Recoverable salaries and allowances (Hong Kong Monetary Authority) ..... 39,525				
	<i>Deduct</i> reimbursements..... <u>Cr.39,525</u>	—	—	—	—
009	Recoverable salaries and allowances (Land Registry Trading Fund) ..... 141,282				
	<i>Deduct</i> reimbursements..... <u>Cr.141,282</u>	—	—	—	—
081	Recoverable salaries and allowances (Office of the Telecommunications Authority Trading Fund)..... 119,000				
	<i>Deduct</i> reimbursements..... <u>Cr.119,000</u>	—	—	—	—
082	Recoverable salaries and allowances (Post Office Trading Fund) ..... 1,564,000				
	<i>Deduct</i> reimbursements..... <u>Cr.1,564,000</u>	—	—	—	—
083	Recoverable salaries and allowances (Electrical and Mechanical Services Trading Fund)..... 1,114,000				
	<i>Deduct</i> reimbursements..... <u>Cr.1,114,000</u>	—	—	—	—
084	Recoverable salaries and allowances (Legal Aid Services Council)..... 2,469				
	<i>Deduct</i> reimbursements..... <u>Cr.2,469</u>	—	—	—	—
085	Recoverable salaries and allowances (Office of The Ombudsman)..... 860				
	<i>Deduct</i> reimbursements..... <u>Cr.860</u>	—	—	—	—
	Total, Personal Emoluments .....	93,619	257,109	132,459	<b>191,641</b>
Personnel Related Expenses					
010	Recruiting expenses.....	471	920	550	<b>550</b>
011	Civil service examinations.....	3,450	4,885	4,000	<b>4,491</b>
013	Personal allowances .....	721,219	880,999	880,996	<b>950,477</b>
014	Home purchase allowance .....	1,088,489	1,134,000	1,053,050	<b>1,068,000</b>
020	Payments to estates of deceased officers .....	16,736	16,736	24,217	<b>20,000</b>
022	Passages.....	221,000	247,136	243,058	<b>257,958</b>
023	Quartering.....	26,817	27,265	17,632	<b>27,116</b>
024	Relief and welfare of civil servants .....	1,829	2,198	1,629	<b>1,381</b>
025	Long and Meritorious Service Travel Award Scheme.....	47,877	52,178	52,178	<b>49,558</b>
027	Staff Suggestions and Motivation Schemes.....	85	300	115	<b>190</b>
028	Legal assistance.....	1,172	1,448	1,100	<b>1,448</b>
032	Accommodation Allowance Scheme .....	33,690	32,600	30,006	<b>28,000</b>
033	Home Financing Scheme.....	2,240,202	2,254,000	2,127,329	<b>2,082,000</b>
037	Pensioners' welfare fund .....	839	910	847	<b>910</b>
038	Private tenancy allowance .....	164,302	172,000	163,345	<b>169,000</b>
039	Rent Allowance Scheme.....	1,343	2,400	1,388	<b>2,800</b>

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Sub-head (Code)	Actual expenditure 2002-03	Approved estimate 2003-04	Revised estimate 2003-04	<b>Estimate 2004-05</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account — <i>Cont'd.</i></b>					
Personnel Related Expenses— <i>Cont'd.</i>					
040	Non-accountable Cash Allowance Scheme .....	8,162	18,800	11,571	<b>17,300</b>
041	Mandatory Provident Fund contribution .....	—	34	34	<b>34</b>
	Total, Personnel Related Expenses .....	4,577,683	4,848,809	4,613,045	<b>4,681,213</b>
	Total, Recurrent .....	4,671,302	5,105,918	4,745,504	<b>4,872,854</b>
	Total, Operating Account.....	4,671,302	5,105,918	4,745,504	<b>4,872,854</b>
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	Total Expenditure.....	4,671,302	5,105,918	4,745,504	<b>4,872,854</b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2004–05 for general expenses of the civil service, including the operational and central reserves and recurrent personnel related expenses, is \$4,872,854,000. This represents an increase of \$127,350,000 over the revised estimate for 2003–04 and an increase of \$201,552,000 over actual expenditure in 2002–03.

#### Operating Account

##### Recurrent

##### Personal Emoluments

**2** Provision of \$191,641,000 for personal emoluments represents an increase of \$59,182,000 over the revised estimate for 2003–04.

**3** Provision under *Subhead 001* is made up of two parts. The first part 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. The second part is central reserves for staff redeployment. We have established a clearing house mechanism to help redeploy staff released arising from efficiency initiatives in bureaux and departments to the Immigration Department to carry out a time-limited project on replacement of Hong Kong Identity Cards. The central reserves is used to accommodate these staff.

**4** Gross provision of \$1,441,000 under *Subhead 003* is for staff seconded to the Hong Kong Council for Academic Accreditation. Gross provision of \$109,000,000 under *Subhead 006* is for staff working in the Companies Registry. Gross provision of \$39,525,000 under *Subhead 008* is for staff seconded to the Hong Kong Monetary Authority. Gross provision of \$141,282,000 under *Subhead 009* is for staff working in the Land Registry. Gross provision of \$119,000,000 under *Subhead 081* is for staff working in the Office of the Telecommunications Authority. Gross provision of \$1,564,000,000 under *Subhead 082* is for staff working in the Post Office. Gross provision of \$1,114,000,000 under *Subhead 083* is for staff working wholly on trading fund activities in the Electrical and Mechanical Services Department. Gross provision of \$2,469,000 under *Subhead 084* is for staff seconded to the Legal Aid Services Council. Gross provision of \$860,000 under *Subhead 085* is for staff seconded to the Office of The Ombudsman.

**5** The establishment of the operational and central reserves as at 31 March 2004 will be 443 and 555 permanent non-directorate posts respectively. No change in establishment is expected in 2004–05.

**6** Subject to certain conditions, the controlling officer for *Subhead 001* may under delegated power create or delete non-directorate posts during 2004–05, but the notional annual mid-point salary value of all such posts must not exceed \$127,651,000 for the operational reserves and \$83,897,000 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 2004 will be 10 850 permanent posts and seven supernumerary posts. It is expected that 228 permanent posts and four supernumerary posts will be deleted in 2004–05.

**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 2004–05, 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.

**10** Provision of \$4,491,000 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 \$491,000 (12.3%) over the revised estimate for 2003–04 is mainly due to the anticipated increase in the number of candidates for the Common Recruitment Examination and other examinations.

**11** Provision of \$950,477,000 under *Subhead 013 Personal allowances* is for the payment of personal allowances to eligible officers. It comprises—

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- \$934,093,000 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 \$73,490,000 (8.5%) over the revised estimate for 2003–04 is mainly due to the estimated increase in the number of children of eligible civil servants studying overseas;
- \$16,100,000 for the payment of house allowance to officers with a substantive monthly salary at Point 34 of the Master Pay Scale 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 entitled to furniture and domestic appliances allowance; and
- \$284,000 for the payment of allowance for air-conditioners to eligible directorate officers. The increase of \$28,000 (10.9%) over the revised estimate for 2003–04 is mainly due to the estimated increase in the number of claims in 2004–05. Only officers reaching the directorate level before 1 May 1999 are eligible for air-conditioning allowance.

With effect from 2004–05, the funding votes for overseas rent allowance and disturbance allowance, previously accommodated under this subhead, will be decentralised to individual heads of expenditure of bureaux/departments.

**12** Provision of \$1,068,000,000 under *Subhead 014 Home purchase allowance* is for the payment of home purchase allowance to eligible officers.

**13** Provision of \$20,000,000 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. The decrease of \$4,217,000 (17.4%) against the revised estimate for 2003–04 is mainly due to the lower average payment to deceased officers anticipated for 2004–05.

**14** Provision of \$257,958,000 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 —

- \$67,447,000 for the payment of leave passage allowance. This represents a decrease of \$2,047,000 (2.9%) against the revised estimate for 2003–04; and
- \$190,511,000 for the payment of school passage. The increase of \$16,947,000 (9.8%) over the revised estimate for 2003–04 is due to the estimated increase in the number of eligible claims for school passage.

Eligible officers offered appointment on or after 1 June 2000 are only entitled to non-accountable leave passage allowance. Only dependents of officers appointed before 1 August 1996 are eligible for school passage.

**15** Provision of \$27,116,000 under *Subhead 023 Quartering* is for expenses incidental to the provision of housing to eligible civil servants, and also to enable officers to be temporarily accommodated where necessary. The increase of \$9,484,000 (53.8%) over the revised estimate for 2003–04 is mainly due to slippage in completion of new public rental housing flats originally scheduled for allocation in 2003–04 under the Civil Service Public Housing Quota exercise and hence a projected increase in the payment of Housing Allowance for Disciplined Services and Removal Allowance for the successful applicants concerned in 2004–05.

**16** Provision of \$1,381,000 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, for the purchase of retirement souvenirs and for the purchase of commemorative awards for long and meritorious service. The decrease of \$248,000 (15.2%) against the revised estimate for 2003–04 is mainly due to an anticipated decrease in the number of retirement souvenirs required in 2004–05. That number registered a significant one-off increase in 2003–04 because of the Second Voluntary Retirement Scheme.

**17** Provision of \$49,558,000 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 decrease of \$2,620,000 (5.0%) against the revised estimate for 2003–04 is mainly due to the anticipated downward adjustment of the rate of travel allowance in accordance with the revision mechanism.

**18** Provision of \$190,000 under *Subhead 027 Staff Suggestions and Motivation Schemes* is for giving awards 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. The increase of \$75,000 (65.2%) over the revised estimate for 2003–04 is mainly due to the lower than expected requirement in 2003–04.

**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 increase of \$348,000 (31.6%) over the revised estimate for 2003–04 is mainly due to the less than estimated expenditure for legal assistance in 2003–04.

**20** Provision of \$28,000,000 under *Subhead 032 Accommodation Allowance Scheme* is for the payment of accommodation allowance to eligible officers. The decrease of \$2,006,000 (6.7%) against the revised estimate for 2003–04 is mainly due to the anticipated decrease in the number of recipients and the average rate of claims in 2004–05.



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**21** Provision of \$2,082,000,000 under *Subhead 033 Home Financing Scheme* is for the payment of home financing allowance to eligible officers.

**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. The increase of \$63,000 (7.4%) over the revised estimate for 2003–04 is mainly due to the anticipated increase in the number of recipients in 2004–05.

**23** Provision of \$169,000,000 under *Subhead 038 Private tenancy allowance* is for the payment of private tenancy allowance to eligible officers.

**24** Provision of \$2,800,000 under *Subhead 039 Rent Allowance Scheme* is for the payment of rent allowance to eligible officers. The increase of \$1,412,000 (101.7%) over the revised estimate for 2003–04 is mainly due to the anticipated increase in the number of recipients in 2004–05 (on average 19 in 2004–05). The Rent Allowance Scheme was introduced in 1999 and the number of recipients in 2003–04 is relatively small (on average seven in 2003–04).

**25** Provision of \$17,300,000 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 \$5,729,000 (49.5%) over the revised estimate for 2003–04 is mainly due to the anticipated increase in the number of recipients in 2004–05 (on average 80 in 2004–05). The Non-accountable Cash Allowance Scheme is a new scheme and the number of recipients in 2003–04 is relatively small (on average 53 in 2003–04).

**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.