

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)

Estimate 2006–07 **\$4,213.2m**

Establishment ceiling for Subhead 001 in 2006–07 (notional annual mid-point salary value) representing an estimated 1 261 non-directorate posts in the operational reserves and central reserves as at 31 March 2006 reducing by ten posts to 1 251 posts as at 31 March 2007 **\$241.6m**

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

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	4,499.8	4,676.7	4,263.1 (–8.8%)	4,213.2 (–1.2%)
				(or –9.9% on 2005–06 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 2005–06, following the delivery of Court of Final Appeal's judgement on the pay adjustment ordinances case, the Civil Service Bureau released the entire package of change proposals arising from the review of fringe benefit type of civil service allowances for staff consultation.

5 Performance under this programme was generally maintained in 2005 as compared with 2004.

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

Indicators

	2004 (Actual)	2005 (Actual)	2006 (Estimate)
candidates of common recruitment examinations and other examinations conducted by Civil Service Bureau.....	25 530	49 654	45 744
recipients of long and meritorious service travel award	2 016	1 931	1 950
housing benefits			
recipients of home purchase allowance	14 801	14 645	14 820
recipients of private tenancy allowance.....	719	705	700
recipients of home financing allowance	7 518	6 454	5 530
recipients of accommodation allowance.....	96	85	80
recipients of rent allowance	8	5	7
recipients of non-accountable cash allowance.....	65	85	99
recipients of leave passage allowance	1 758	1 707	1 670
students receiving school passage allowance	7 217	6 875	7 060
students receiving local education allowance.....	20 122	20 717	22 250
students receiving overseas education allowance.....	5 170	4 791	4 970

Matters Requiring Special Attention in 2006–07

7 During 2006–07, the Civil Service Bureau will, following consultation with staff and the advisory bodies on civil service salaries and conditions of service, draw up the Administration's final proposals on the review of fringe benefit type of civil service allowances and seek to implement them as early as possible in 2006.

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ANALYSIS OF FINANCIAL PROVISION

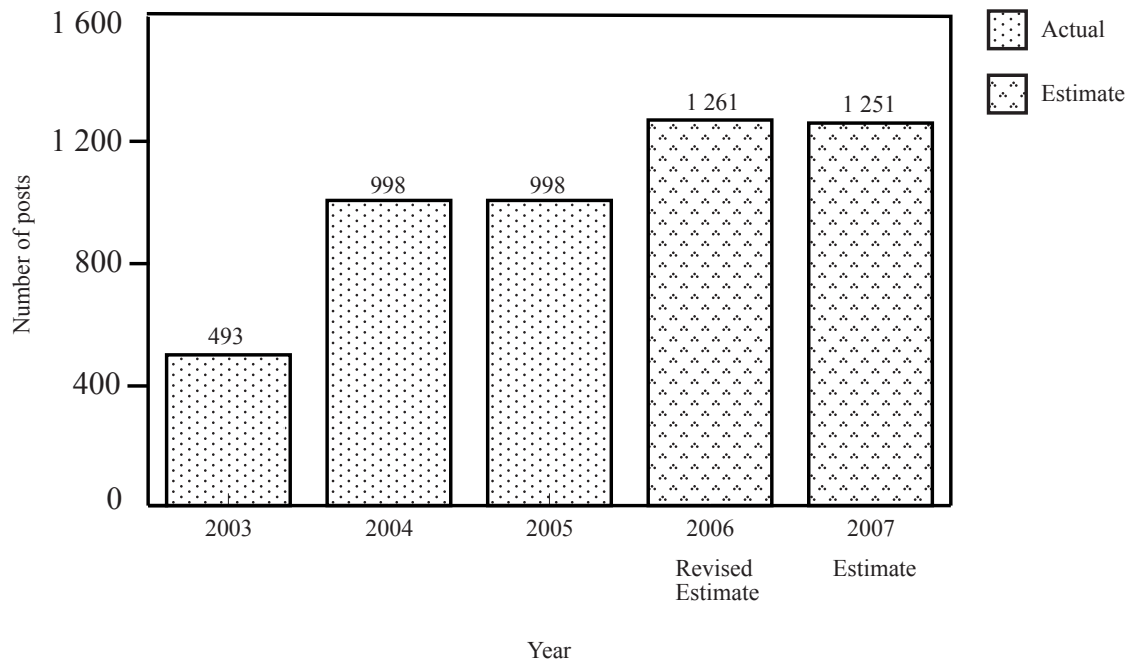
Programme	2004-05 (Actual) (\$m)	2005-06 (Original) (\$m)	2005-06 (Revised) (\$m)	2006-07 (Estimate) (\$m)
General Expenses of the Civil Service.....	4,499.8	4,676.7	4,263.1 (-8.8%)	4,213.2 (-1.2%)
				(or -9.9% on 2005-06 Original)

Analysis of Financial and Staffing Provision

Provision for 2006-07 is \$49.9 million (1.2%) lower than the revised estimate for 2005-06. This is mainly due to reduced expenditure on housing benefit schemes, partly offset by the projected increase in the required provision for personal 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 2004-05	Approved estimate 2005-06	Revised estimate 2005-06	Estimate 2006-07
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
Personal Emoluments					
001	Salaries	158,251	243,955	217,316	233,107
003	Recoverable salaries and allowances (General)				
	<i>Deduct reimbursements</i> <i>Cr.597</i>	—	—	—	—
006	Recoverable salaries and allowances (Companies Registry Trading Fund).....	100,400			
	<i>Deduct reimbursements</i> <i>Cr.100,400</i>	—	—	—	—
008	Recoverable salaries and allowances (Hong Kong Monetary Authority)	27,829			
	<i>Deduct reimbursements</i> <i>Cr.27,829</i>	—	—	—	—
009	Recoverable salaries and allowances (Land Registry Trading Fund)	152,543			
	<i>Deduct reimbursements</i> <i>Cr.152,543</i>	—	—	—	—
081	Recoverable salaries and allowances (Office of the Telecommunications Authority Trading Fund).....	111,000			
	<i>Deduct reimbursements</i> <i>Cr.111,000</i>	—	—	—	—
082	Recoverable salaries and allowances (Post Office Trading Fund).....	1,408,000			
	<i>Deduct reimbursements</i> <i>Cr. 1,408,000</i>	—	—	—	—
083	Recoverable salaries and allowances (Electrical and Mechanical Services Trading Fund).....	1,059,000			
	<i>Deduct reimbursements</i> <i>Cr.1,059,000</i>	—	—	—	—
084	Recoverable salaries and allowances (Legal Aid Services Council).....	2,049			
	<i>Deduct reimbursements</i> <i>Cr.2,049</i>	—	—	—	—
	Total, Personal Emoluments.....	<u>158,251</u>	<u>243,955</u>	<u>217,316</u>	<u>233,107</u>
Personnel Related Expenses					
010	Recruiting expenses	481	550	550	760
011	Civil service examinations.....	3,099	4,466	4,710	4,716
013	Personal allowances.....	918,882	1,034,568	967,701	1,034,278
014	Home purchase allowance	931,305	999,000	874,271	894,000
020	Payments to estates of deceased officers	13,904	16,500	16,500	16,500
022	Passages.....	202,756	244,915	239,557	247,686
023	Quartering.....	21,088	49,464	56,175	51,137
024	Relief and welfare of civil servants	1,291	1,043	1,043	1,780
025	Long and Meritorious Service Travel Award Scheme	48,110	53,444	53,444	58,042
027	Staff Suggestions and Motivation Schemes.....	74	160	120	70
028	Legal assistance	332	1,448	1,448	1,448
032	Accommodation Allowance Scheme.....	25,647	26,600	20,896	20,400
033	Home Financing Scheme.....	2,015,897	1,826,000	1,653,348	1,489,000
037	Pensioners' welfare fund	909	910	910	910
038	Private tenancy allowance	142,733	152,000	136,998	138,000
039	Rent Allowance Scheme.....	1,262	2,700	600	850

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Sub-head (Code)	Actual expenditure 2004-05	Approved estimate 2005-06	Revised estimate 2005-06	Estimate 2006-07
	\$'000	\$'000	\$'000	\$'000
Operating Account — <i>Cont'd.</i>				
Personnel Related Expenses— <i>Cont'd.</i>				
040 Non-accountable Cash Allowance Scheme	13,707	18,900	17,518	20,500
041 Mandatory Provident Fund contribution	25	34	34	34
Total, Personnel Related Expenses.....	4,341,502	4,432,702	4,045,823	3,980,111
Total, Recurrent.....	4,499,753	4,676,657	4,263,139	4,213,218
Total, Operating Account	4,499,753	4,676,657	4,263,139	4,213,218
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Total Expenditure	4,499,753	4,676,657	4,263,139	4,213,218

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Details of Expenditure by Subhead

The estimate of the amount required in 2006–07 for general expenses of the civil service, including the operational and central reserves and recurrent personnel related expenses, is \$4,213,218,000. This represents a decrease of \$49,921,000 against the revised estimate for 2005–06 and of \$286,535,000 against actual expenditure in 2004–05.

Operating Account

Recurrent

Personal Emoluments

2 Provision of \$233,107,000 for personal emoluments represents an increase of \$15,791,000 over the revised estimate for 2005–06.

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 established a clearing house mechanism 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 staff so redeployed are accommodated in central reserves. The clearing house mechanism has been 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 \$597,000 under *Subhead 003* is for staff seconded to the Hong Kong Council for Academic Accreditation. Gross provision of \$100,400,000 under *Subhead 006* is for staff working in the Companies Registry. Gross provision of \$27,829,000 under *Subhead 008* is for staff seconded to the Hong Kong Monetary Authority. Gross provision of \$152,543,000 under *Subhead 009* is for staff working in the Land Registry. Gross provision of \$111,000,000 under *Subhead 081* is for staff working in the Office of the Telecommunications Authority. Gross provision of \$1,408,000,000 under *Subhead 082* is for staff working in the Post Office. Gross provision of \$1,059,000,000 under *Subhead 083* is for staff working wholly on trading fund activities in the Electrical and Mechanical Services Department. Gross provision of \$2,049,000 under *Subhead 084* is for staff seconded to the Legal Aid Services Council.

5 The establishment of the operational reserves will be 369 permanent non-directorate posts as at 31 March 2006, reducing by ten posts to 359 posts as at 31 March 2007. The establishment of central reserves will be 892 permanent non-directorate posts as at 31 March 2006. No change in establishment is expected in 2006–07.

6 Subject to certain conditions, the controlling officer for *Subhead 001* may under delegated power create or delete non-directorate posts during 2006–07, but the notional annual mid-point salary value of all such posts must not exceed \$111,498,000 for the operational reserves and \$130,085,000 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 and 084* as at 31 March 2006 will be 10 259 permanent posts and four supernumerary posts. It is expected that 356 permanent posts will be deleted in 2006–07.

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 2006–07, 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*) 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 the 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 \$760,000 under *Subhead 010 Recruiting expenses* is for expenses in respect of recruitment for administrative and general grades, and for other miscellaneous recruiting expenses. The increase of \$210,000 (38.2%) over the revised estimate for 2005–06 is mainly due to the Civil Service Bureau's participation in the Education and Careers Expo in 2007.

10 Provision of \$4,716,000 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.

11 Provision of \$1,034,278,000 under *Subhead 013 Personal allowances* is for the payment of standard personal allowances to eligible officers. It comprises—

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- \$1,019,015,000 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;
- \$15,100,000 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
- \$163,000 for the payment of air-conditioning allowance to eligible directorate officers. Only officers reaching the directorate level before 1 May 1999 are eligible for air-conditioning allowance.

12 Provision of \$894,000,000 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 \$247,686,000 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—

- \$66,803,000 for the payment of leave passage allowance; and
- \$180,883,000 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.

15 Provision of \$51,137,000 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 decrease of \$5,038,000 (9.0%) against the revised estimate for 2005–06 is mainly because most officers affected by the exercise on purchase of surplus Home Ownership Scheme flats for reprovisioning departmental quarters for the disciplined services will be relocated and have claimed the removal allowance in 2005–06 and no similar large scale relocation exercise is anticipated to take place in 2006–07.

16 Provision of \$1,780,000 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 procurement of commemorative awards for long and meritorious service. The increase of \$737,000 (70.7%) over the revised estimate for 2005–06 is mainly due to a substantial increase in the expected number of recipients for commemorative awards for long and meritorious service and retirement souvenirs.

17 Provision of \$58,042,000 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 \$4,598,000 (8.6%) over the revised estimate for 2005–06 is mainly due to the anticipated upward adjustment of the rate of travel allowance in accordance with the revision mechanism.

18 Provision of \$70,000 under *Subhead 027 Staff Suggestions and Motivation Schemes* is for giving awards under the Staff Suggestions 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. The decrease of \$50,000 (41.7%) against the revised estimate for 2005–06 is mainly due to the transfer of provision for the Secretary for the Civil Service's Commendation Award Scheme to Head 143—Government Secretariat: Civil Service Bureau in 2006–07.

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 \$20,400,000 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 \$1,489,000,000 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 \$164,348,000 (9.9%) against the revised estimate for 2005–06 is mainly due to the anticipated decrease in number of recipients.

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 \$138,000,000 under *Subhead 038 Private tenancy allowance* is for the payment of private tenancy allowance to eligible officers offered appointment before 1 October 1990.

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24 Provision of \$850,000 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 \$250,000 (41.7%) over the revised estimate for 2005–06 is mainly due to the anticipated increase in the number of recipients in 2006–07 through salary progression and promotion. The number of recipients in 2005–06 is relatively small.

25 Provision of \$20,500,000 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 \$2,982,000 (17.0%) over the revised estimate for 2005–06 is mainly due to the anticipated increase in the number of recipients in 2006–07 through salary progression and promotion. The number of recipients in 2005–06 is relatively small.

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