

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)
 Director of Administration (Subhead 084)

Estimate 2007–08 **\$3,690.7m**

Establishment ceiling for Subhead 001 in 2007–08 (notional annual mid-point salary value representing an estimated 1 136 non-directorate posts in the operational reserves and central reserves as at 31 March 2007 reducing by 589 posts to 547 posts as at 31 March 2008) **\$221.3m**

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

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	4,074.6	4,213.2	3,755.2 (–10.9%)	3,690.7 (–1.7%)
				(or –12.4% on 2006–07 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 2006–07, the Civil Service Bureau has, following consultation with staff and the advisory bodies on civil service salaries and conditions of service, finalised the change measures arising from the review of fringe benefit type of civil service allowances. The new measures, which are applicable to civil servants, came into effect starting from September 2006, following the Finance Committee's approval.

5 Performance under this programme was generally maintained in 2006 as compared with 2005.

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

Indicators

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
candidates of common recruitment examinations and other examinations conducted by Civil Service Bureau.....	49 654	48 138	49 400
recipients of long and meritorious service travel award	1 931	1 876	1 900
housing benefits			
recipients of home purchase allowance	14 645	14 644	15 080
recipients of private tenancy allowance.....	705	704	690
recipients of home financing allowance	6 454	5 025	4 600
recipients of accommodation allowance.....	85	76	70
recipients of rent allowance.....	5	2	4
recipients of non-accountable cash allowance.....	85	125	200
recipients of leave passage allowance	1 707	1 691	1 670
students receiving school passage allowance	6 875	6 316	6 400
students receiving local education allowance	20 717	21 748	22 410
students receiving overseas education allowance	4 791	4 604	4 670

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ANALYSIS OF FINANCIAL PROVISION

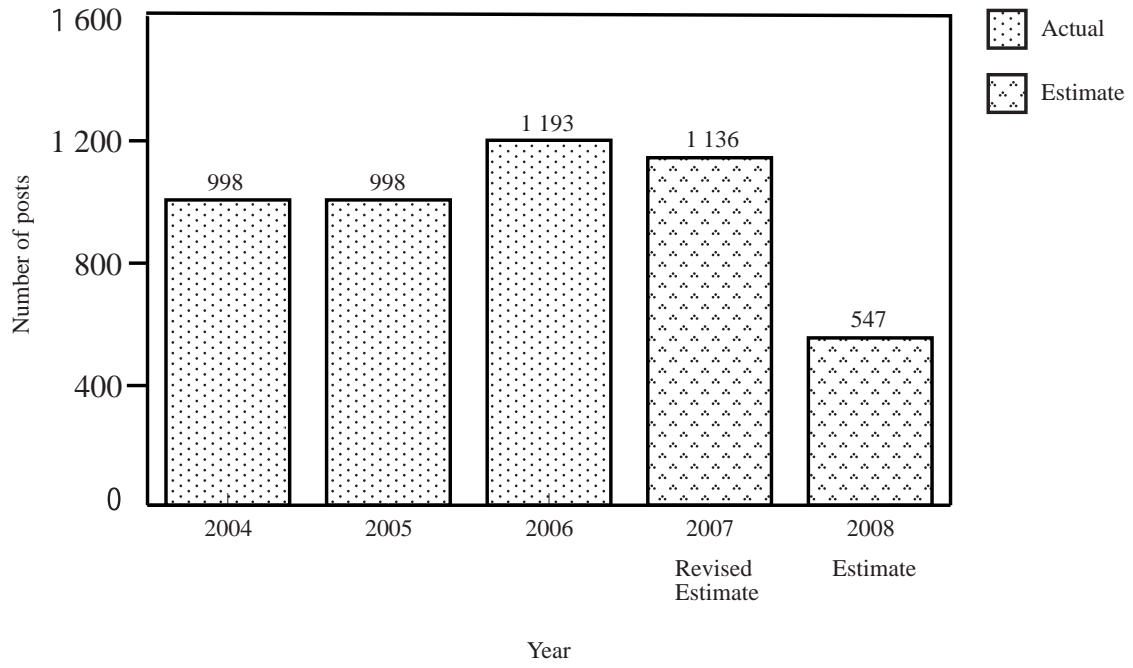
Programme	2005-06 (Actual) (\$m)	2006-07 (Original) (\$m)	2006-07 (Revised) (\$m)	2007-08 (Estimate) (\$m)
General Expenses of the Civil Service.....	4,074.6	4,213.2	3,755.2 (-10.9%)	3,690.7 (-1.7%)
				(or -12.4% on 2006-07 Original)

Analysis of Financial and Staffing Provision

Provision for 2007-08 is \$64.5 million (1.7%) lower than the revised estimate for 2006-07. 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 2005-06	Approved estimate 2006-07	Revised estimate 2006-07	Estimate 2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
Personal Emoluments					
001	Salaries	207,256	233,107	198,719	109,638
003	Recoverable salaries and allowances (General).....608				
	<i>Deduct reimbursements.....Cr.608</i>	—	—	—	—
006	Recoverable salaries and allowances (Companies Registry Trading Fund) 100,000				
	<i>Deduct reimbursements.....Cr.100,000</i>	—	—	—	—
008	Recoverable salaries and allowances (Hong Kong Monetary Authority)25,680				
	<i>Deduct reimbursements.....Cr.25,680</i>	—	—	—	—
009	Recoverable salaries and allowances (Land Registry Trading Fund) 144,600				
	<i>Deduct reimbursements.....Cr.144,600</i>	—	—	—	—
081	Recoverable salaries and allowances (Office of the Telecommunications Authority Trading Fund)..... 112,300				
	<i>Deduct reimbursements.....Cr.112,300</i>	—	—	—	—
082	Recoverable salaries and allowances (Post Office Trading Fund)..... 1,448,000				
	<i>Deduct reimbursements.....Cr.1,448,000</i>	—	—	—	—
083	Recoverable salaries and allowances (Electrical and Mechanical Services Trading Fund)..... 1,076,000				
	<i>Deduct reimbursements.....Cr.1,076,000</i>	—	—	—	—
084	Recoverable salaries and allowances (Legal Aid Services Council)..... 1,832				
	<i>Deduct reimbursements.....Cr.1,832</i>	—	—	—	—
	Total, Personal Emoluments	<u>207,256</u>	<u>233,107</u>	<u>198,719</u>	<u>109,638</u>
Personnel Related Expenses					
010	Recruiting expenses.....	529	760	760	900
011	Civil service examinations.....	4,326	4,716	4,795	4,878
013	Personal allowances	902,164	1,034,278	932,917	989,132
014	Home purchase allowance	856,381	894,000	820,099	848,000
020	Payments to estates of deceased officers	13,344	16,500	16,500	16,500
022	Passages.....	198,238	247,686	219,166	218,060
023	Quartering.....	51,987	51,137	30,678	33,105
024	Staff relief and welfare	1,037	1,780	2,000	2,590
025	Long and Meritorious Service Travel Award Scheme.....	51,024	58,042	58,042	57,860
027	Staff Suggestions and Motivation Schemes.....	78	70	12	27
028	Legal assistance.....	507	1,448	1,448	1,448
032	Accommodation allowance	20,626	20,400	20,239	20,900
033	Home financing allowance	1,610,032	1,489,000	1,276,851	1,191,000
037	Pensioners' welfare fund	860	910	910	910
038	Private tenancy allowance	137,627	138,000	146,401	154,000
039	Rent allowance	540	850	345	570
040	Non-accountable cash allowance.....	18,044	20,500	25,257	41,000

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Sub-head (Code)	Actual expenditure 2005-06	Approved estimate 2006-07	Revised estimate 2006-07	Estimate 2007-08
	\$'000	\$'000	\$'000	\$'000
Operating Account — <i>Cont'd.</i>				
Personnel Related Expenses— <i>Cont'd.</i>				
041	Mandatory Provident Fund contribution	26	34	50
042	Civil Service Provident Fund contribution	—	—	34
		<u>3,867,370</u>	<u>3,980,111</u>	<u>3,556,470</u>
	Total, Personnel Related Expenses	3,867,370	3,980,111	3,581,022
	Total, Recurrent	<u>4,074,626</u>	<u>4,213,218</u>	<u>3,755,189</u>
	Total, Operating Account.....	4,074,626	4,213,218	3,690,660
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	Total Expenditure.....	<u><u>4,074,626</u></u>	<u><u>4,213,218</u></u>	<u><u>3,755,189</u></u>
		3,690,660	3,690,660	3,690,660

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Details of Expenditure by Subhead

The estimate of the amount required in 2007–08 for general expenses of the civil service, including the operational and central reserves and recurrent personnel related expenses, is \$3,690,660,000. This represents a decrease of \$64,529,000 against the revised estimate for 2006–07 and of \$383,966,000 against actual expenditure in 2005–06.

Operating Account

Recurrent

Personal Emoluments

2 Provision of \$109,638,000 for personal emoluments represents a decrease of \$89,081,000 against the revised estimate for 2006–07.

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. 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 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 \$608,000 under *Subhead 003* is for staff seconded to the Hong Kong Council for Academic Accreditation. Gross provision of \$100,000,000 under *Subhead 006* is for staff working in the Companies Registry. Gross provision of \$25,680,000 under *Subhead 008* is for staff seconded to the Hong Kong Monetary Authority. Gross provision of \$144,600,000 under *Subhead 009* is for staff working in the Land Registry. Gross provision of \$112,300,000 under *Subhead 081* is for staff working in the Office of the Telecommunications Authority. Gross provision of \$1,448,000,000 under *Subhead 082* is for staff working in the Post Office. Gross provision of \$1,076,000,000 under *Subhead 083* is for staff working wholly on trading fund activities in the Electrical and Mechanical Services Department. Gross provision of \$1,832,000 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 2007 and remain the same as at 31 March 2008. The establishment of central reserves will be 777 permanent non-directorate posts as at 31 March 2007, reducing by 589 posts to 188 posts as at 31 March 2008 after the deletion of all the 517 posts upon completion of the project on replacement of Hong Kong Identity Cards and further downward adjustment of 72 posts for other time-limited projects.

6 Subject to certain conditions, the controlling officer for *Subhead 001* may under delegated power create or delete non-directorate posts during 2007–08, but the notional annual mid-point salary value of all such posts must not exceed \$109,988,000 for the operational reserves and \$111,294,000 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 2007 will be 9 914 permanent posts and four supernumerary posts. It is expected that there will be a net deletion of three permanent posts in 2007–08.

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 2007–08, 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 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. The increase of \$140,000 (18.4%) over the revised estimate for 2006–07 is mainly due to the re-launch of open recruitment exercise for executive grade officers.

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11 Provision of \$4,878,000 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.

12 Provision of \$989,132,000 under *Subhead 013 Personal allowances* is for the payment of standard personal allowances to eligible officers. It comprises—

- \$971,613,000 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;
- \$17,500,000 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
- \$19,000 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 \$848,000,000 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 \$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 eligible officers who die in service.

15 Provision of \$218,060,000 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—

- \$65,928,000 for the payment of leave passage allowance; and
- \$152,132,000 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 \$33,105,000 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 \$2,590,000 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 \$590,000 (29.5%) over the revised estimate for 2006–07 is mainly due to an anticipated increase in cost and number of recipients for commemorative awards for long and meritorious service.

18 Provision of \$57,860,000 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.

19 Provision of \$27,000 under *Subhead 027 Staff Suggestions and Motivation Schemes* is for giving 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, and for sustaining the commitment of eligible officers to the performance pledge programmes and to continuous improvement of service through educational programmes, publicity and awards. The increase of \$15,000 (125.0%) over the revised estimate for 2006–07 is mainly due to the lower than expected requirement in 2006–07.

20 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.

21 Provision of \$20,900,000 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.

22 Provision of \$1,191,000,000 under *Subhead 033 Home financing allowance* is for the payment of home financing allowance to eligible officers offered appointment before 1 June 2000.

23 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.

24 Provision of \$154,000,000 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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25 Provision of \$570,000 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. The increase of \$225,000 (65.2%) over the revised estimate for 2006–07 is mainly due to the anticipated increase in the number of recipients in 2007–08 through salary progression and promotion. The number of recipients in 2006–07 is relatively small.

26 Provision of \$41,000,000 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 \$15,743,000 (62.3%) over the revised estimate for 2006–07 is mainly due to the anticipated increase in the number of recipients in 2007–08 through salary progression and promotion. The number of recipients in 2006–07 is relatively small.

27 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. The decrease of \$16,000 (32.0%) against the revised estimate for 2006–07 is mainly due to the higher than expected requirement in 2006–07.

28 Provision of \$108,000 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.