

**For discussion
on 18 December 2006**

Legislative Council Panel on Public Service

**Update on Resumption of Open Recruitment for Selected Grades Included
in the Second Voluntary Retirement Scheme**

Purpose

This paper provides Members with an update on the implementation of a modified arrangement to the 5-year recruitment freeze imposed on grades included in the Second Voluntary Retirement (VR II) Scheme.

Background

2. To facilitate a reduction of the civil service establishment and to bring about long-term savings to the Government, the VR II Scheme¹ was introduced in 2003 and covered a total of 229 grades. Concurrently, we have imposed a 5-year open recruitment freeze (from March 2003 to March 2008) on all the ranks in the VR II grades.

3 At the meeting of the Panel on Public Service on 20 April 2006, we briefed Members on a modified arrangement to the 5-year recruitment freeze imposed on grades included in the VR II Scheme. The modified arrangement allows selected VR II grades to resume open recruitment ahead of the expiry of the recruitment freeze in March 2008 to meet new essential service needs and to alleviate manpower planning problems, subject to the approval of a Panel co-chaired by the Chief Secretary for the Administration and the Financial Secretary with the Secretary for the Civil Service as member (CS/FS Panel). We undertook to provide Members with regular updates on the approval granted by the CS/FS Panel.

¹ Some 5 300 applications were approved under the VR II Scheme.

4. To maintain the integrity of the VR II Scheme, the CS/FS Panel will only approve open recruitment for a very limited number of grades where there are exceptionally strong justifications. In July 2006, we informed the Finance Committee (FC) vide FCRI(2006-07)6 that the Panel had given approval for the conduct of open recruitment to fill 156 vacancies in 2006-07 and five in 2007-08 in the following six VR II grades: Health Inspector, Chemist, Science Laboratory Technician, Air Crewman Officer, Auditor and Trade Officer.

Latest position

5. The CS/FS Panel has since approved the filling by open recruitment of an additional 61 vacancies in 2007-08 in three of the VR II grades mentioned in paragraph 4, namely Health Inspector, Chemist and Science Laboratory Technician. The Panel has also given approval for the conduct of open recruitment to fill another 346 and 60 vacancies in 2006-07 and 2007-08 respectively in seven other VR II grades. These grades are Assessor, Accounting Officer, Treasury Accountant, Executive Officer, Information Officer, Inspector (Graduate) and Education Officer (Administration). There is a need to fill vacancies in these grades for meeting new initiatives that were not foreseeable when the VR II Scheme was launched, and for alleviating manpower shortage due to unexpected wastage. Alternative modes of service delivery are also not considered feasible. The recruitment process for most of these grades has started. The table at the **Annex** presents the overall position regarding the number of vacancies in specific VR II grades that may be filled by open recruitment as at the end of November 2006.

Financial Implications

6. The filling, by open recruitment, of the small number of vacancies in the grades detailed in paragraphs 4 and 5 above will have limited impact on the savings achieved by the VR II Scheme. Assuming that all the staff recruited in 2006-07 and 2007-08 will report for duty on 1 January 2007 and 1 July 2007 respectively, the additional salary costs incurred up to 20 March 2008 (the end of the recruitment freeze imposed on VR II grades) is estimated to be about \$145 million. The total salary savings achieved by the VR II Scheme from

1 January 2007 to 20 March 2008 is about \$2.3 billion should there be no open recruitment of VR grades.

Advice sought

7. Members are invited to note the latest position regarding the implementation of a modified arrangement to the 5-year open recruitment freeze for the VR II grades.

**Civil Service Bureau
December 2006**

**Vacancies in specific VR II grades that may be filled by open recruitment
as at the end of November 2006**

VR II Grade	Number of vacancies to be filled through open recruitment		Total
	2006-07	2007-08	
Health Inspector	119	34	153
Chemist	2	9	11
Science Laboratory Technician	7	21	28
Air Crewman Officer	4	2	6
Auditor	2	-	2
Trade Officer	22	-	22
Assessor	48	-	48
Accounting Officer	13	1	14
Treasury Accountant	8	2	10
Executive Officer	190	50	240
Information Officer	32	1	33
Inspector (Graduate)	30	3	33
Education Officer (Administration)	25	3	28
Total:	502	126	628