

## Summary of Progress of the Civil Service Reform

To ensure that Hong Kong continues to maintain a world-class civil service in keeping with the changing circumstances, the HKSAR Government has launched the Civil Service Reform since 1999 with the following objectives:

- (a) to review and make changes to the remuneration and retirement package of civil servants to bring it more in line with market level and practices;
- (b) to encourage more efficient and cost-effective use of manpower resources and introduce measures towards this end;
- (c) to review and make improvements to the entry and exit system in the civil service so as to attract and retain talents and to remove underperformers effectively; and
- (d) to introduce changes to the management and pay systems in the civil service which will motivate staff to do their best.

Over the past six years, the Civil Service Bureau has been working closely with departmental management and staff to enhance the civil service management system. We have made substantive progress in the following five areas –

Area of Work	Major Initiatives	Performance Indicators	Objectives and Tasks for 2005
(1) Reduction of the civil service establishment	<ul style="list-style-type: none"> <li>• Launched the first round of Voluntary Retirement Scheme in 2000 and about 9 800 civil servants left the service.</li> <li>• Launched the second round of Voluntary Retirement Scheme in 2003 and about 5 300 civil servants left the service.</li> <li>• Imposed a general civil service recruitment freeze since April 2003.</li> <li>• Requested bureaux and departments to draw up manpower plans so as to monitor their progress in streamlining the establishment.</li> </ul>	<ul style="list-style-type: none"> <li>• The civil service establishment has been progressively reduced by 15% from about 198 000 in early 2000 to about 167 300 in end-December 2004.</li> </ul>	<ul style="list-style-type: none"> <li>• To reduce civil service establishment progressively: by end-March 2006: 163 500 by end-March 2007: 160 000</li> <li>• Launch the Special Unpaid Leave Scheme</li> <li>• Redeploy surplus staff</li> </ul>

Area of Work	Major Initiatives	Performance Indicators	Objectives and Tasks for 2005
(2) Review of civil service pay and benefits	<ul style="list-style-type: none"> <li>● Issued guidelines to enhance the management of overtime and related allowances in 2000.</li> <li>● Adjusted the leave and leave passage allowance of officers posted outside Hong Kong and revised special posting allowance in 2002.</li> <li>● Reviewed duty mileage allowance in 2002.</li> <li>● Adjusted civil service pay in October 2002, January 2004 and January 2005 so that the pay pertaining to each pay point on civil service pay scales is restored to pre-handover level.</li> <li>● Undertook to develop an improved civil service pay adjustment mechanism in 2003, including the conduct of a pay level survey. Details are being worked out with the staff side.</li> <li>● Completed first two phases of review on job-related allowances payable to civilian grades in 2003. Annual savings are estimated to be around \$20 million. Final phase of review is underway.</li> <li>● Reviewed acting allowance in 2000 and 2004 respectively.</li> </ul>	<ul style="list-style-type: none"> <li>● The Government saves about \$10 billion a year on civil service salary expenses and subsidies to the subvented sector.</li> <li>● The share of civil service pay in government recurrent expenditure (excluding pension) is expected to decrease by nearly 8% from \$51.9 billion in 2001/02 to \$47.8 billion in 2004/05.</li> </ul>	<ul style="list-style-type: none"> <li>● Conduct the pay level survey.</li> <li>● Pending the Court of Final Appeal's verdict on civil service pay reduction, implement the improved civil service pay adjustment mechanism and the arrangements for the application of pay level survey results.</li> <li>● Complete review on fringe benefit type of civil service allowances.</li> <li>● Complete the third phase of review on job-related allowances payable to civilian grades and the review on job-related allowances payable to disciplined services grades.</li> </ul>

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(3) Improve the entry and exit system	<ul style="list-style-type: none"> <li>• Introduced a new civil service entry system in 2000. New recruits are normally appointed on probationary terms for the first three years and then agreement terms for another three years before they are considered for appointment on permanent terms.</li> <li>• Introduced the Civil Service Provident Fund Scheme in 2003 for officers appointed on the new permanent terms.</li> </ul>	<ul style="list-style-type: none"> <li>• Departments may better assess the performance and potential of new recruits.</li> <li>• Up to January 2005, over 1 000 officers have joined the Scheme. Apart from adding flexibility to the civil service appointment policy by facilitating entry of talents from the private sector, the Scheme is also transparent and predictable in terms of financial arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• Review the post-retirement employment policy for civil servants.</li> </ul>

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<p>(4) Provide diversified training</p>	<ul style="list-style-type: none"> <li>● Introduced a three-year training and development programme at a cost of \$50 million between 2001/02 and 2003/04. Uncommitted funds will be used to further implement the programme in 2004/05 and 2005/06.</li> <li>● Launched the Cyber Learning Centre Plus in 2002 to promote self-learning among civil servants.</li> <li>● Issued the <i>Directorate Leadership Guide</i> and developed an online Leaders' Corner in 2002.</li> <li>● Incorporated the Civil Service Training and Development Institute into the Civil Service Bureau in 2004 to focus on four core areas - <ul style="list-style-type: none"> <li>➢ senior executive development</li> <li>➢ national studies programmes</li> <li>➢ promotion of a continuous learning culture</li> <li>➢ consultancy services to departments on human resources management initiatives</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● The Civil Service Training and Development Institute provided some 174 000 training places for civil servants within three years. 5 000 additional training places will be offered in 2004/05.</li> <li>● Over 45 000 civil servants are users of Cyber Learning Centre Plus. More than 700 000 visits to this site since 2002 have been recorded.</li> <li>● 24 000 visits to seek information on leadership in 2004/05 were recorded.</li> <li>● Almost 3 000 senior civil servants have taken part in senior executive training programme and national studies programme.</li> <li>● Over 200 online courses/learning tools are offered.</li> <li>● Provided various departments with over 80 items of consultancy/advisory service and related programmes on human resources management in 2004/05.</li> </ul>	<ul style="list-style-type: none"> <li>● Provide training grants for middle-ranking and junior staff.</li> <li>● To step up publicity efforts with the aim of reaching 60 000 users and 1.2 million visits.</li> <li>● Update the website and enrich its content for easier searching.</li> <li>● Further enhance national studies programme and senior executive training; invite guests speakers from internationally-renowned institutions (including Mainland experts, academics and officials) to conduct seminars or give lectures.</li> <li>● Expand online courses/learning tools to 250.</li> <li>● Offer about 100 items of consultancy/advisory service and related programmes on human resources management for various departments.</li> </ul>

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	<ul style="list-style-type: none"> <li>• Establish civil service exchange programmes.</li> <li>• Enhance national studies programmes.</li> </ul>	<ul style="list-style-type: none"> <li>• Launched exchanges with Shanghai (2002), Beijing (2004), Hangzhou (2004) and Guangdong (2005). 18 Hong Kong civil servants have joined the exchange programmes since 2002.</li> <li>• Apart from Tsinghua University, Peking University has been commissioned to conduct national studies programmes since 2004, China Foreign Affairs University has also been invited to provide programmes on foreign affairs for Hong Kong civil servants.</li> </ul>	<ul style="list-style-type: none"> <li>• Expand the civil service exchange programme to other countries.</li> <li>• Finalize arrangements with the National School of Administration on new courses for the Administrative Service.</li> </ul>

Area of Work	Major Initiatives	Performance Indicators	Objectives and Tasks for 2005
(5) Reinforce a performance-based culture	<ul style="list-style-type: none"> <li>● Set up the Secretariat on Civil Service Discipline in 2000 to shorten the processing time of disciplinary cases and streamline disciplinary procedures.</li> <li>● Launched the Management-Initiated Retirement Scheme in 2000 to ensure the quality of directorate staff.</li> <li>● Streamlined the procedures for handling persistent sub-standard performers in 2003.</li> <li>● Issued <i>Showcasing the Achievements of the Hong Kong Civil Service</i> in 2004.</li> <li>● Launched the Secretary for the Civil Service's Commendation Award Scheme in 2004.</li> <li>● Launch the Customer Service Award Scheme each year to encourage civil servants to strive for excellence.</li> </ul>	<ul style="list-style-type: none"> <li>● Processing time of disciplinary cases - <ul style="list-style-type: none"> <li>➢ cases requiring hearing: shortened from 7-18 months before 2000 to 3-9 months in 2003/04</li> <li>➢ cases not requiring hearing: shortened from 1-9 months before 2000 to 1-3 months in 2003/04</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Further streamline the procedures for handling underperformers.</li> <li>● Launch another round of Customer Service Award Scheme.</li> <li>● Produce a television series to promote the image of civil servants.</li> </ul>