

The Civil Service Reform in Hong Kong SAR

By Civil Service Bureau (Hong Kong SAR)

The Government has put in place a series of measures in the course of the Civil Service Reform since 1999.

Background

In March 1999, the Government released a Consultation Document on the Civil Service Reform. The main objective was to put forward proposals to restructure the administration of the Civil Service so as to make it more flexible and prepare ourselves to face the changes and increasingly demanding challenges in the years ahead and meet the demands of society. As a result of feedback received during the stage of consultation, the Government has drawn up more detailed proposals in the various policy areas for detailed discussion with the Staff Sides and department/grade management through working groups with staff representatives.

Implementation of reform initiatives

The principle of "small government" is upheld to contain the size of the Civil Service. Through process re-engineering, organizational review and out-sourcing, the Civil Service establishment has been reduced from around 198 000 in early 1999 to about 168 000 in September 2004, i.e. by more than 10%. ([Details](#))

The Civil Service establishment will be further downsized by 10% to about 160 000 by 2006-07.

Following are the highlights of reform initiatives in four main areas:

1. Entry and Exit

- On 1 June 2000, the Government introduced a new entry system and terms of appointment for new recruits to increase flexibility of its appointment system. ([Details](#))
- The Government has implemented a Civil Service Provident Fund Scheme in place of the pension system for officers who are offered appointments to the Civil Service on or after 1 June 2000 under the new entry terms and when they subsequently progress onto new permanent terms of appointment. ([Details](#))
- "The Administration introduced the first and the second Voluntary Retirement (VR)

Schemes in July 2000 and March 2003 respectively to enable existing staff of designated grades with identified or anticipated staff surplus to retire voluntarily with pension benefits and compensation. About 9 800 applications under the first VR Scheme and another 5 290 applications under the second VR Scheme have been approved. ([Details](#))

- The Administration has introduced a Management-Initiated Retirement Scheme to provide for the retirement of directorate civil servants on permanent and pensionable terms to facilitate improvement in the Government organisation since September 2000. ([Details](#))

2. Pay and Conditions of Service

- To bring Civil Service benchmarks more in line with the private sector, the Government implemented new starting salary levels for both civilian and disciplined services grades with effect from 1 April 2000. The new salaries apply to all new recruits and serving staff on transfer. ([Details](#))
- Phase one of a comprehensive review of the Civil Service pay policy and system was concluded in September 2002. The report puts forward a number of suggestions for the short, medium and long term. For the short term, priority should be given to devising a practical framework and methodology for a pay level survey and to reviewing the pay trend survey. The Administration has accepted the recommendation of the Task Force in this regard and embarked on an exercise to develop, in consultation with staff and on the basis of the existing mechanism, [an improved civil service pay adjustment mechanism](#). ([Details](#))
- On 1 June 2000, the Government introduced a new fringe benefits package which includes revised leave earning rates, a new leave passage arrangement and non-accountable housing benefits for new recruits. ([Details](#))
- It is stated Government policy to keep our civil service management system under review and to ensure that the continued provision of various allowances is justified and in line with present day circumstances. It is also the Government's commitment to achieving significant economy in its operating expenditure in the next few years. Against this background, the Administration has undertaken to review all allowances payable to civil servants, including those related to the performance of duty and those provided as fringe benefits.

We have made good progress in respect of duty-related allowances. As regards allowances payable as fringe benefits, we shall take forward the review in two phases. Under the first phase, we shall pursue change proposals for allowances that affect relatively fewer civil servants and those change proposals that are less complicated. These allowances include leave passage allowance, sea passage, sea baggage allowance, hotel provision and hotel subsistence allowance, the provision of furniture and domestic appliances and furniture and domestic appliances allowances, removal allowance and air-conditioning allowance. We are now seeking the views of the staff sides of the Central staff consultative councils on the change proposals. We shall consult staff on change proposals for allowances which are likely to have a more extensive impact within the civil service (such as change proposals concerning education allowances and housing allowances) in the second phase later this year. We are guided by the principles of lawfulness, reasonableness and fairness in carrying out the review. We shall fully consult staff in the process. ([Details](#))

- To introduce progressively elements of performance-based rewards into the Civil Service system, the Administration launched in October 2000 a pilot scheme on team-based performance rewards in a number of departments. The Scheme has been completed and its effectiveness is being assessed. ([Details](#))

3. Conduct and Discipline

- In April 2000, the Government introduced measures to streamline the existing disciplinary procedures and set up an independent Secretariat on Civil Service Discipline to handle disciplinary cases in a prompt, impartial and equitable manner. ([Details](#))

4. Performance Management, Training and Development

- The Administration has issued guidelines to tighten rules on the award of increments and reinforce the application of Civil Service Regulations on stoppage and deferment of increments for officers with sub-standard performance at work. They came into effect on 1 October 2000. ([Details](#))
- Training and development programmes are used extensively to support the implementation of the Civil Service Reform initiatives. Funds have been sought from the Finance Committee of the Legislative Council to equip staff with the requisite skills and knowledge to implement the Reform initiatives, as well as to inculcate the new service culture. ([Details](#))

The changes the Government has introduced will provide the necessary flexibility and capability to allow the Civil Service to respond quickly to community needs; to provide a more motivating and positive work environment; and to further a performance-based, service-oriented management culture.

The Government will continue to implement the approved reform initiatives with care and sensitivity, taking full account of the views of civil servants as well as the community at large.

Useful Reference

- [Maintaining a Progressive Hong Kong Civil Service](#)
- [Speech by SCS on the Appropriation Bill 2003](#)

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Accessed on 01/11/2005