

For discussion
on 17 October 2005

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Legislative Council Panel on Public Service

Policy Initiatives of the Civil Service Bureau

Purpose

The 2005/06 Policy Agenda sets out the Government's new and on-going initiatives under the new Chief Executive for the period from July 2005 to June 2007. This paper elaborates on the on-going initiatives relating to the Civil Service Bureau (CSB).

On-going initiatives under the 2005/06 Policy Agenda

2. The 2005/06 Policy Agenda contains seven on-going initiatives on the management of the civil service under the chapter of "Effective Governance". Our prevailing plan to roll out these initiatives is set out in the following paragraphs.

(a) Continuing with the development of an improved civil service pay adjustment mechanism which helps maintain a clean, stable and efficient civil service and is also considered as fair and reasonable by the community. The exercise includes the conduct of a pay level survey, review of the annual pay trend survey and developing a better mechanism to facilitate both upward and downward pay adjustments in future. We have appointed a consultant to proceed with the pay level survey field work for completion in early 2006.

3. In March 2005, taking account of the feedback from an extensive consultation exercise and other relevant considerations, the Administration decided to conduct a pay level survey for the civil service based on the survey methodology recommended by the Phase I consultant. Following the appointment of the Phase II consultant in June 2005, we have been preparing for an intensive job inspection process to ascertain the job-related characteristics of the civil service benchmark jobs. This process will lay the ground for identifying appropriate job matches in the private sector to facilitate the collection of private sector pay data which is

currently scheduled for early 2006. We will keep Members informed of the progress of the pay level survey at coming meetings of the Panel on Public Service.

4. Apart from taking forward the pay level survey, we shall separately consider other issues pertinent to the development of an improved pay adjustment mechanism, including the development of an effective means for implementing both upward and downward pay adjustments. We shall continue to discuss these issues with the staff sides in earnest and consult the Panel with a view to completing the whole exercise in a timely manner.

(b) Continuing with the review of civil service allowances following the judgment of the Court of Final Appeal on the appeal in respect of the Public Officers Pay Adjustment Ordinances. We will take full account of staff views before deciding on any change proposals for implementation in 2006.

5. We have undertaken to conduct a comprehensive review of all civil service allowances. We have put in place a mechanism to review the allowances relating to the performance of duty on a regular basis and proceeded with the review of fringe-benefit type of allowances in two phases. On the latter, we issued a consultation note in June 2004 setting out the change proposals under phase one of the review. The allowance review was subsequently put in abeyance in view of the Government's appeal to the Court of Final Appeal (CFA) in relation to the pay adjustment ordinances, which involved the Basic Law provisions regarding remuneration of civil servants.

6. Following the conclusion of the appeal, we have revived the allowance review and decided to consolidate the change proposals under the two phases as a comprehensive exercise. Taking account of the CFA judgment, legal advice, the policy objectives of the review, and the feedback from staff during the phase one review, we have further revised the entire package of change proposals.

7. We have written to the staff sides of the central consultative councils as well as all civil servants on 22 September 2005, seeking their views on the revised package of proposals. The consultation period will end on 21 November 2005.

8. After staff consultation, we shall draw up the Administration's final proposals and seek the advice of the advisory bodies on civil service salaries and conditions of service before making a final decision. It is our intention to implement the new measures arising from the review as early as possible in 2006.

9. We will keep Members informed of the progress of our review, including the details of the proposals, and seek the approval of the Finance Committee on change proposals if necessary.

(c) Facilitating the maintenance of a lean and efficient civil service and reduction of the civil service establishment to about 160 000 by 2006-07 by providing the necessary management tools to assist bureaux and departments to achieve staff savings and enhance efficiency.

10. With the implementation of a series of measures in the past few years, including the Second Voluntary Retirement (VR) Scheme, general civil service recruitment freeze, and continuous efforts by departments in reorganizing and reengineering their work procedures and mode of service delivery, we are making steady progress in reducing the size of the civil service. As at end August 2005, the civil service establishment was around 164 400, representing a reduction of about 17% from the peak of 198 000 in early 2000. We expect that the civil service establishment will be further reduced to 163 000 by end of 2005-06. It remains our goal to reduce the civil service establishment to around 160 000 posts by end of 2006-07. We shall continue to discuss with bureaux and departments their individual staffing situations and work with them to realize the reduction targets through internal deployment and targeted voluntary retirement schemes where appropriate. We remain committed in not resorting to forced redundancy to achieve the establishment target.

(d) Continuing to provide civil servants with training and development opportunities. We shall also continue to enhance the variety and content of the training materials on our e-learning portal, and promote wider use of e-learning, as part of our endeavours to fortify a culture of continuous learning in the civil service.

11. To ensure that the civil service keeps pace with the demands of the community for new and better service, we are committed to providing civil servants at different ranks with a variety of training and development opportunities, thereby opening up their mindset and equipping them with the necessary skills and knowledge, including their understanding of the latest developments in the Mainland.

12. We attach great importance to the various programmes on national studies. Continuous endeavours are also made to widen civil servants' exposure to the latest developments on the Mainland through training courses, theme-based visits, civil service exchange and a dedicated website. Since 1997, some 850 civil servants have participated in familiarization/theme-based visits to acquire first-hand understanding of the developments in the Mainland, and close to 1 400 senior civil servants have attended national studies programmes at the Tsinghua University, Peking University, the National School of Administration, and the China Foreign Affairs University. We shall continue to send no less than 250 senior civil servants to attend national studies programmes and visits each year. The Civil Service Exchange Programme with the Mainland has been expanded to cover Guangdong, on top of Shanghai, Beijing and Hangzhou. By the end of 2005/06, a total of 37 middle-ranking civil servants from Hong Kong would have worked in Government offices or departments in these Mainland cities for a period ranging from one to three months, while we would have received 53 civil servants from the Mainland for secondment in 26 Hong Kong SAR Government departments. Prominent speakers and scholars from Hong Kong and the Mainland are also invited to speak at our seminars held locally. The topics covered developments in the Mainland and implementation of the Basic Law. To enhance civil servants' understanding of the Basic Law, we continue to organize thematic seminars, customized programmes meeting specific needs of departments, and induction seminars for new appointees. Around 4 000 attendances have been recorded for these local national studies courses in 2005/06. We have also revamped our dedicated website on national studies to provide more robust learning resources.

13. For staff at management level, we continue to offer training programmes to them on leadership development and change management. The programmes range from a one-week course offered by the John Kennedy School of Government (Harvard University); through a three-week leadership course for would-be directorate officers; to workshops and seminars on various themes and topics such as innovation, outsourcing management, and performance management.

14. We have also made strenuous efforts to carry frontline staff on board in coping with changes. Programmes on handling and embracing changes have been rolled out to foster a change culture among them. The General Grades Office have, for example, custom-made over 310 half-day, interactive "Change for Better

Future” seminars in 2005 for all of the nearly 23,500 clerks and secretaries in the civil service.

15. In keeping with our policy to sustain a culture of continuous learning in the civil service, we reserved \$10 million to launch two new training sponsorship schemes in early 2005 to help upgrade the qualifications and skills of staff. Under the schemes, staff at different levels, including frontline staff and middle managers, may apply for reimbursements of course fees on work-related courses or programmes which lead to a qualification. Staff may claim for reimbursement after completing their courses in 2005/06 or 2006/07. So far, over 300 officers at different levels have joined the schemes and we expect more will do so. We plan to expand the scope of the sponsorship schemes to allow more staff to benefit from self-arranged studies.

16. We enhanced the Cyber Learning Centre Plus (CLC) web site in April 2005 to provide added e-learning resources in a more user-friendly manner to facilitate the pursuit of continuous learning amongst civil servants. The number of registered users of the CLC Plus is expected to increase from 45 000 in 2004 to about 55 000 in 2005. The number of web-course users and hits is also expected to increase by 35%. We will continue to enhance the quality and variety of our e-learning resources. We will also provide more advisory services to bureaux and departments in achieving wider use of the e-learning mode in the civil service.

(e) Continuing to maintain and enhance the morale of the civil service, and encourage fuller use of various commendation schemes to recognise and motivate exemplary performance.

17. In keeping with our policy to induce meritorious performance through proper recognition, we introduced in 2004 the Secretary for the Civil Service’s Commendation Scheme. The scheme has been very well received. This year, 74 civil servants from 34 departments received the Commendation.

18. Following consultation with departmental management and the staff sides, the Administration has decided that recipients of the SCS’s Commendation, having satisfied certain eligibility criteria, should be granted a travel award. This gives deserving officers an added incentive in striving for consistent outstanding performance.

19. We have since 1999 rolled out the Civil Service Customer Service Award Scheme to promote a customer-oriented service culture in the civil service. Awards are granted to departments and teams for the provision of quality service to customers. In 2005, we have expanded the scope of the scheme and re-named it as the “Civil Service Outstanding Service Award Scheme”. The Award ceremony will be held on 2 December 2005. Apart from giving recognition to departments and teams that are best in providing customer-oriented services to the public, awards have been added under the expanded scheme to show-case partnership amongst two or more departments that resulted in enhanced services to the public, as well as quality services provided by teams of civil servants who have introduced innovative ideas; are proactive in applying new technology, or are engaged in specialized operations that may not be widely known to the public. RTHK will produce a series of TV programme for the 2005 Civil Service Outstanding Service Award Scheme to be broadcast on 27 November, 3 and 4 December 2005.

20. We have also commissioned RTHK to produce a TV series showcasing the work of various departments and frontline staff in serving the community. The series, comprising about ten half-hour episodes, will be broadcast on consecutive Saturdays starting early January 2006.

(f) Reinforcing actions taken to manage staff who do not measure up, through strengthening the deterrent effects of our disciplinary system against misconduct and further streamlining the procedures for removing under-performers, whilst sustaining efforts to further improve efficiency and productivity in the civil service.

21. In March 2003, we simplified the procedures for removing persistent sub-standard performers from the service. More departments have since made better use of the tool to manage under-performance. Building on the positive results achieved, we have formulated proposals to further streamline the procedures with a view to enabling swifter action to be taken against sub-standard performers. We have consulted the Public Service Commission and the staff sides. We shall promulgate the revised procedures shortly and inform Members of the details.

22. We shall sustain our efforts in reinforcing a performance-based culture in the civil service that is conducive to improving efficiency and productivity in the civil service.

- (g) Reviewing the policy on the post-retirement employment of civil servants to ensure that the policy will continue to contribute to public confidence in the integrity and impartiality of the civil service. Having completed our consultation with staff on the draft proposals, we will revise the proposals in the light of staff views and aim to promulgate the improvement measures within 2005.

23. In response to the concern of the Legislative Council and members of the public regarding the existing policy governing retired directorate civil servants' post-retirement employment, we embarked on a comprehensive review of the policy around mid-2004, with a view to ensuring that the control regime meets present day expectations. In March 2005, we presented a package of proposals to the LegCo Panel on Public Service and put it forth for staff consultation. In the past few months, we have been refining our proposals in the light of comments received. We will promulgate the revised control measures within this year. Throughout the review, we are mindful of the need to strike a balance between preserving former civil servants' right to pursue employment after leaving government service, and maintaining the community's confidence in the integrity of the civil service system.

Staffing implications arising from the various new policy initiatives in the Policy Address

24. In order to meet the service demands arising from a number of new initiatives set out in the Policy Address such as the reorganisation of the Chief Executive's Office, setting up of a Food Safety, Inspection and Quarantine Department, the establishment of new offices in the Mainland and overseas and so on, we will need to rationalize our manpower resources to meet these changed needs. Aside from creating non-directorate posts, we expect there will be a small increase in the number of directorate posts which in total will still represent less than 1% of the total establishment. We shall consult the relevant Legislative Council Panels on the specific staffing proposals and seek the approval of the Establishment Sub-committee/Finance Committee.

25. While we will continue to work within the overall establishment target of about 160 000 by end-March 2007, as at end August 2005, the strength stood at 157 800 which was already below 160 000. As such, there is scope for departments to recruit new staff for filling existing vacancies to meet the new policy initiatives and other operational needs. Some of these posts may belong to

grades included in the Second VR Scheme, which are subject to a recruitment freeze until 2008. We will examine the feasibility to relax the recruitment freeze for selected VR grades if there are exceptional justifications. We will consult Members again when we have a more concrete proposal.

Way Forward

26. We shall take forward the above initiatives in close consultation with departmental management and staff. We shall also keep Members' informed of the progress of these initiatives.

Civil Service Bureau
October 2005