

The Thirteenth Report on the Work

of the

Advisory Committee on

Post-retirement Employment

(1 January 2001 -

31 December 2001)

INTRODUCTION

The Advisory Committee on Post-retirement Employment (Advisory Committee) was established in October 1987 to advise the Administration on post-retirement employment policy of the Civil Service and consider applications from directorate officers for post-retirement employment. Since January 1997, the ambit of the Committee has been extended to advise on applications for post-contract employment from agreement officers ranked at D3 and above. The terms of reference of the Advisory Committee are at Annex A.

2. This report informs the Chief Executive of the work of the Advisory Committee in 2001. It also outlines the principles and guidelines adopted by the Advisory Committee in vetting applications and the trends in employment opportunities available to retired civil servants.

MEMBERSHIP OF THE ADVISORY COMMITTEE

3. The Chairman and Members of the Advisory Committee are appointed by the Chief Executive. The membership in 2001 was -

Chairman: The Hon Mr Justice Arthur Leong

Members: Mr Peter Thompson, SBS, LL.D, JP
Mrs Ng Yeoh Saw-kheng, JP
Mr Philip K H Wong, LL.D, JP (up to 14.7.2001)
Dr Dennis T L Sun, BBS (since 15.7.2001)
Mr Joseph W P Wong, GBS, JP, Secretary for the Civil Service

Chief Executive Officer (Pensions) of the Civil Service Bureau serves as Secretary.

PRINCIPLES AND GUIDELINES

4. Government's policy is to ensure that former civil servants do not enter into any business or outside employment which may constitute a conflict of interest with their previous employment in the Civil Service or embarrass the Government. This policy contributes to public confidence in the integrity of the Civil Service.

5. Under the pensions legislation, retired officers are required to seek prior permission from the Chief Executive before they enter into business or take up employment in Hong Kong within a specified period after retirement if the principal part of their business or employment is carried out in Hong Kong. At present, retired officers at Director of Bureau rank or above are required to seek permission within three years after retirement. Other retirees are required to seek approval within a two-year period. Blanket approval is given for all staff remunerated on the Model Scale I Pay Scale.

6. With the advice of the Advisory Committee, a set of guidelines on taking up post-retirement employment is promulgated to all retiring officers. The key guiding principle is that there should be no impropriety in the post-retirement employment.

7. When considering applications, the Advisory Committee will consider the applicant's previous involvement in policy formulation or decision-making in the Government and his previous knowledge and information acquired from his employment in the Civil Service to assess whether such involvement or information would benefit the prospective employer improperly or enable the prospective employer to gain an unfair advantage over his competitors. Views are sought from the respective bureau secretary or head of department for each application on the question of potential conflict of interest.

8. The public perception of the proposed business or employment taken up by the officer and the question of whether his proposed employment will result in an undesirable public profile for the Civil Service are also important considerations. Where necessary, conditions, such as a sanitisation period during which the applicant would be barred from taking up the employment or restrictions on the scope of activities to be undertaken, may be imposed to minimise potential risks.

POST-RETIREMENT EMPLOYMENT OF DIRECTORATE OFFICERS

9. Applications for post-retirement employment outside the Civil Service from directorate officers are processed centrally by the Civil Service Bureau. Noting that directorate officers are more likely to have been involved in policy formulation or have access to sensitive information and their taking up of post-retirement employment outside the Civil Service would probably draw public attention to potential conflict of interest, the Advisory Committee therefore advises the Administration on each and every application from directorate officers to ensure that the established guidelines on post-retirement employment are applied prudently and consistently.

10. As a general guideline, retired senior civil servants are not normally allowed to undertake more than six post-retirement appointments at any one time. To ensure that possible conflicts of interest arising from a post-retirement employment overseas will not be overlooked, all retired directorate officers are required to notify the approving authority of any paid employment undertaken anywhere during the specified period.

11. Between October 1987 and December 2001, a total of 563 applications from 343 retired directorate officers were considered by the Advisory Committee. Of these cases, 7 were rejected, 90 were approved with sanitisation periods of up to 18 months and 56 were approved with restrictions on the scope of activities to be undertaken by the retired officer. The rest were approved without conditions or restrictions.

12. For the period from 1 January 2001 to 31 December 2001, the Advisory Committee considered a total of 50 applications from 37 retired directorate officers. Out of these 50 cases, 2 cases were rejected, 4 were approved with sanitisation periods of up to 12 months and 11 were approved with restrictions set on the scope of activities to be undertaken by the retired officer. The rest were approved without conditions. A breakdown of the background of the applicants and the nature of the business or employment which they were engaged in are at Annexes B and C respectively.

POST-RETIREMENT EMPLOYMENT OF NON-DIRECTORATE OFFICERS

13. Applications for post-retirement employment from non-directorate officers are handled by the respective Heads of Department or Heads of Grade. Their applications are dealt with in accordance with the same principles and guidelines as set out in paragraphs 7-8 above.

14. From 1 January 2001 to 31 December 2001, a total of 1584 applications from 1544 non-directorate officers were processed. The number of applications increased remarkably from 699 in 2000 to 1584 in 2001, primarily due to the introduction of the Voluntary Departure Scheme in the Housing Department and the Voluntary Retirement Scheme in the Civil Service. Of the 1584 applications received in 2001, 879 were under the Voluntary Departure Scheme and another 308 were under the Voluntary Retirement Scheme. Out of the 1584 applications processed, 4 were approved with conditions and 1 was rejected. The others were approved without conditions or restrictions. The majority of the applicants were below 50 (46.5%), and were in receipt of a salary below Master Pay Scale point 14 at the time of retirement (47.1%). A breakdown of the background of the applicants and the nature of the business or employment which they are engaged in are at Annexes D and E respectively.

POST-CONTRACT EMPLOYMENT

15. Since January 1997, agreement officers on Directorate Payscale D3 or above who enter into new contracts or renew their contracts with the Government are subject to post-contract employment control in taking up employment or appointment, or engaging in any business, trade or profession, the principal part of which is carried on in Hong Kong within one year immediately following the expiry of their terminal leave. These officers are required to apply for prior approval where the post-contract employment is in the same field as his civil service employment and where there is a possible conflict of interest. Non-compliance with the requirement will be regarded as a breach of contract and may result in legal action against the officer.

16. In determining whether approval should be given, the Advisory Committee will take into account any direct relationship between the officer's areas of duty during his service in the Government and the duties he proposes to undertake in his new employment, with particular regard to possible conflicts of interest.

17. In 2001, 1 application for post-contract employment was processed and approved.

THE WAY AHEAD

18. Given their knowledge, experience and a good understanding of the community aspirations, retired civil servants can continue to contribute to the community through active employment. The Advisory Committee supports post-retirement employment which will be beneficial to Hong Kong at large. It nevertheless acts to ensure that in such employment, no unfair advantage is gained and no conflict of interest would be caused as a result of the applicants' former service in the Government, having regard to the information available to them, the relationship they have with their former colleagues or the connection they gained whilst in the Government.

19. The Advisory Committee will continue to advise the Administration on the policy on post-retirement employment and consider applications from directorate officers in accordance with the established policy and guidelines.

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Advisory Committee on Post-retirement Employment

Terms of Reference

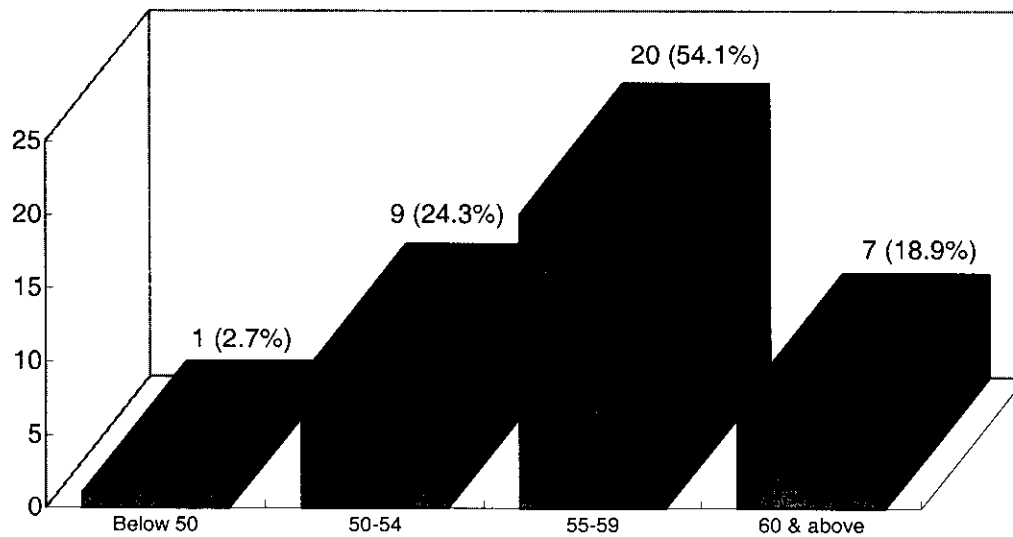
- (a) To advise the Chief Executive on the principles and the criteria to be adopted to deal with applications for post-retirement and post-agreement employment;
- (b) To consider and advise on all applications for post-retirement employment from directorate officers on pensionable terms;
- (c) To consider and advise on all applications for post-contract employment from agreement officers on Directorate Payscale Point 3 or above; and
- (d) To consider and advise on other applications which may be referred by the Secretary for the Civil Service.

Post-Retirement Employment For Retired Directorate Officers (1.1.2001 - 31.12.2001)

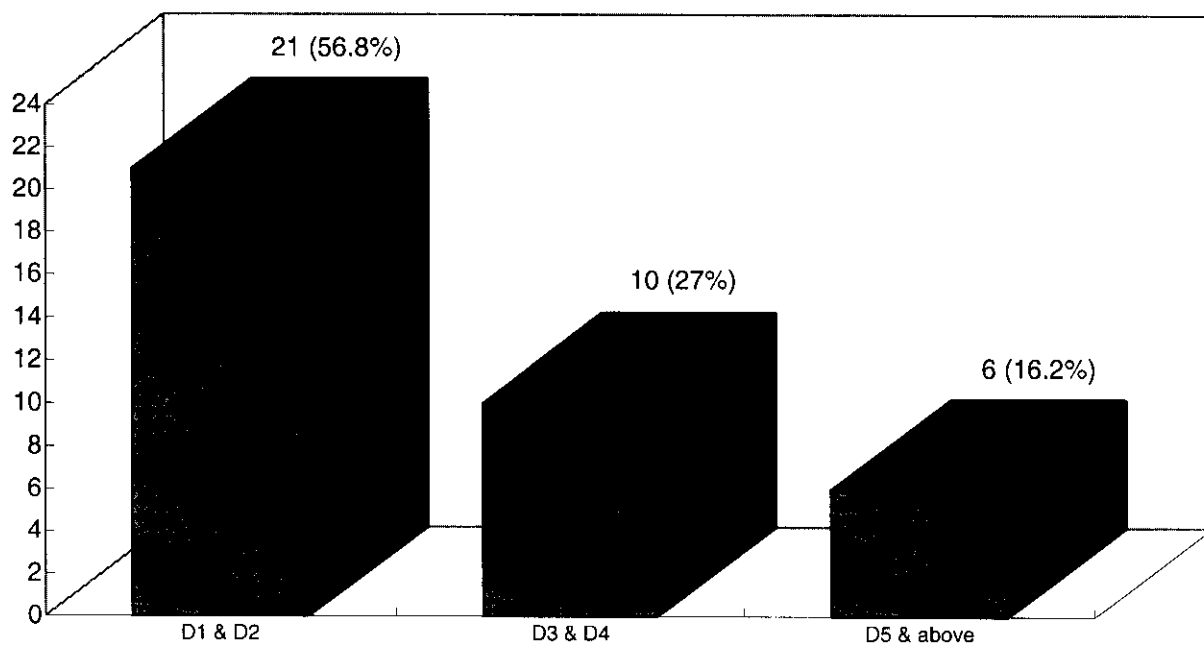
Breakdown by Applicants' Background

| | |
|----------------------------------|----|
| Number of applicants: | 37 |
| Number of applications approved: | 48 |
| Number of applications rejected: | 2 |

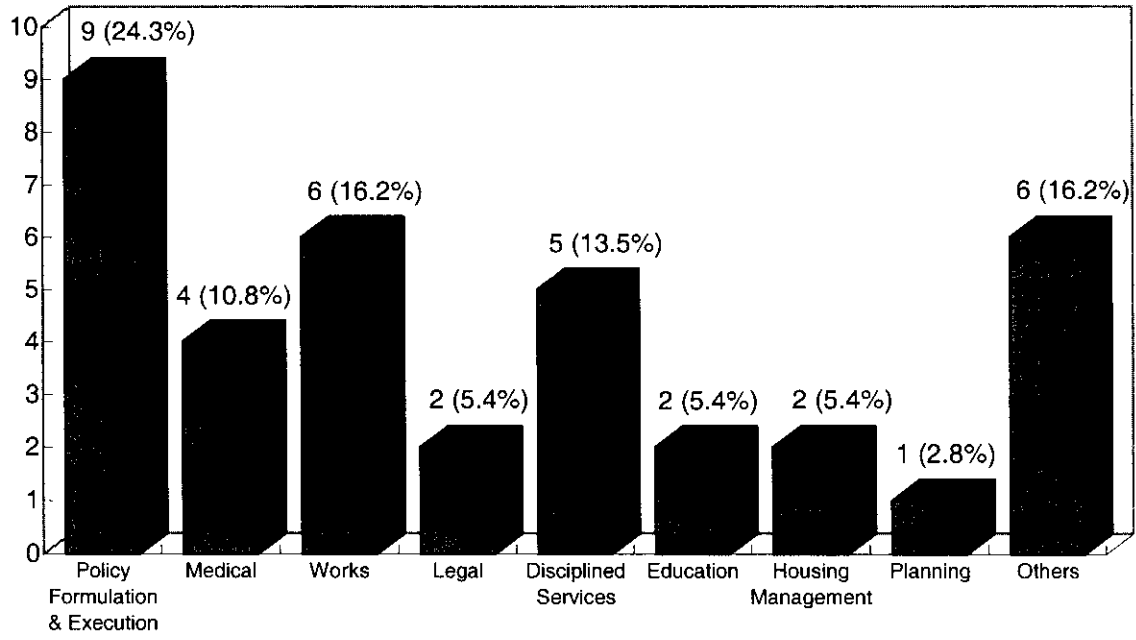
(a) Age



(b) Salary at the time of retirement



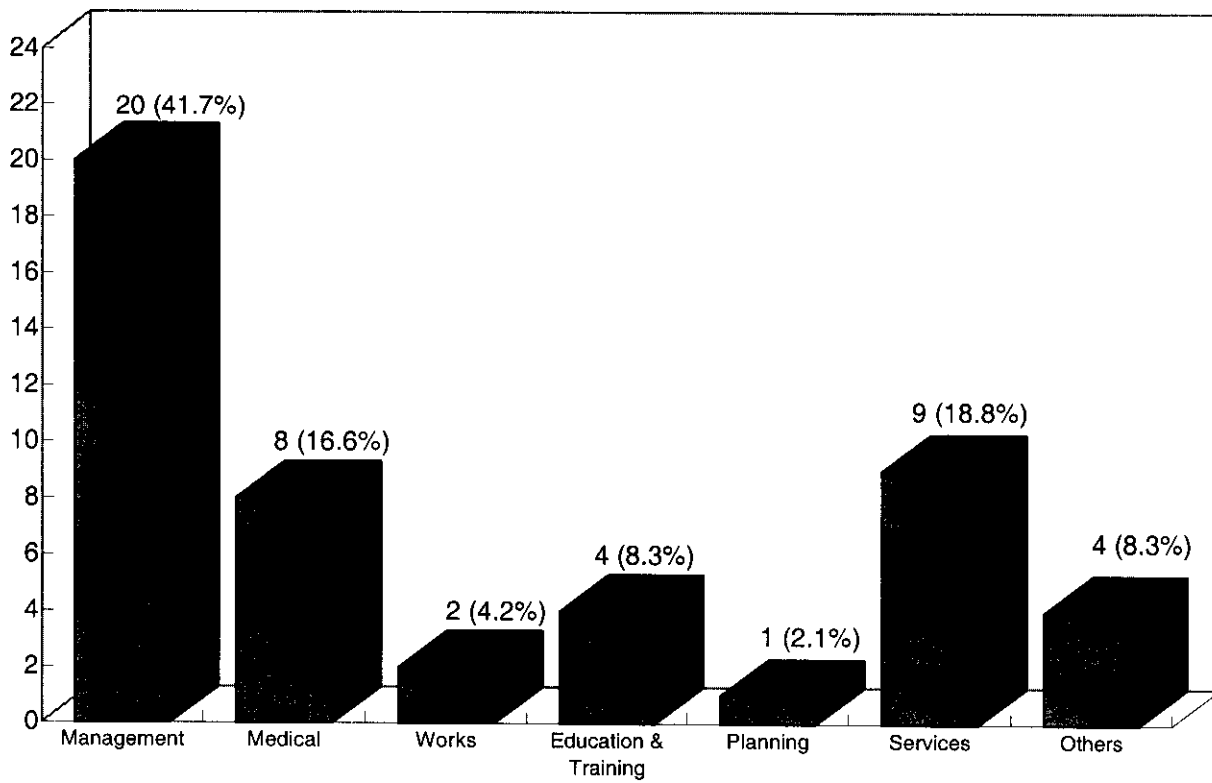
(c) Type of work previously engaged in
the Civil Service



Post-Retirement Employment For Directorate Officers (1.1.2001 - 31.12.2001)

Breakdown by the Nature of Business/Employment Engaged after Retirement

Number of applications approved: 48

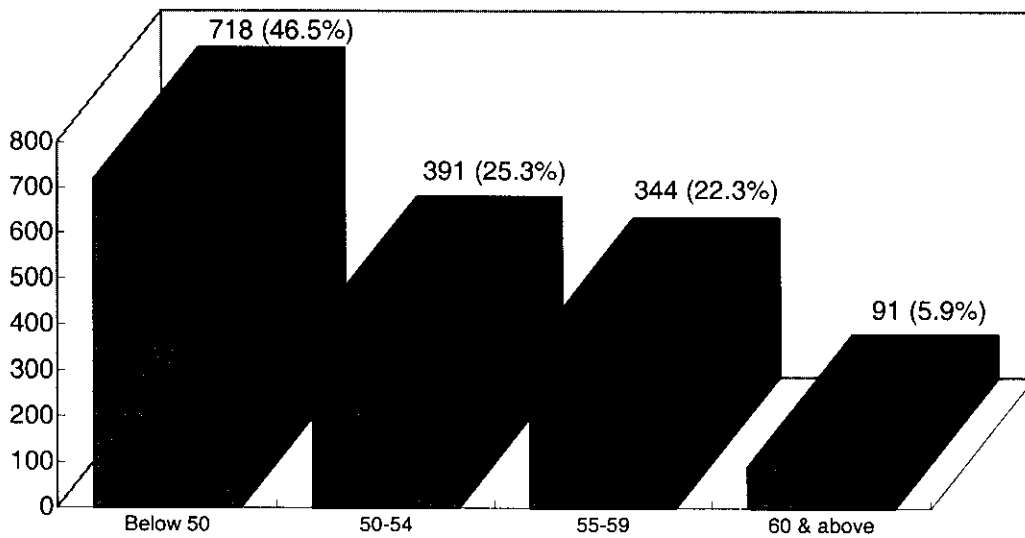


Post-Retirement Employment For Retired Non-directorate Officers (1.1.2001 - 31.12.2001)

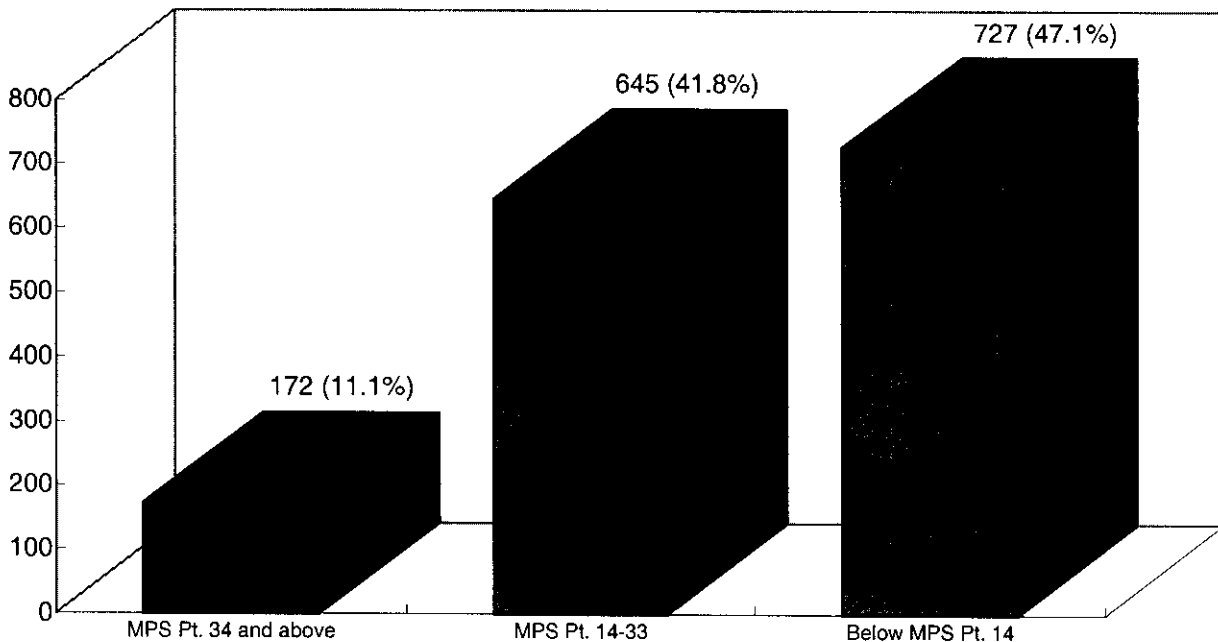
Breakdown by Applicants' Background

| | |
|----------------------------------|------|
| Number of applicants: | 1544 |
| Number of applications approved: | 1583 |
| Number of applications rejected: | 1 |

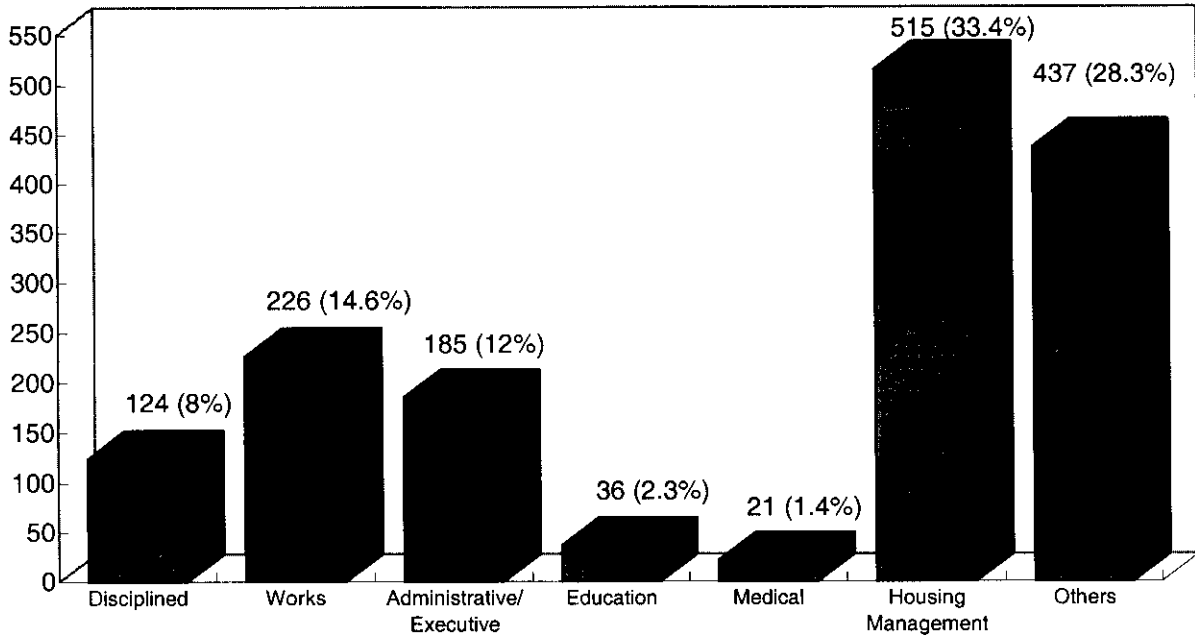
(a) Age



(b) Salary at the time of retirement



(c) Type of work previously engaged in
the Civil Service



Post-Retirement Employment For Retired Non-directorate Officers (1.1.2001 - 31.12.2001)

Breakdown by the Nature of Business/Employment Engaged after Retirement

Number of applications approved: 1583

