

The Fifteenth Report on the Work

of the

Advisory Committee on

Post-retirement Employment

(1 January 2003 -

31 December 2003)

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 Directorate Pay Scale Point 3 or 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 2003. 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 2003 was -

Chairman: The Hon Mr Justice Arthur Leong, GBS (up to 13.7.2003)
The Hon Mr Justice Pang Kin-kee (since 14.7.2003)

Members: Mr Peter Thompson, SBS, LLD, JP (up to 13.7.2003)
Mr James Edward Thompson, GBS (since 14.7.2003)
Dr Elizabeth Shing Shiu-ching, JP
Dr Dennis Sun Tai-lun, BBS, JP
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 the rank of Administrative Officer Staff Grade A1 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 relevant Permanent Secretary or Head of Department/Grade 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 from directorate officers for post-retirement employment outside the Civil Service 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 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 2003, a total of 683 applications from 409 retired directorate officers were considered by the Advisory Committee. Of these cases, 9 were rejected, 30 were approved with sanitisation periods of up to 18 months and restrictions on the scope of activities to be undertaken by the retired officer, 82 were approved with sanitisation periods of up to 18 months, and 47 were approved with restrictions. The rest were approved without conditions or restrictions.

12. For the period from 1 January 2003 to 31 December 2003, the Advisory Committee considered a total of 76 applications from 52 retired directorate officers. Of these 76 cases, 1 was rejected, 7 were approved with sanitisation periods of up to 18 months and restrictions set on the scope of activities to be undertaken by the retired officer, 8 were approved with sanitisation periods of up to 18 months, and 8 were approved with restrictions. The rest were approved without conditions or restrictions. A

breakdown on the background of the applicants and the nature of their intended business or employment is at **Annex B**.

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 2003 to 31 December 2003, a total of 1297 applications from 1244 non-directorate officers were processed. Of the 1297 applications processed, 56 were approved with conditions. The others were approved without conditions or restrictions. The majority of the applicants were below the age of 50 (47.9%), and were in receipt of a salary on Master Pay Scale Point 14-33 at the time of retirement (53.2%). A breakdown on the background of the applicants and the nature of their intended business or employment is at **Annex C**.

POST-CONTRACT EMPLOYMENT

15. Since January 1997, agreement officers on Directorate Pay Scale Point 3 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

conflict of interest.

17. In 2003, 1 application for post-contract employment was processed and approved without condition or restriction.

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

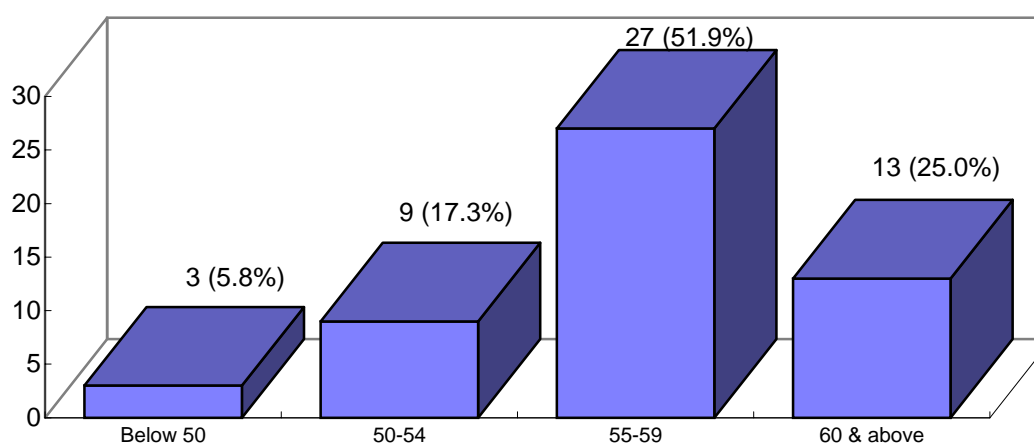
- (a) To advise the Chief Executive on the principles and the criteria to be adopted to deal with applications for post-retirement and post-agreement employment;
- (b) To consider and advise on all applications for post-retirement employment from directorate officers on pensionable terms;
- (c) To consider and advise on all applications for post-contract employment from agreement officers on Directorate Pay Scale 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 (1.1.2003 - 31.12.2003)

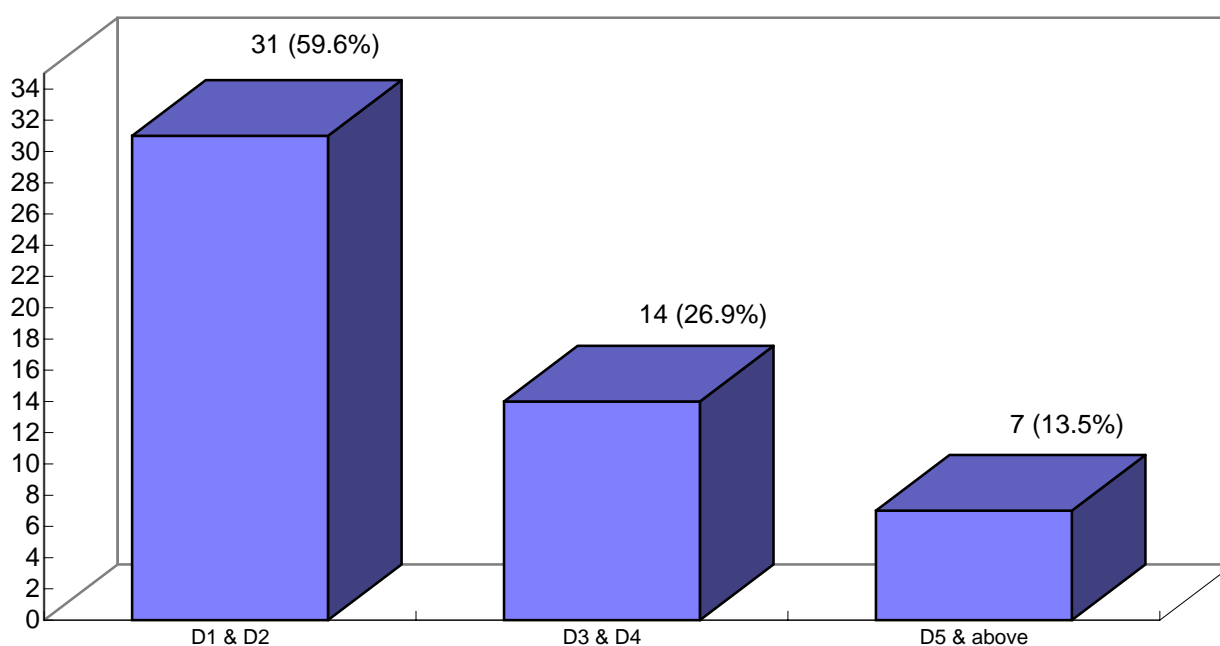
Number of applicants:	*52
Number of applications:	76
Number of applications approved:	75
Number of applications rejected:	1

Breakdown by Applicants' Background

(a) Age

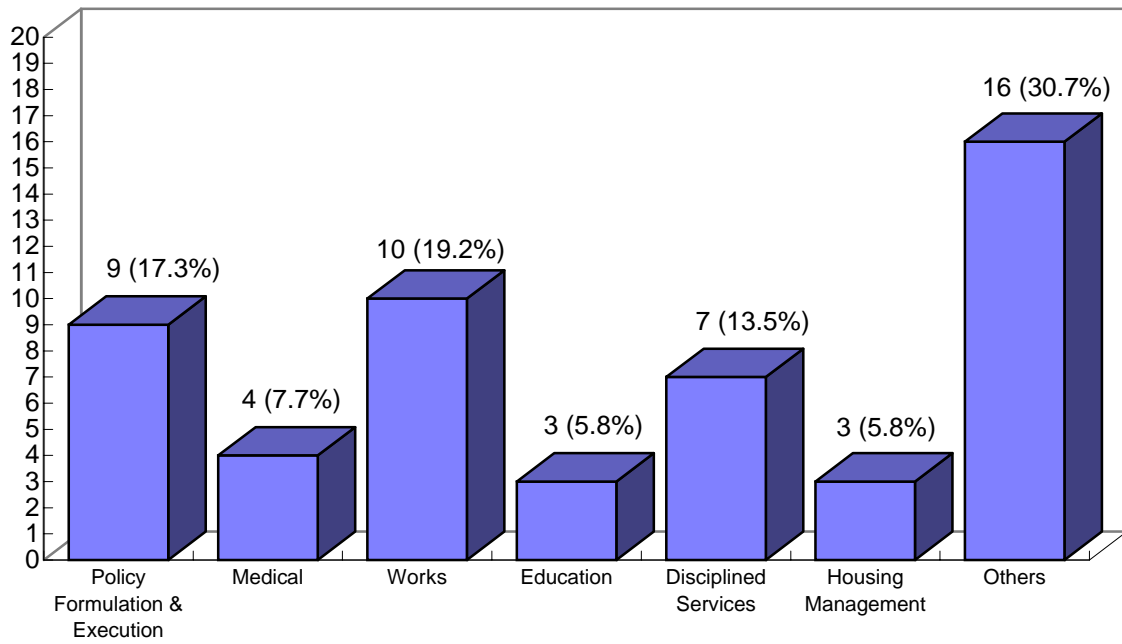


(b) Salary at the time of retirement

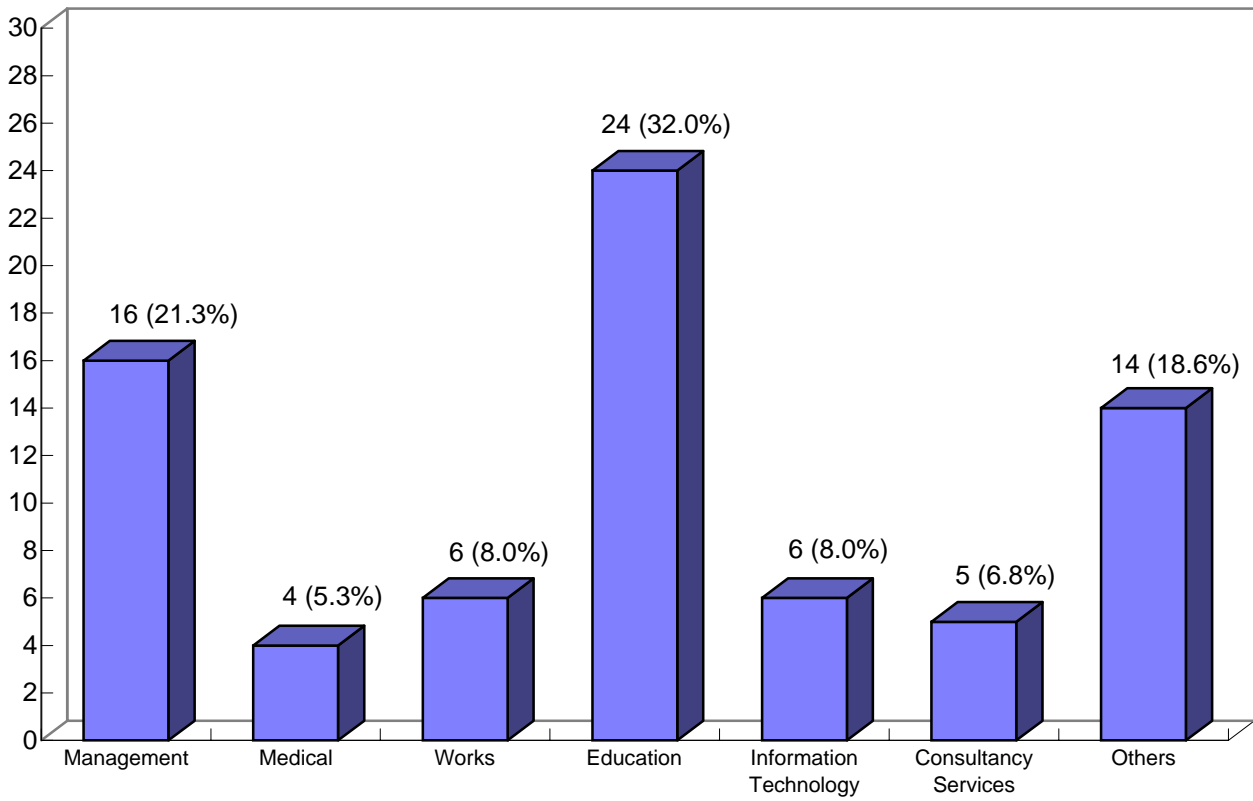


*Of the 52 applicants, some have submitted more than one applications.

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



Breakdown by the Nature of intended Business/Employment after Retirement

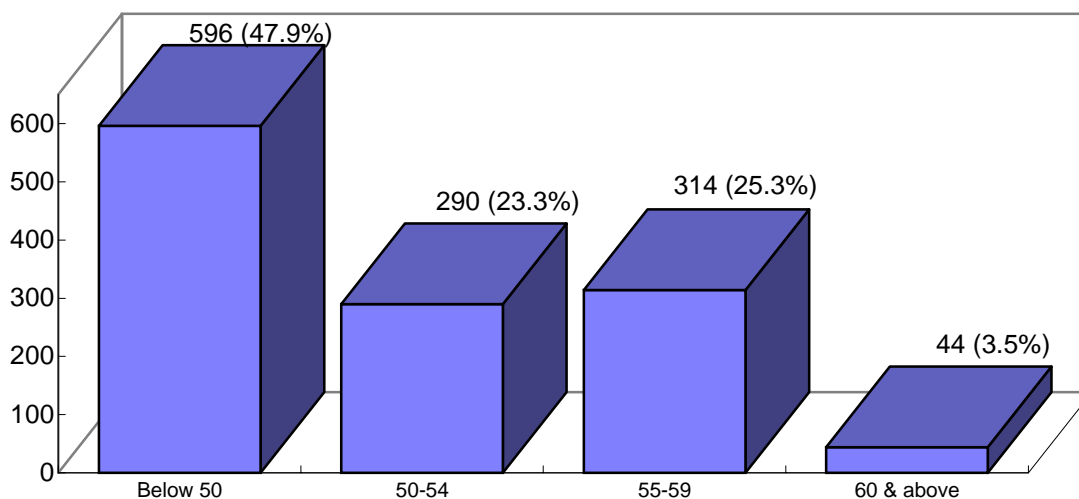


Post-Retirement Employment For Retired Non-directorate Officers (1.1.2003 - 31.12.2003)

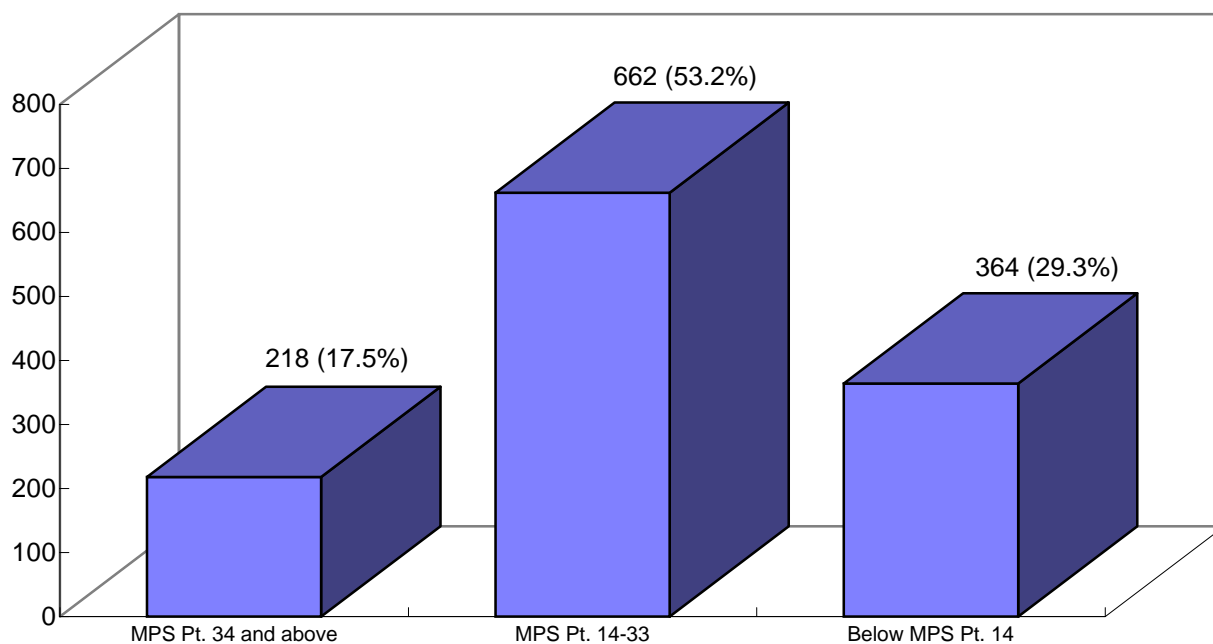
Number of applicants:	*1,244
Number of applications:	1,297
Number of applications approved:	1,297
Number of applications rejected:	0

Breakdown by Applicants' Background

(a) Age

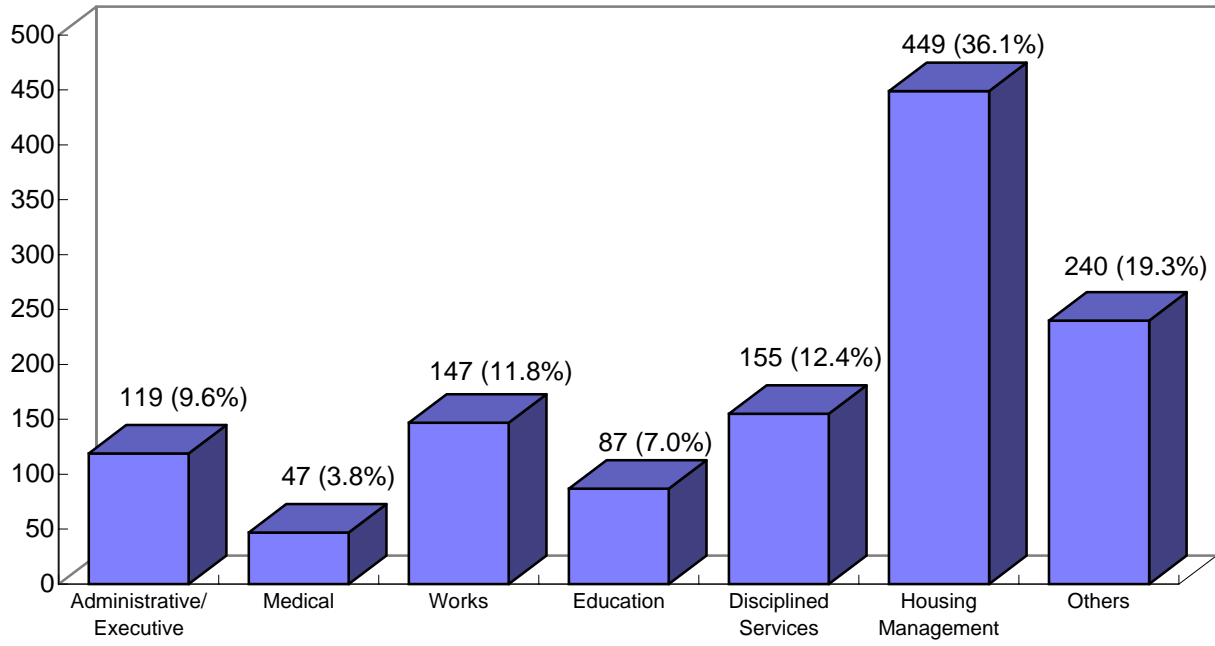


(b) Salary at the time of retirement



* Of the 1,244 applicants, some have submitted more than one applications.

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



Breakdown by the Nature of intended Business/Employment after Retirement

