

For Discussion on
22 February 2010

Legislative Council Panel on Public Service

An Overview of the Civil Service: Establishment, Strength, Retirement, Resignation and Age Profile

Purpose

This paper provides an update on the overall establishment, strength, retirement, resignation and age profile situation of the Civil Service.

Background

2. The Civil Service is the backbone of the Government. It is responsible to the Chief Executive. It supports the Chief Executive and the Government-of-the-day in formulating, explaining and implementing policies; conducting administrative affairs; delivering public services; and undertaking law enforcement and regulatory functions. It serves the community, and contributes to the effective governance and stability and prosperity of Hong Kong.

Establishment and Strength

3. Over the last 25 years, the size of the Civil service has fluctuated largely according to changes in economic development, increasing community expectations and demand for public services, institutional (e.g. establishment of the Hospital Authority) and productivity reforms. The yearly changes in the establishment (namely the number of civil service

posts) and strength (namely the number of serving civil servants) positions of the Civil service since 1983-84 are shown in **Annex A**¹. The strength figures are invariably smaller than the establishment figures, usually because of the lead-time required to conduct recruitment exercises to fill vacancies arising from wastage.

4. As shown in Annex A, from its peak of around 200 000 in 1990-91, the establishment of the Civil Service had remained within the range of 186 000 to 196 000 in the rest of the 1990s, while the strength was within the range of 180 000 to 190 000. The turn of the millennium witnessed a down-sizing of the Service through enhanced efficiency drives by the Administration, including implementation of the two general voluntary retirement (VR) schemes in 2000 and 2003 and the targeted VR schemes for specific grades, and the general open recruitment freeze in 1999-2000 to 2000-01 and 2003-04 to 2006-07. Thus the establishment and strength of the Civil Service were adjusted to about 159 400 and 153 800 respectively in 2006-07. Both have increased since then to meet demands for new and improved services. As at 1 April 2009, the strength of the Civil Service stood at 155 128, which was about 2.2% of the population of Hong Kong (estimated at 7.01 million at mid 2009) and about 4.1% of the total work force (estimated at 3.76 million at mid 2009). These percentages have remained stable since 2006-07.

5. The establishment and strength positions of the directorate and non-directorate Civil Service over the last 25 years are set out in Annex A. As shown therein, the number of directorate posts has remained at less than 1% of the entire Civil Service establishment, notwithstanding the increase in both diversity as well as specialisation of services to be delivered to the community.

Retirement and Resignation

6. In normal circumstances, civil servants recruited to civilian grades after 1987 and are on pensionable terms or the Civil Service Provident Fund (CSPF) Scheme retire at the age of 60. Their counterparts in the

¹ Judges and Judicial Officers, locally engaged staff in Economics and Trade Offices and officers in the Independent Commission Against Corruption are excluded from the figures.

disciplined services grades retire at the age of 55/57. Civil servants recruited before 1987 and are on pensionable term normally retire at 55 (for those who have opted to remain on the Old Pension Scheme). For civil servants who have opted to transfer to the New Pension Scheme, those in the civilian grades may retire at any time from the age of 55 to 60, while those in the disciplined services grades may retire at any time from the age of 55 to 57. In special circumstances (e.g. under the two general VR schemes referred to in paragraph 4 above or on compassionate ground), civil servants may retire ahead of time.

7. The annual retirement position of the Civil Service over the last 25 years is shown in **Annex B**. As set out therein, the number of civil servants who retired from the Service has increased steadily from an annual average of around 1 100 (or 0.7% of the strength of the Civil Service) in the 1980s; and peaked in 1996-97 at around 4 000 (or 2.2%). After a sharp drop in the two years that followed, the number of retirements picked up steadily around the turn of the century and peaked at 8 800 (or 5.1%) in 2001-02, largely as a result of the normal retirement of civil servants who were recruited in the 1960s (which was another period when there was a significant increase in the size of the Service) and the first general VR scheme. Since 2005-06, the annual average number of retirements has remained at around 3 000 (or 2% of the strength of the Service).

8. A breakdown of the age of civil servants at the time of retirement over the last 25 years is provided in **Annex C**. As shown therein, civil servants who retired at the age of 54 or below has decreased from 36% of the total number of retirements in 1983-84, to 17% in 2006-07, and to 11% in 2008-09. We believe this is probably due to the decreasing number of civil servants who retired under the normal retirement age of 55 under the Old Pension Scheme. We expect to see a continuing decline in the number of civil servants retiring before the age of 55 and, conversely, a gradual rise in the number retiring at the age of 55 or above as more serving civil servants are subject to the normal retirement age of 60 under the New Pension Scheme. This trend is also in tandem with the longer life expectancy of the local population and is in line with the trend observed in the Hong Kong workforce.

9. We set out in **Annex D** a projection of the number of civil servants retiring in the next 25 years. The projection is based on the assumption that all civil servants would serve until their normal retirement age. On the basis of the current age profile of the Civil Service, we expect that the number of civil servants retiring will continue to increase in the next 15 years until 2023-24, rising from the annual average of around 3 200 in the past five years to around 6 700 in the five-year period of 2019-2024 (which is largely due to the significant growth of the Civil Service in the 1980s). The number of retirements is estimated to decline thereafter.

10. Retirement is the primary reason for departure of civil servants from the Service. Resignation only accounts for the departure of a small number of civil servants. The annual resignation position of the Civil Service over the last 25 years is shown in **Annex B**. As set out therein, the number of civil servants who resigned from the Service has decreased sharply from the peak of around 7 900 (or 4.2% of the strength of the Civil Service) in 1989-90 to around 1 000 (or 0.5%) in 1998-99. It has stabilised at below 0.5% since, and we are not experiencing any abnormal wastage patterns.

Age Profile

11. The Government welcomes people of different ages with suitable qualifications to join the Civil Service. The age profile of the Civil Service over the last 25 years is illustrated at **Annex E**. The relative ageing profile was mainly attributed to the expansion of the Service in the 1980s, the introduction of the New Pension Scheme in 1987 (when the normal retirement age for civil servants was raised from 55 to 60), and the Administration's efforts in downsizing the Service in the early years of the first decade of this century. To a very large extent, the age profile of the civil service mirrors that of the community and the working population as a whole, as shown in **Annex F**.

12. In 2006-07, around two thirds of the serving civil servants were in the age group of 40-59, while the remaining one-third was in the age group of 20-39. Within the latter group, those in the 20-29 age group

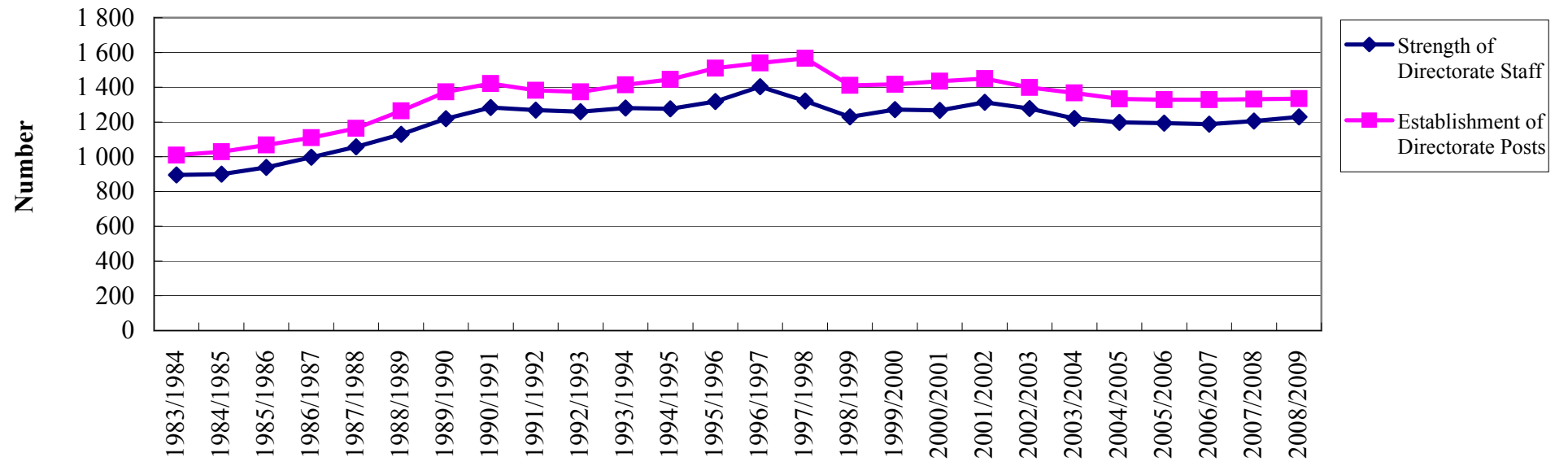
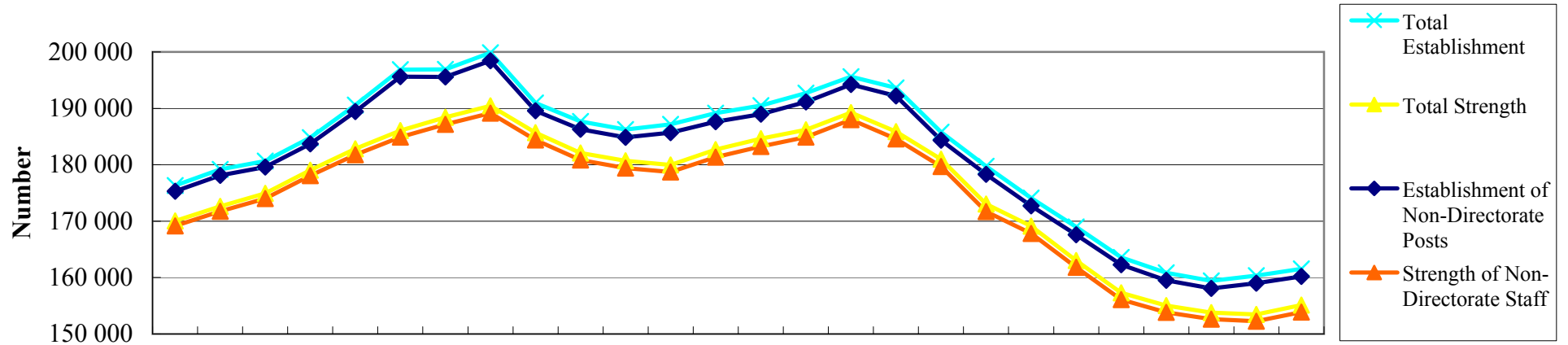
accounted for 7.1% of the total number of civil servants in 2006-07. With the gradual general resumption of open recruitment since April 2007, we are recruiting more young people aged 20-29 into the Service (please refer to **Annex G**). In 2008-09, civil servants of this age group accounted for 8.3% of the Service. We expect this trend to continue in the next few years and consequently a moderation of the aging profile of the Civil Service. As shown in Annex G, we have also recruited more people in the age group of 30-39. Although no empirical study has been undertaken, we believe this situation might have been brought about by the importance accorded to relevant past work experience by bureaux and departments in their open recruitment exercises.

Advice Sought

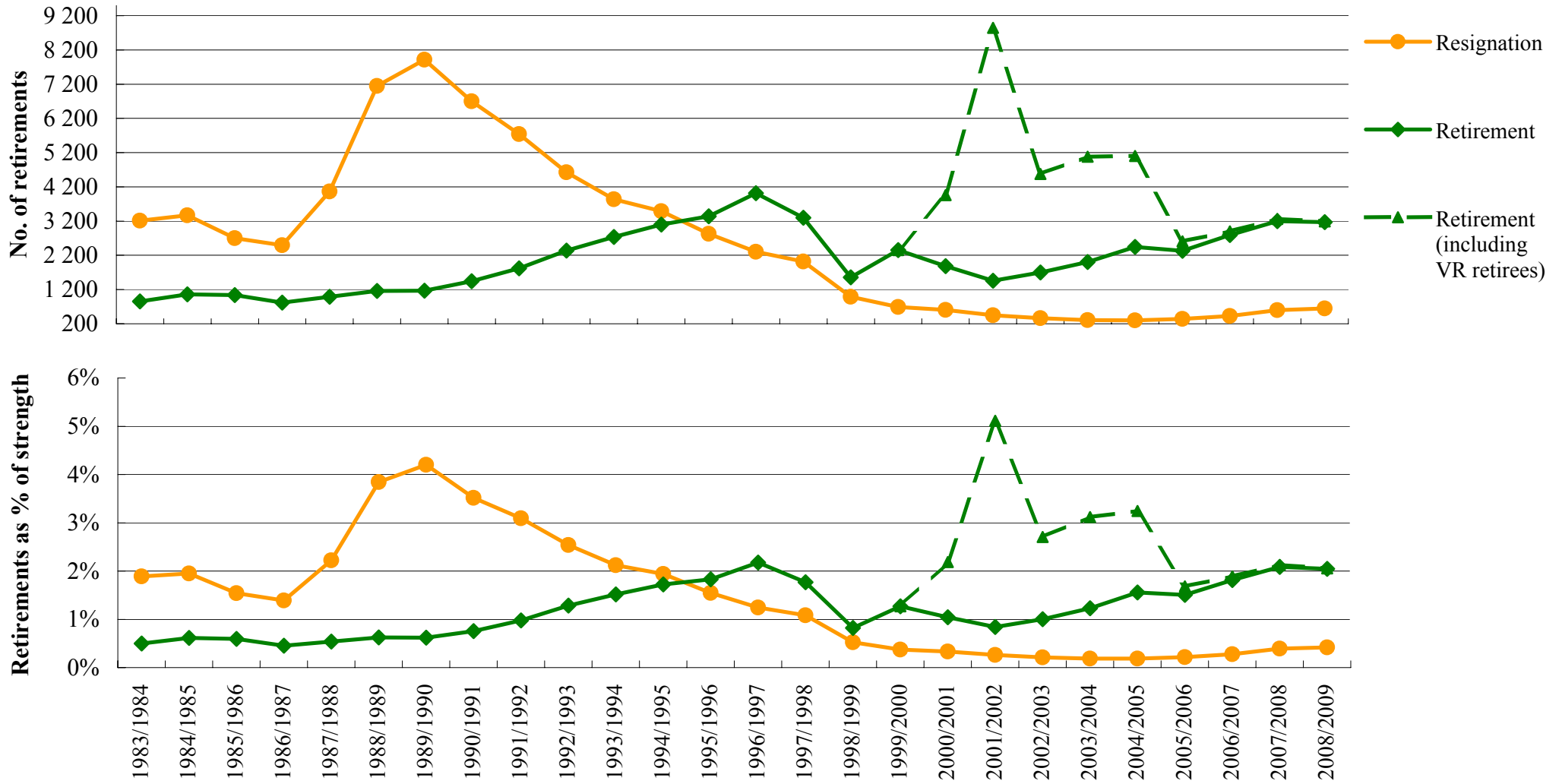
13. Members are invited to note this paper.

Civil Service Bureau
February 2010

Establishment and Strength of the Civil Service from 1983-84 to 2008-09

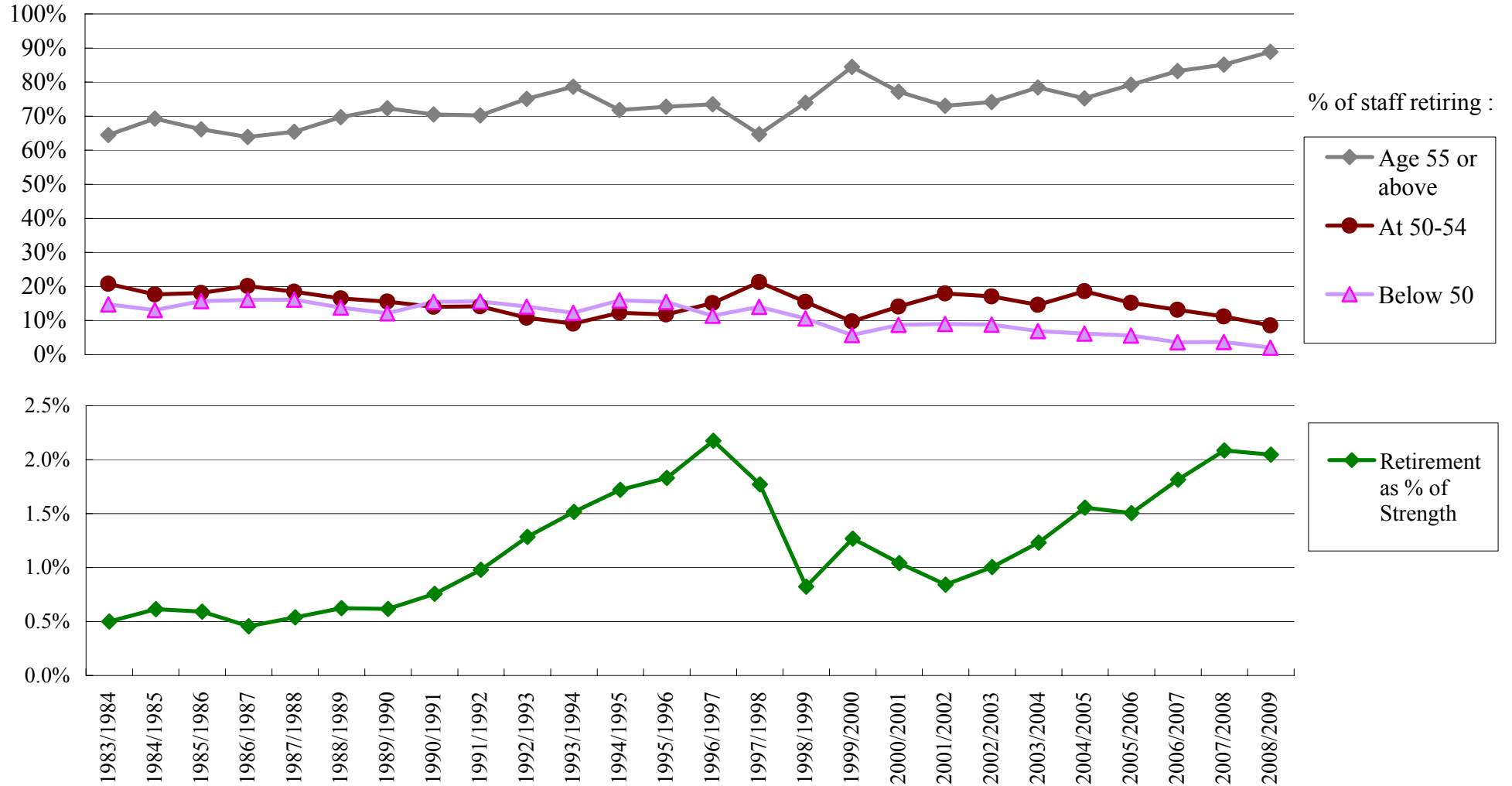


Retirement Position of the Civil Service from 1983-84 to 2008-09



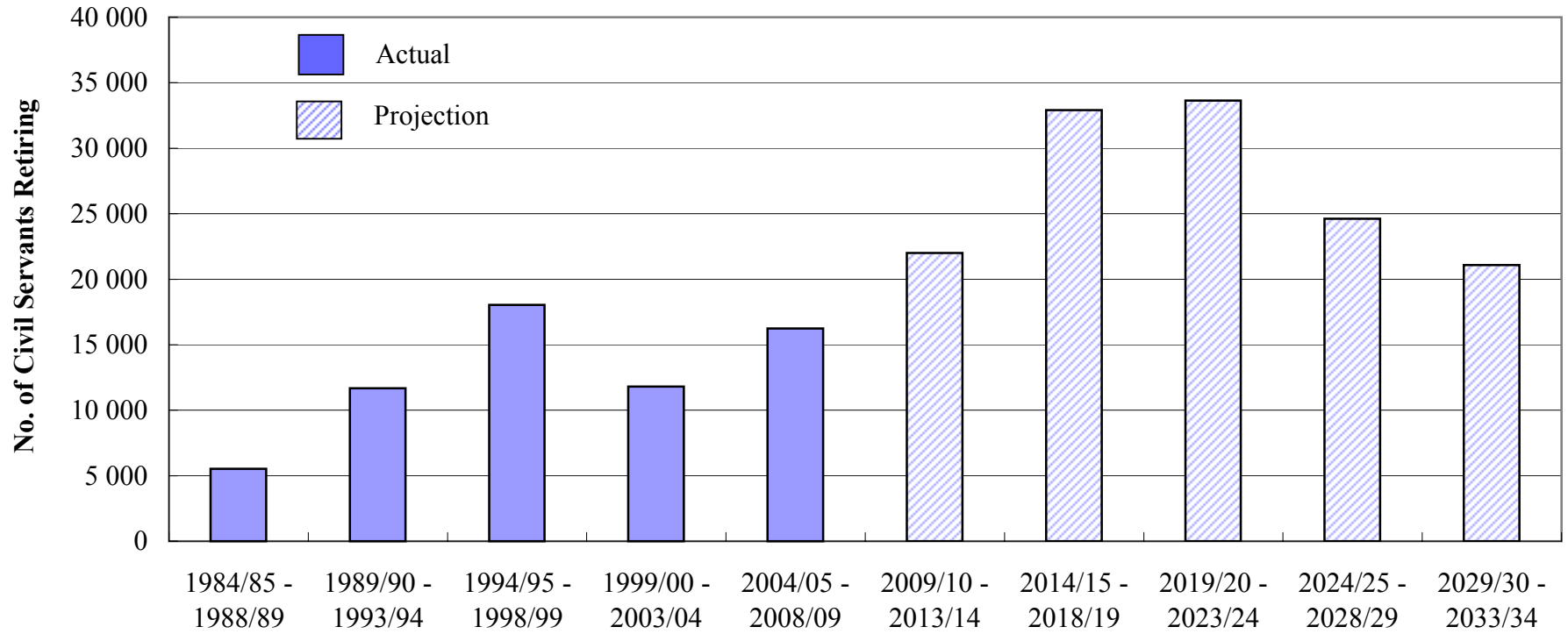
Note: Retirement in this chart refers to normal and early retirement on attaining the required age.

Retirement of Civil Servants from 1983-84 to 2008-09



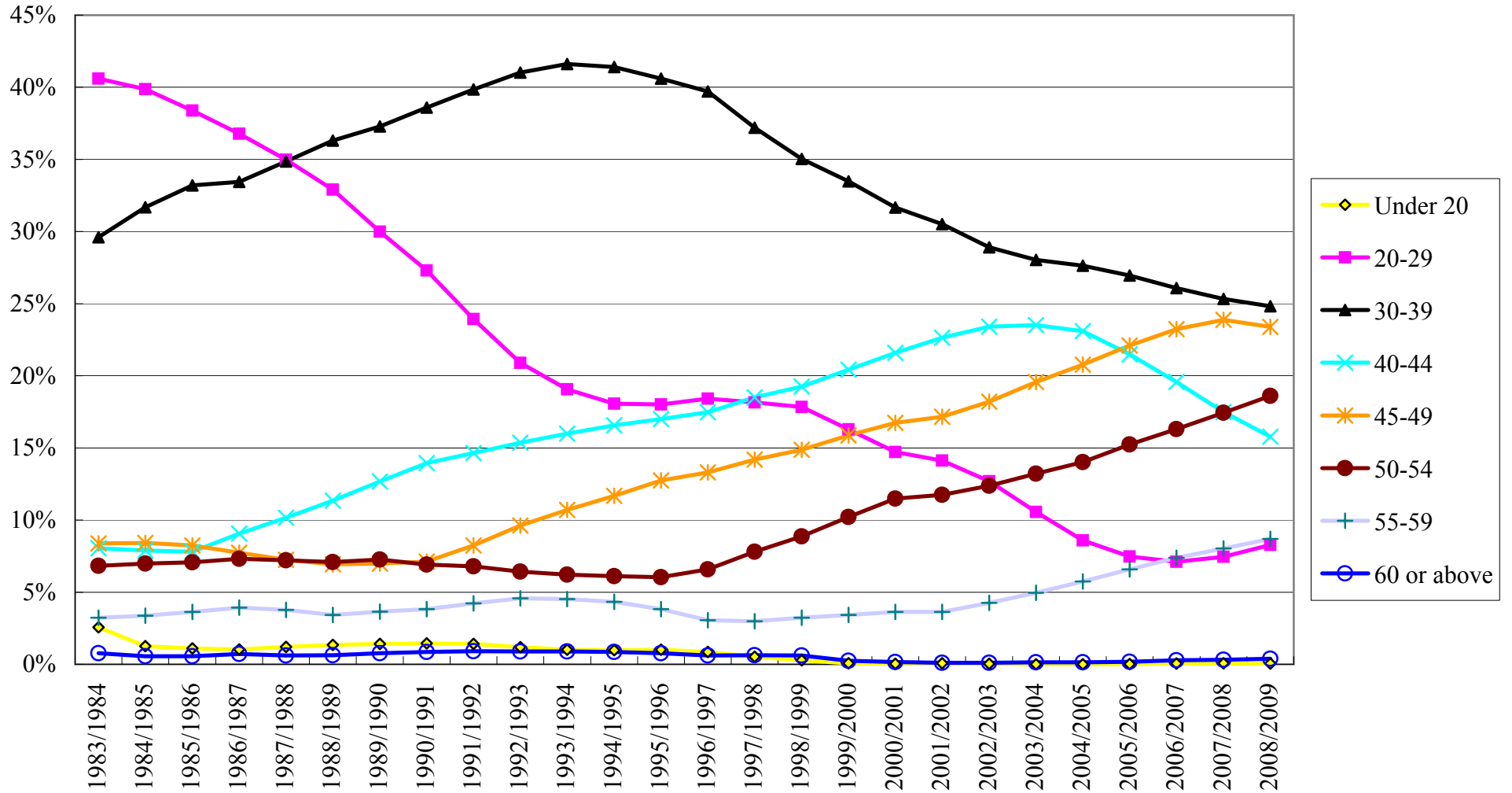
Note: Retirement in this chart refers to normal and early retirement.

Projected Number of Civil Servants Retiring in the Next 25 Years

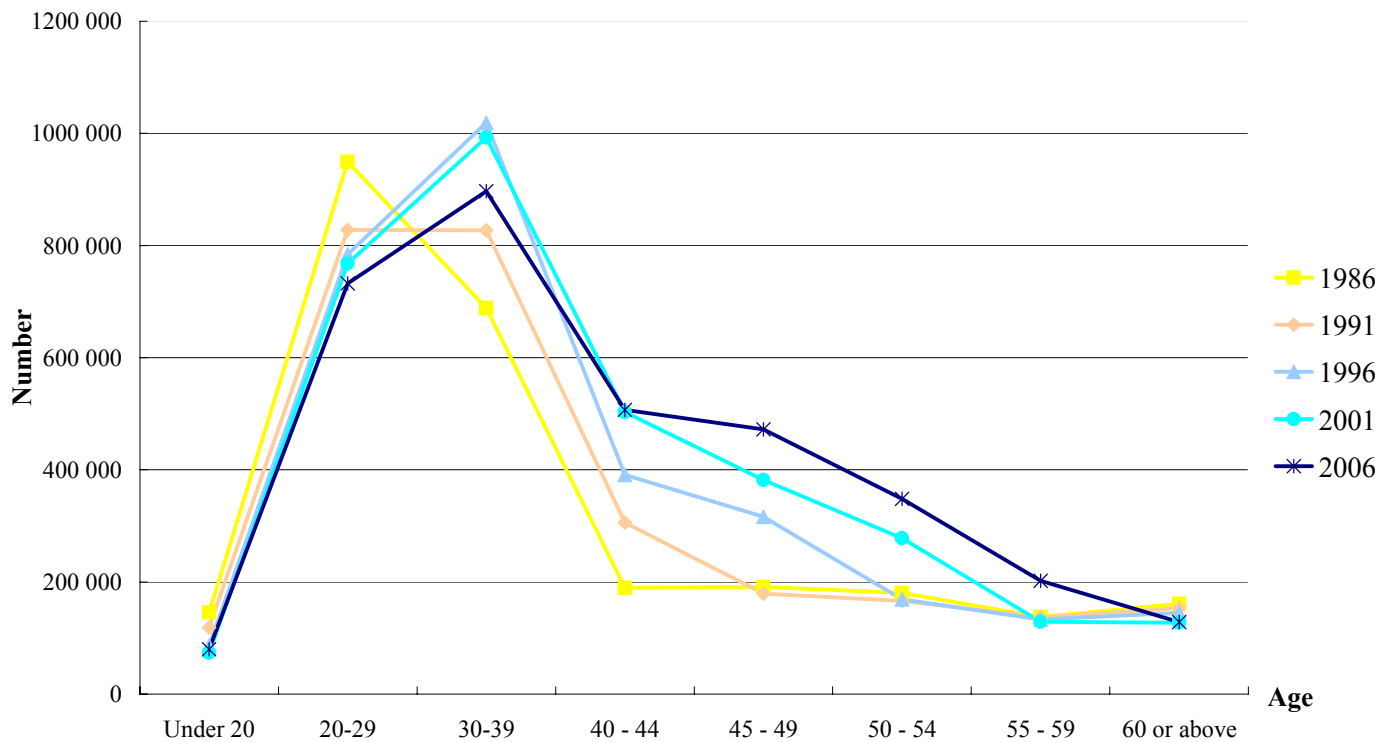


Note : Projection made on the basis of age profile of the Civil Service as at 31 March 2009 and staff leaving on normal retirement.

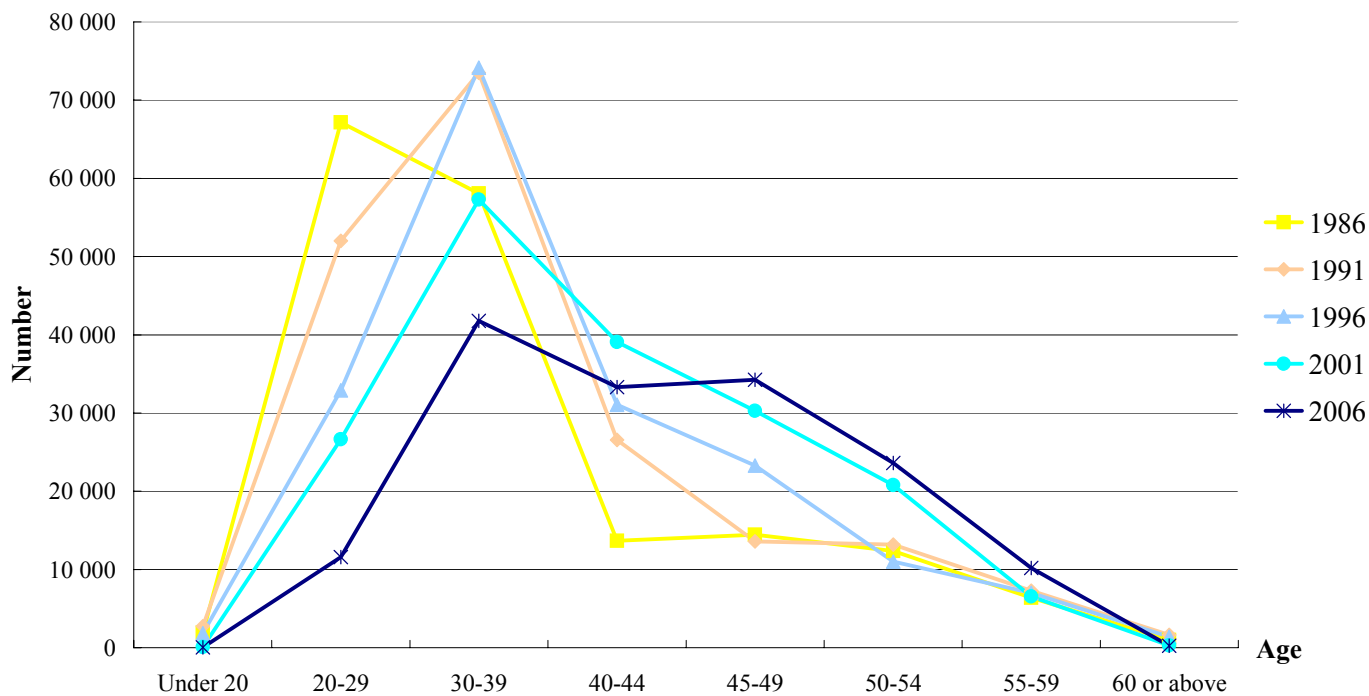
Civil Servants by Age Groups from 1983-84 to 2008-09



Age Profile of the Hong Kong Working Population



Age Profile of the Civil Service



**Intake of Civil Servants by Age Groups
from 1996-97 to 2008-09**

