

# 立法會

## *Legislative Council*

LC Paper No. CB(4)571/13-14(04)

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### **Panel on Public Service**

### **Meeting on 25 April 2014**

### **Updated background brief on the overview of the civil service establishment, strength, retirement, resignation and age profile**

#### **Purpose**

This paper provides background information on the overall establishment, strength, retirement, resignation and age profile situation of the civil service, and summarizes the major views and concerns expressed by members of the Panel on Public Service ("the Panel") on the subject in previous discussions.

#### **Background**

##### Establishment and strength

2. Throughout the 1990s, the civil service establishment (i.e. the number of civil service posts) remained at around 186 000 to 196 000, while the actual number of civil servants ranged from 180 000 to 190 000. The turn of the millennium witnessed a down-sizing of the civil service through enhanced efficiency drives, the general and targeted voluntary retirement schemes, and six years of open recruitment freeze<sup>1</sup> which ended in March 2007. By the end of March 2007, the civil service establishment and strength stood at 159 400 and 153 800 respectively.

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<sup>1</sup> The open recruitment freeze was in effect from 1999-00 to 2006-07, save for 2001-02 and 2002-03. Where there were strong operational needs, exceptional approval had been given for a limited number of grades to conduct open recruitment during the period of open recruitment freeze.

3. The 2014-15 Draft Estimates of Expenditure provide for 2 556 additional civil service posts in various bureaux and departments ("B/Ds"), representing an increase of 1.5% over the 2013-14 Revised Estimates of the civil service establishment. Subject to the approval of the 2014-15 Draft Estimates by the Legislative Council, the civil service establishment is estimated to stand at 173 961 posts at the end of March 2015.<sup>2</sup>

#### Age profile and resignation

4. The age profile of the civil service largely mirrors that of the community and the working population of Hong Kong. Since 2006-07, around two thirds of civil servants are in the age groups of 40-49 and 50-59. With the gradual resumption of open recruitment since 2007, more young people have been recruited into the civil service.

5. As regards directorate civil servants, the age group of 50-59 has remained the largest group since 1999-2000, representing about 71% of its strength in 2012-13.

6. Over the last decade or so, the number of civil servants resigning has remained at around 0.5% of the overall strength of civil service and of the directorate strength. Over half of the resignees left during their probation period.

#### Retirement

7. Details regarding the retirement age of civil servants are set out in **Appendix I**.

8. Assuming that civil servants will only retire upon reaching their applicable normal retirement age, the annual average number of retirees for the five-year period ending 2012-13 and the projected figures for the five-year periods to follow are as follows –

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<sup>2</sup> The figures include judges and judicial officers, locally-engaged staff in the Mainland and overseas Economic and Trade Offices and officers in the Independent Commission Against Corruption, as reflected in the 2014-15 Draft Estimates.

Five-year period	Annual average number of retirees	Annual average number of retirees as a percentage of the civil service strength as at 31 March 2013
2008-09 to 2012-13	4 200	2.7%
2013-14 to 2017-18	6 000	3.7%
2018-19 to 2022-23	7 000	4.4%
2023-24 to 2027-28	5 400	3.4%

### **Major views and concerns expressed by the Panel**

9. The Panel discussed issues relating to the civil service establishment, strength, retirement, resignation and age profile with the Administration on 17 January 2011, 16 April 2012 and 3 June 2013. The major views and concerns expressed by Panel members and the Administration's responses are summarized below.

#### Succession and experience retention

10. At the meetings on 16 April 2012 and 3 June 2013, members noted that a large number of civil servants would be retiring in the next 10 years, and that a large proportion of the directorate civil servants were in the age group of 50-59. They expressed concern about the succession problem in the civil service, in particular that of the professional grades which might affect the progress of public works projects in the coming years.

11. The Administration advised that a number of measures were in place to facilitate succession in the civil service. Firstly, a well-established mechanism was in place under which B/Ds would review regularly the succession situation of each grades for advance succession planning. In addition, B/Ds would conduct timely recruitment and promotion exercises to fill vacancies arising from retirement, and the recruitment processes were streamlined where possible to expedite the recruitment of suitable persons. Under exceptional circumstances, B/Ds could also further employ civil servants beyond their retirement age to help them meet specific operational or succession needs.

12. At the meeting on 16 April 2012, members raised concern about the effective transfer of knowledge and skills from retiring civil servants to their successors. Members opined that the improper management of public records in the Administration, the outsourcing of government services and the engagement of non-civil service contract ("NCSC") staff had hampered the accumulation and retention of knowledge and skills in the relevant B/Ds.

13. On public records management, the Administration advised that there were regulations on how departmental records should be kept. When discharging their duties, civil servants should not only make reference to precedents but also exercise discretion having regard to changing circumstances. In this connection, CSB had stepped up training for civil servants on decision-making in the area of public administration.

14. The Administration pointed out that the establishment of the civil service had increased steadily in the past few years, while the number of NCSC staff and agency workers engaged by B/Ds had been on a decline. The Administration would keep the engagement of NCSC staff by B/Ds under regular reviews, and would seek to convert NCSC positions to civil service posts where appropriate.

#### Retirement age of civil servants

15. At the meeting on 3 June 2013, members in general expressed support for extending the retirement age of civil servants. They suggested that voluntary extension of retirement age could first be implemented for civil service grades where promotion blockage was not an issue, and that a pilot scheme could be rolled out in some B/Ds first, e.g. the disciplined services departments.

16. The Administration responded that the proposal of extending the retirement age of civil servants involved policy, operational, social and financial considerations. The Administration would need to carefully consider its impact on public finance, promotion prospects of serving civil servants, operational needs of B/Ds and opportunities for job seekers to join the civil service. A holistic approach, rather than a selective one confining to particular grades, would be adopted. The Administration would listen to the views of different stakeholders before deciding on the way forward.

### Shortage of manpower in B/Ds

17. At the meetings of 17 January 2011 and 3 June 2013, some members expressed concern about the shortage of manpower in the civil service to cope with the tremendous growth in workload. They considered that the down-sizing of the civil service in the early years of 2000s had resulted in staff shortage at the working levels, and the modest increase in the civil service establishment in recent years fell short of the increase in service needs. Some B/Ds required civil servants to take up extra responsibilities through acting arrangements, and many civil servants were overstretched as a result. Members also urged the Administration to speed up the recruitment process to narrow down the gap between the establishment and strength of the civil service.

18. The Administration responded that since 2007, no predetermined ceiling had been set for the civil service establishment, and new posts would be created where justified operationally. To meet short-term manpower needs such as those arising from the taking of leave by officers, B/Ds could arrange acting appointments. Owing to the lead time required for conducting recruitment exercises, it was unavoidable that there was constantly a gap between the establishment and strength of the civil service. B/Ds were requested to make early recruitment planning and arrangements and to streamline the recruitment process according to relevant guidelines where possible.

### Resignation of civil servants

19. At the meetings on 17 January 2011, 12 April 2012 and 3 June 2013, some members expressed concern over the resignation situation in the civil service, especially the outflow of officers in the Administrative Officer ("AO") grade to other public organizations. A member considered that resignation of senior civil servants was attributable to the adverse impact of the political appointment system on the morale of senior civil servants.

20. The Administration responded that the resignation situation in the civil service was not alarming, as the resignation rate had remained at a low level of below 0.5% of the strength of the civil service. Turnover of civil servants in the AO grade was stable, although there might be individual cases of senior officers resigning because of other job opportunities. Also, there

were well-established mechanisms for civil servants to channel opinions or grievances they had at work, and there was not any noticeable decline in the morale of civil servants.

21. As regards political appointment system, the Administration advised that politically appointed officials ("PAOs") were not civil servants, their appointments would not impact on the promotion of civil servants. The Civil Service Code promulgated in 2009 set out the working relationship between PAOs and civil servants. The respective roles and responsibilities of PAOs and civil servants under the political appointment system were delineated clearly in the Code.

### **Council question**

22. Dr Hon Margaret NG raised an oral question at the Council meeting on 1 December 2010 regarding the turnover rate of the AO grade in the civil service. In its reply, the Administration advised that the annual attrition rate of the AO grade for the five years up to 2009-10 ranged from 2.8% to 4.3%, and that the AOs concerned left the civil service for various reasons. The Administration did not consider that the development of the political appointment system had caused any negative impact on the morale of civil servants, including AOs. The Administration had no plan to review the conditions of service for the AO grade.

### **Latest developments**

23. In the light of an ageing population and shrinking labour force, and a relatively high wastage of civil servants in the coming years due to the expansion of the civil service in the 1980s, the Administration considered it an opportune time to examine possible options for extending the working life of civil servants. Against this backdrop, Civil Service Bureau ("CSB") began a study in late 2013 to assess the manpower and retirement situation of the civil service in the coming years. CSB published a consultation paper on "Extension of the Service of Civil Servants" on 3 April 2014 for a four-month consultation with staff, grade/departmental management and other concerned parties on the proposed framework on a range of retirement and employment initiatives.<sup>3</sup>

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<sup>3</sup> For details, please refer to the Administration's paper on "Extension of the service of civil servants" (LC Paper No. CB(4)571/13-14(05)).

24. At the Panel meeting scheduled for 25 April 2014, the Administration will provide an updated overview of the civil service establishment, strength, retirement, resignation and age profile situation and will brief the Panel on the consultation on extension of service of civil servants.

### **Relevant papers**

25. A list of relevant papers is given in **Appendix II**.

Council Business Division 4  
Legislative Council Secretariat  
23 April 2014

**Extract from the Administration's paper for the Panel meeting  
on 3 June 2013  
(LC Paper No. CB(4)625/12-13(06))**

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- (A). The normal retirement ages are –
- (i) 55 for civil servants (both civilian and disciplined services grades) recruited before July 1987 and remain on the Old Pension Scheme (OPS);
  - (ii) 60 for civilian civil servants who have switched from the OPS to the New Pension Scheme (NPS) and for civil servants recruited to civilian grades on or after 1 July 1987 on the NPS or the Civil Service Provident Fund (CSPF) Scheme; and
  - (iii) 55 or 57 (depending on ranks)<sup>Note</sup> for civil servants in the disciplined services grades who have switched from the OPS to the NPS and for civil servants recruited to disciplined services grades on or after 1 July 1987 on the NPS or the CSPF Scheme.
- (B). Civil servants may apply to retire early after attaining the age of –
- (i) 45 for rank-and-file civil servants in disciplined services grades and are on the OPS;
  - (ii) 50 for civilian civil servants and are on the OPS, civil servants in officer ranks of disciplined grades and are on the OPS, and rank-and-file civil servants in disciplined services grades who have switched from the OPS to the NPS; and
  - (iii) 55 for civilian civil servants who have switched from the OPS to the NPS, and civil servants in directorate ranks of disciplined services grades whose normal retirement age is 57 who have switched from the OPS to the NPS.

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<sup>Note</sup> The normal retirement age is 57 for civil servants in some directorate ranks in the disciplined services grades, while the normal retirement age is 55 for civil servants in all other ranks in the disciplined services grades.



## Appendix II

### Civil Service establishment, strength, retirement, resignation and age profile

#### List of relevant papers

Meeting	Date of meeting	Paper
Council meeting	1 December 2010	<a href="#">Question raised by Dr Hon Margaret NG on "Attrition rate of Administrative Officer grade"</a>
Panel on Public Service	17 January 2011 (item IV)	<a href="#">Agenda</a> <a href="#">Administration's Paper</a> <a href="#">Minutes</a>
Panel on Public Service	16 April 2012 (item III)	<a href="#">Agenda</a> <a href="#">Administration's paper</a> <a href="#">Minutes</a>
Panel on Public Service	3 June 2013 (item V)	<a href="#">Agenda</a> <a href="#">Administration's paper</a> <a href="#">Minutes</a>

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