

For Discussion on

18 April 2016

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, wastage situation and age profile of the civil service.

Establishment and Strength

(a) Overall

2. Over the years, the size of the civil service has largely followed changes in economic development, community expectations and demand for public services, as well as institutional and productivity reforms. The establishment (i.e. the number of posts) and strength (i.e. the number of serving civil servants) position of the civil service for the last 15 years since 2000-01 is shown at **Annex A**.

3. As **Annex A** shows, the civil service establishment was around 185 800 in 2000-01 while the strength was around 181 000. The turn of the millennium witnessed a down-sizing of the civil service through enhanced efficiency drives, the two general voluntary retirement (VR) schemes in 2000 and 2003, the targeted VR schemes for specific grades between 2000 and 2006, and the six years of open recruitment freeze which ended in March 2007 (namely from 1999-2000 to 2006-07, save for 2001-02 and 2002-03)¹. As at 31 March 2007, the civil service establishment and strength stood at around 159 400 and 153 800 respectively.

¹ Where there were strong operational needs, exceptional approval was given for a limited number of grades to conduct open recruitment during the period of open recruitment freeze.

4. In recent years, the civil service has grown steadily to meet the demand for new or improved public services. In the five-year period from 2010-11 to 2014-15, the civil service establishment had increased aggregately by around 8 100, representing an annual average increase of around 1 600. During the same period, about 9 200 appointments were made per annum to fill vacancies arising mainly from retirement, resignation and creation of new posts in relation to new initiatives and enhanced services.

5. As reflected in the 2016-17 Draft Estimates, the establishment is expected to increase from 176 272 as at 31 March 2016 (revised estimate) to 178 495 as at 31 March 2017 (draft estimate), representing an increase of about 1.3% over the 2015-16 Revised Estimates. The civil service strength as at 31 March 2015 represented about 2.2% of the population of Hong Kong (estimated at 7.31 million in mid-2015) and about 4.2% of the total work force (3.93 million in mid-2015). These percentages have remained stable since 2006-07.

(b) Directorate and Non-directorate

6. A breakdown of the civil service establishment and strength by directorate and non-directorate levels over the last 15 years is also provided at **Annex A**. In brief, over 99% of both the establishment and strength were at the non-directorate level. As at 31 March 2015, the establishment and strength at the non-directorate level were 169 459 and 162 304 respectively, and those at the directorate level were 1 439 and 1 341 respectively.

Wastage

7. In 2014-15, the wastage in the civil service was 7 300, accounting for 4.5% of the strength. Retirement is the primary reason for departure of civil servants, while the other reasons, including resignation, completion of agreement and death, account for only a small proportion of wastage.

(a) Retirement

8. The existing retirement age of civil servants is prescribed under the pensions legislation and Civil Service Regulations. New recruits appointed to the civil service on or after 1 June 2015 are subject to the new retirement age of 65 in respect of the civilian grades and 60 in respect of

the disciplined services grades, regardless of their ranks. More information about the retirement ages of civil servants is set out at **Annex B**.

9. The retirement² position of the civil service over the last 15 years is shown at **Annex C**. The number of retirees was around 5 700 in 2014-15, which represented about 3.5% of the strength. As regards directorate civil servants, the number of retirees increased gradually from 5% of the directorate strength in 2001-02 to a range between 6.1% and 8.3% from 2002-03 to 2014-15, except for 2012-13 when 9.8% of the directorate strength retired. Details are at **Annex D**.

10. Using 2014-15 as the starting point for examining the projected retirement situation for the next 20 years, the natural wastage rate will increase from 4% for the five-year period ending 2018-19 to 4.2% in the five-year period ending 2023-24. The natural wastage rate will decline to 3.1% in the five-year period ending 2028-29, and further down to 2.8% in the following five-year period ending 2033-34. The declining trend will continue thereafter. Details are at **Annex E**.

(b) Resignation

11. Resignation accounts only for a small number of departure of civil servants. As shown at **Annex F**, the resignation rate hovered around the low level of 0.5% of the strength of the civil service over the past decade or so. In 2014-15, the resignation rate was 0.55%. Over half of the resignees left during their probation period.

12. According to the feedback received from the exit survey in 2014-15 as shown at **Annex G**, the largest group (28%) resigned for taking up jobs in the private sector; while marriage or family reasons (18%) and pursuing further studies (14%) were the other major reasons.

Age Profile

13. The age profile of the civil service over the last 15 years is illustrated at **Annex H**. While the age group of 40-49 remained the largest group of civil servants from 2000-01 to 2010-11, the age group of 50-59 continued to increase and became as large as the age group of 40-49

² For the purpose of this paper, “retirement” covers normal retirement, early retirement and re-employment after retirement without a break in service.

in 2011-12. Since 2012-13, the age group of 50-59 has been the largest age group in the civil service. Since 2006-07, around two thirds of civil servants are in the age groups of 40-49 and 50-59, while the remaining one-third is in the age groups of 20-29 and 30-39. In 2014-15, the age groups of 40-49 and 50-59 represented about 29% and 35% of the civil service strength respectively. The changes in age profile over the years were mainly attributed to the expansion of the civil service in the 1980s, the introduction of the New Pension Scheme in 1987 (under which the normal retirement age is 60 for civilian civil servants and 55 / 57 for those in disciplined services grades, instead of 55 under the Old Pension Scheme), and the open recruitment freeze around the turn of the century. The age profile of the civil service has continued to mirror that of the community and the working population as a whole, as shown at **Annex I**.

14. **Annex J** shows the age profile of directorate civil servants over the last 15 years. In terms of percentage, the directorate strength in the age group of 40-49 has been on a continuous decline in the last decade, while the age group of 50-59 has remained the largest group, representing about 73% of its strength in 2014-15.

15. While the number of civil servants in the age groups of 40-49 and 50-59 has represented around two thirds of the total strength since 2006-07, more young people have been recruited to the civil service with the gradual resumption of open recruitment as shown in **Annex K**. In the five-year period ending 2014-15, there were around 22 600 new recruits in the age group of 20-29 (or about 61% of the total intake) and around 9 100 new recruits in the age group of 30-39 (or about 25%). As shown at **Annex H**, the number of civil servants in the age group of 20-29 increased from 9% of the civil service strength in 2009-10 to about 12% in 2014-15. This trend is expected to continue in the years ahead, which would moderate the ageing profile of the civil service against the backdrop of a larger number of anticipated retirements in the coming decade.

16. As regards intake of new recruits to the civil service, according to the information collected from bureaux and departments (B/Ds), about 10 100 appointments were made in 2014-15. The appointment decline rate was at a low level of 15%. According to the feedback received from respondents to our survey, the main reasons for their turning down civil service job offers were - taking up another civil service job (42%), remaining in their current job (29%) and taking up a job in the private sector (6%). Details are at **Annex L**.

Observations

17. With the increasing number of civil servants who were recruited during the rapid expansion of the civil service in the 1980s approaching their normal retirement age, the number of retirees will continue to rise to an annual average of around 6 800 (or 4.2% as mentioned in paragraph 10 above) in the five-year period ending 2023-24. In face of an increasing number of civil servants retiring in the next decade and the consequential increase in the number of vacancies, we have been taking suitable measures to facilitate injection of new blood and succession.

18. In terms of recruitment, measures are in place to ensure that B/Ds will continue to bring in new blood to fill government vacancies in a timely manner for meeting their operational needs and facilitating succession in the longer run.

19. We have also put in place a well-established mechanism to facilitate B/Ds in making early planning for succession and taking timely action where necessary. Under the mechanism, Secretary for the Civil Service regularly meets with Permanent Secretaries and Heads of Departments to discuss the succession situation in individual departments and grades with a view to ensuring early identification of any succession problems, advance planning and timely implementation of suitable measures. In tandem with the succession planning efforts, we have been providing training and development opportunities to civil servants at all levels to enrich their exposure, enable them to acquire the necessary knowledge and skills for the discharge of their responsibilities, and prepare them for higher responsibilities. Apart from 'in-house' training provided by individual B/Ds, the Civil Service Training and Development Institute of CSB has put in place a structured training and development framework to assist B/Ds in the grooming and development of civil servants with potential for advancement for succession planning purposes.

20. As reported to the Panel at the meeting held on 21 December 2015 (LC Paper No. CB(4)356/15-16(05)), as a long-term solution to address the challenges arising from the ageing population ahead, a higher retirement age is now applied to new recruits appointed on or after 1 June 2015. In parallel, we have been implementing a package of flexible human resource tools to enable B/Ds to address changing manpower requirements and circumstances. These include the Post-retirement Service Contract Scheme launched in November 2015, the revised arrangement for final extension of service beyond retirement age of serving civil servants

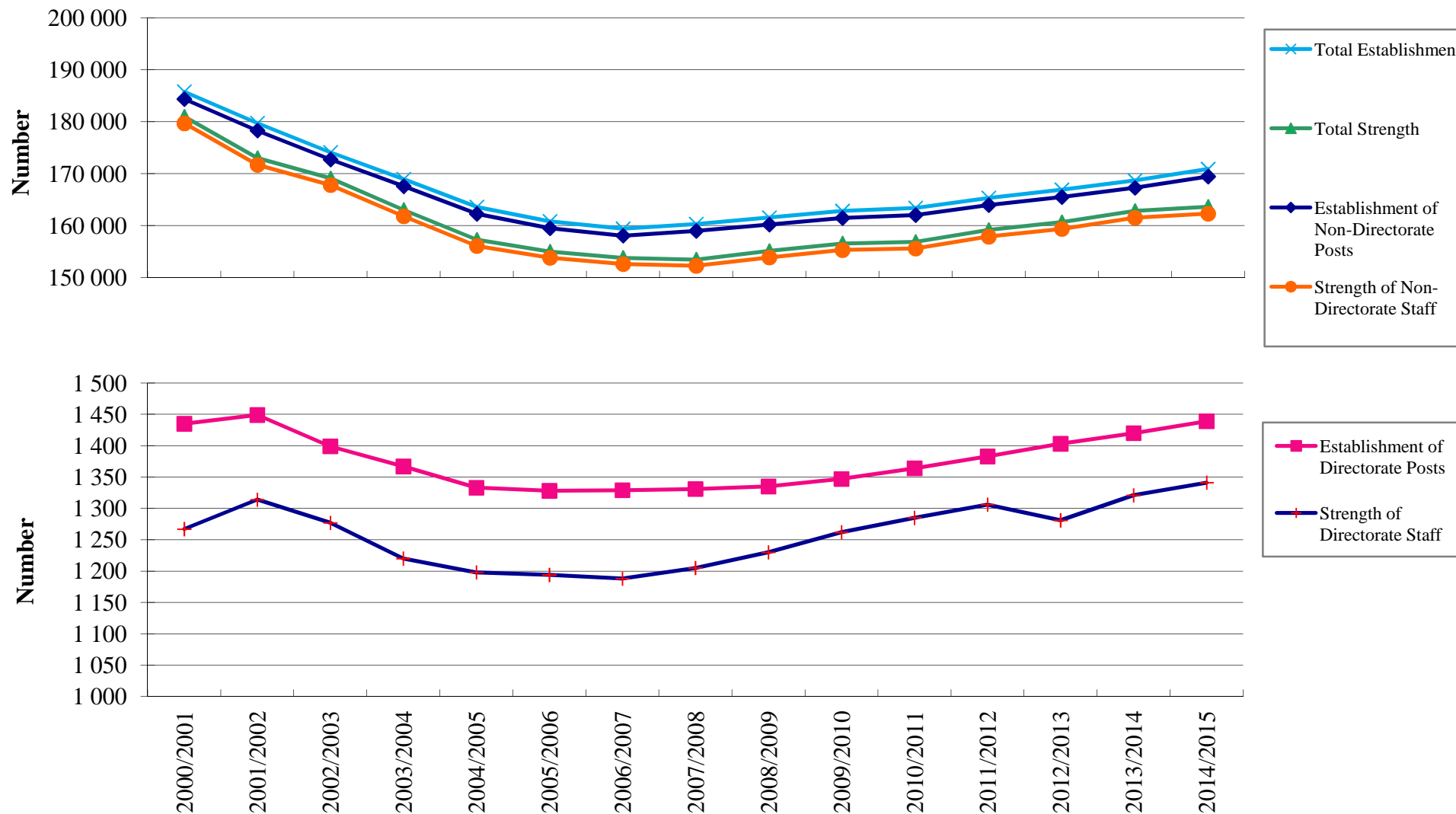
promulgated in February 2016 as well as an adjusted mechanism on further employment of serving civil servants beyond retirement age to be launched. We will invite Heads of Department (HoDs) to map out medium-term manpower plans for individual grades having regard to projected wastage, recruitment situation as well as promotion prospects of serving officers. On the basis of the manpower plans, HoDs would be able to assess whether there is a need to deploy the flexible tools, and if so, the timing and extent (e.g. duration, number of officers and their grades/ranks).

Advice Sought

21. Members are invited to note this paper.

Civil Service Bureau
April 2016

Establishment and Strength of the Civil Service from 2000-2001 to 2014-2015



Retirement Ages in the Civil Service

(A) The normal retirement age is –

- (i) 55 for civil servants (both civilian and disciplined services grades) appointed before 1 July 1987 and remain on the Old Pension Scheme (OPS);

Civilian grades

- (ii) 60 for civil servants who have switched from OPS to the New Pension Scheme (NPS), those appointed on or after 1 July 1987 on NPS and those appointed on or after 1 June 2000 but before 1 June 2015 on the Civil Service Provident Fund (CSPF) Scheme; and 65 for civil servants appointed on or after 1 June 2015 on the CSPF Scheme; and

Disciplined services grades

- (iii) 55 or 57 (depending on ranks)¹ for civil servants who have switched from OPS to NPS, those appointed on or after 1 July 1987 on NPS and those appointed on or after 1 June 2000 but before 1 June 2015 on the CSPF Scheme; and 60 for civil servants appointed on or after 1 June 2015 on the CSPF Scheme, regardless of their ranks.

(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 OPS;
- (ii) 50 for civilian civil servants and are on OPS, civil servants in

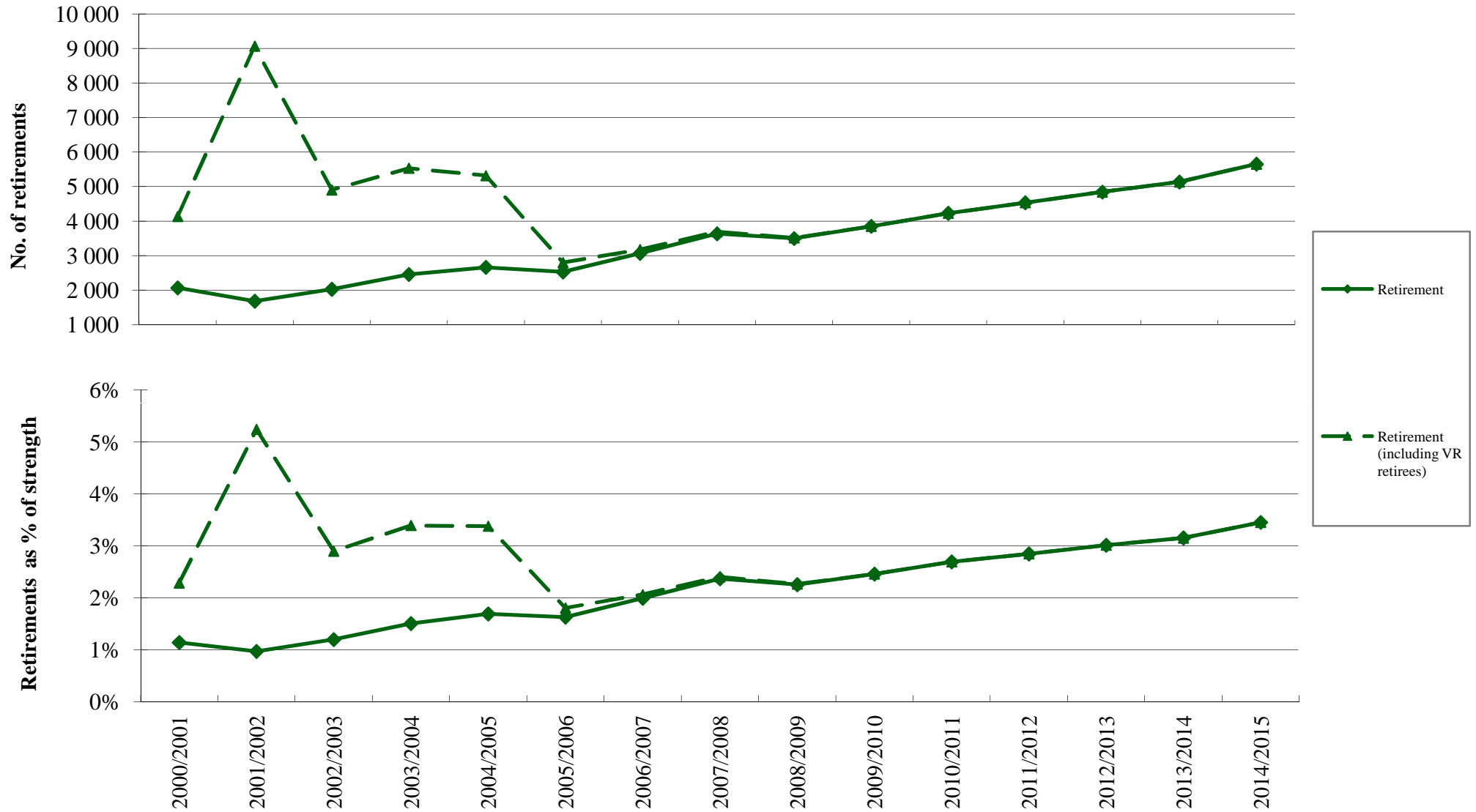
¹ The normal retirement age is 57 for civil servants in some directorate ranks in the disciplined services grades, while the normal retirement age is 55 for civil servants in all other ranks in the disciplined services grades.

officer ranks of disciplined services grades and are on OPS², and rank-and-file civil servants in disciplined services grades who have switched from OPS to NPS; and

- (iii) 55 for civilian civil servants who have switched from OPS to NPS, and civil servants in directorate ranks of disciplined services grades whose normal retirement age is 57 who have switched from OPS to NPS.

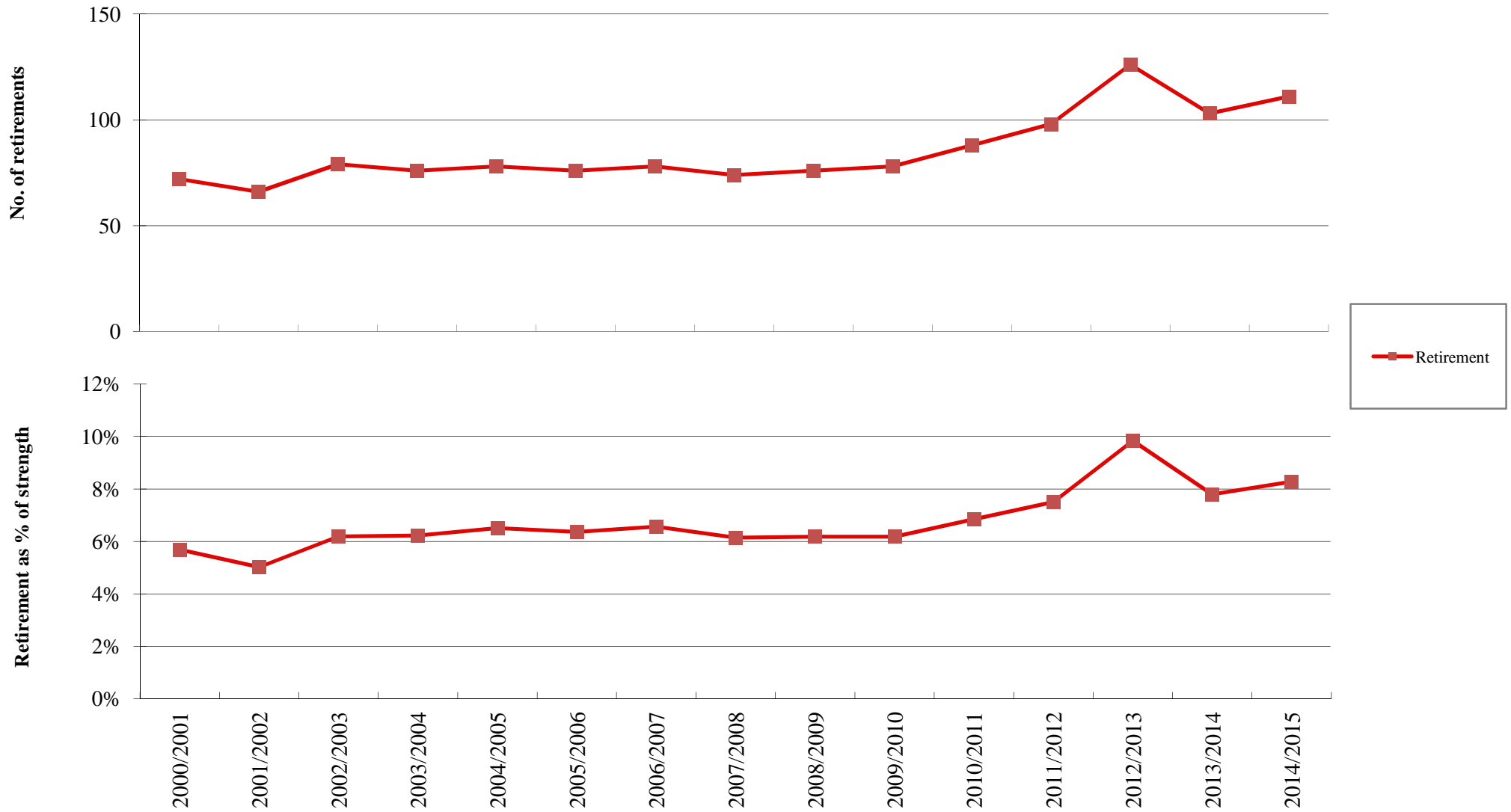
² Civilian civil servants and officer ranks of disciplined services grades on OPS may also apply for premature retirement on attaining the age of 45 on grounds of ill health, or on adequate compassionate or personal grounds.

Retirement Position of the Civil Service from 2000-2001 to 2014-2015



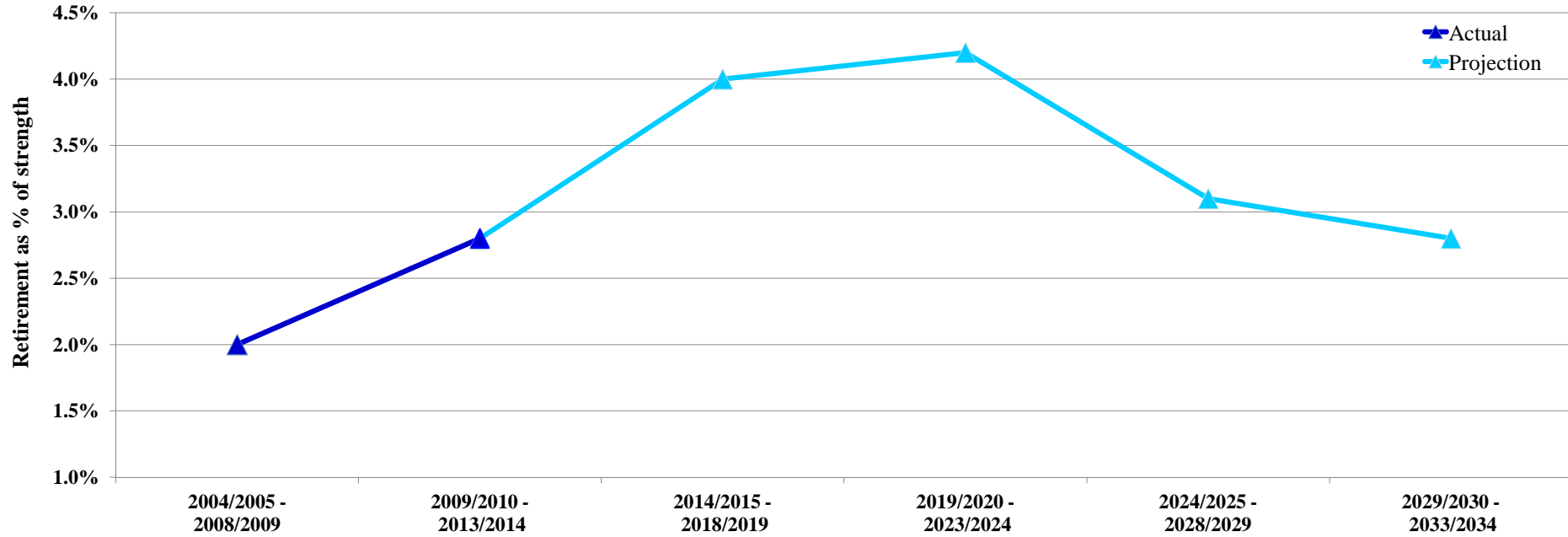
Note: “Retirement” in this chart refers to normal retirement, early retirement and re-employment after retirement without a break in service.

Retirement Position of Directorate Civil Servants from 2000-2001 to 2014-2015



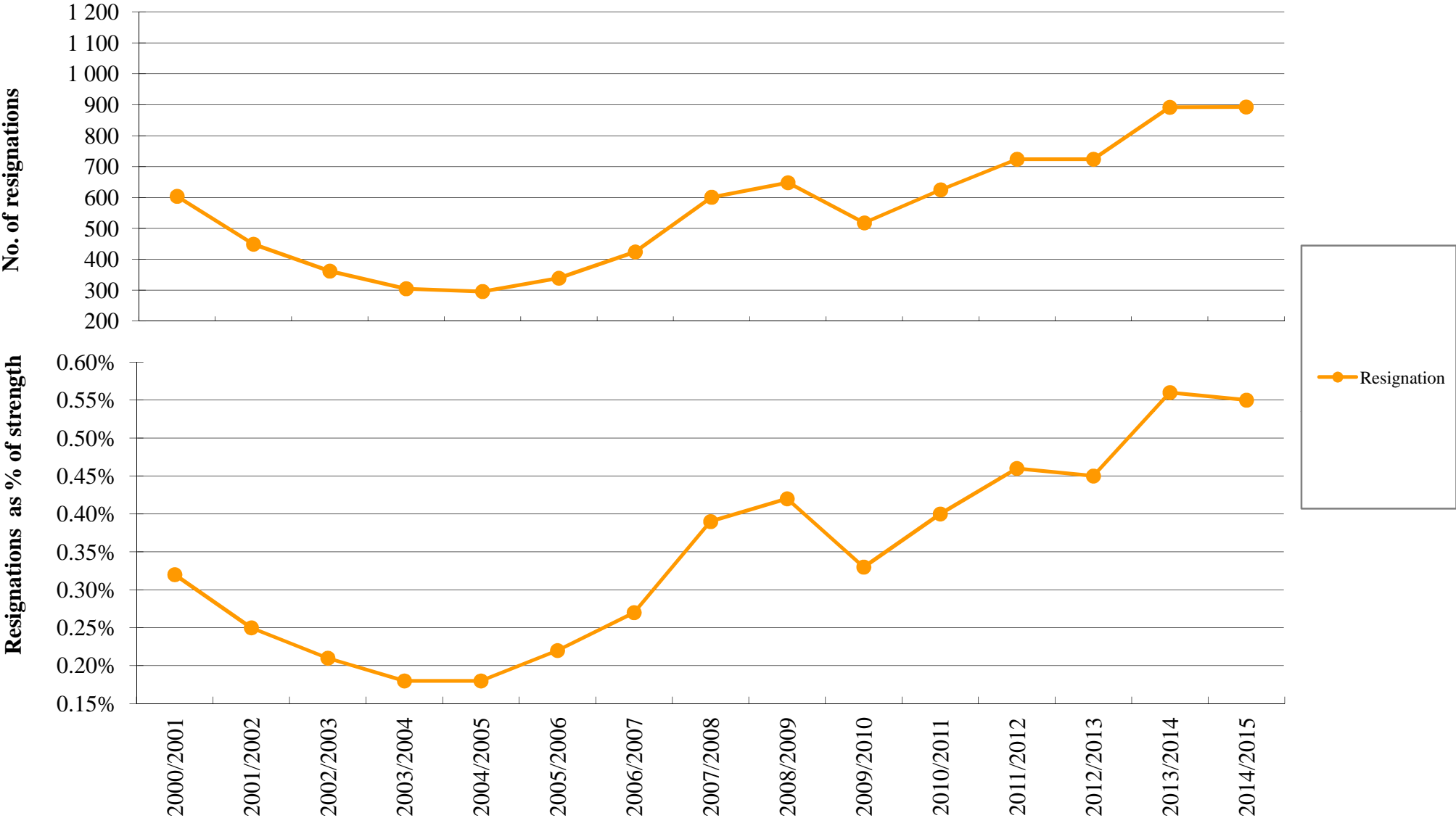
Note: "Retirement" in this chart refers to normal retirement, early retirement and re-employed after retirement without a break in service.

Projection on Civil Servants Retiring in the Next 20 Years

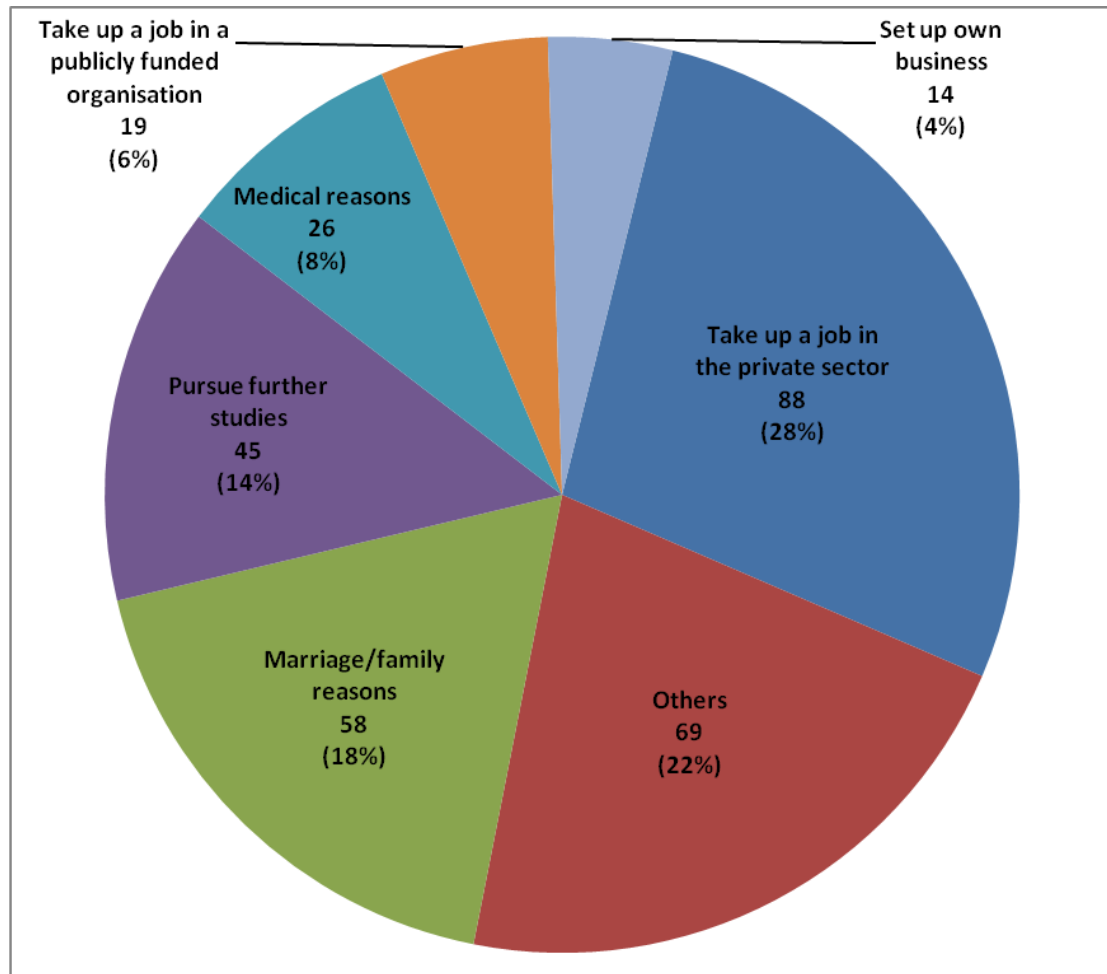


Note: “Retirement” in 2004/2005 to 2013/2014 refers to normal retirement, early retirement and re-employment after retirement without a break in service. Projection from 2014/2015 onwards is based on the assumption that staff would only retire upon reaching their applicable normal retirement age.

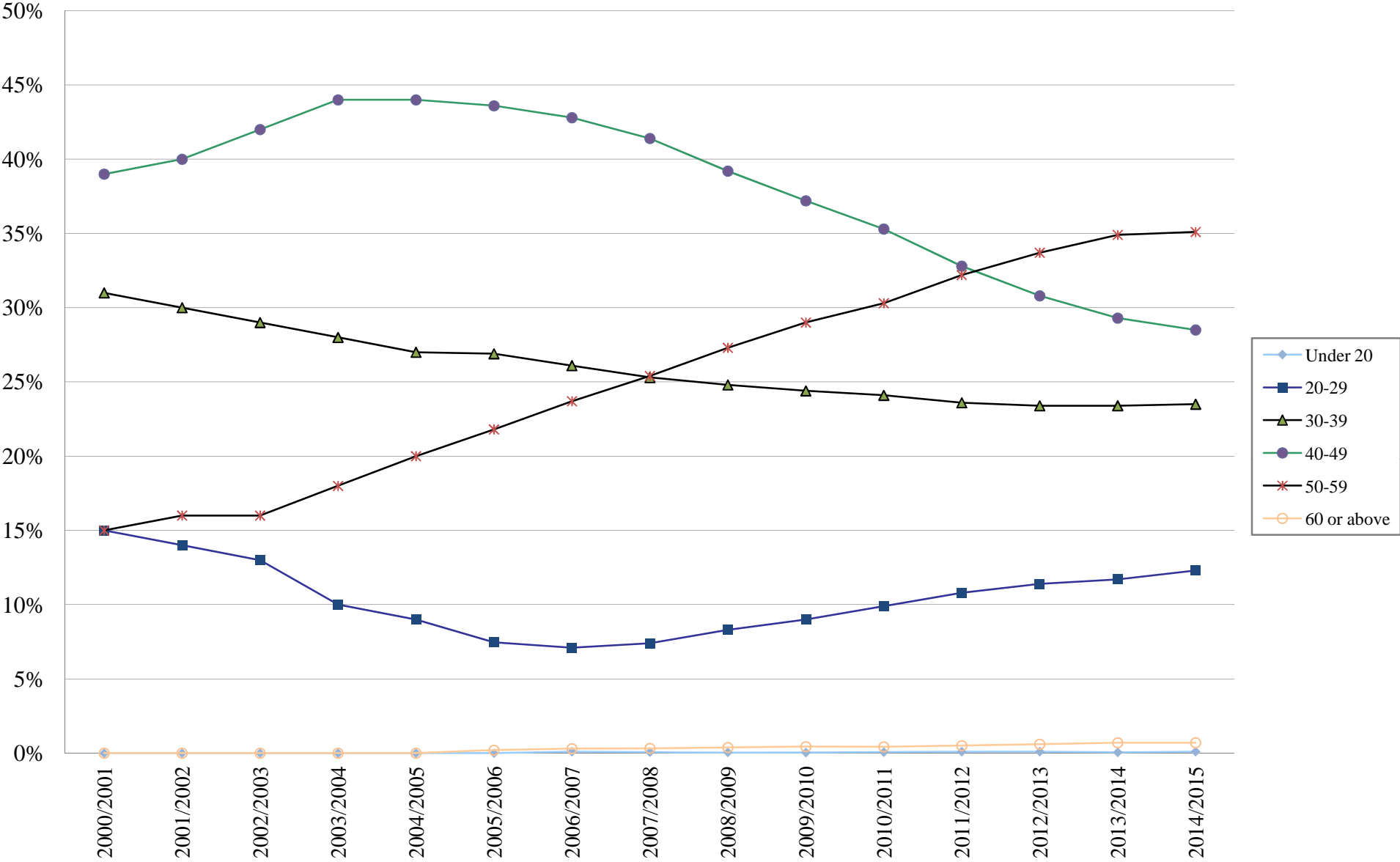
Resignation Position of the Civil Service from 2000-2001 to 2014-2015



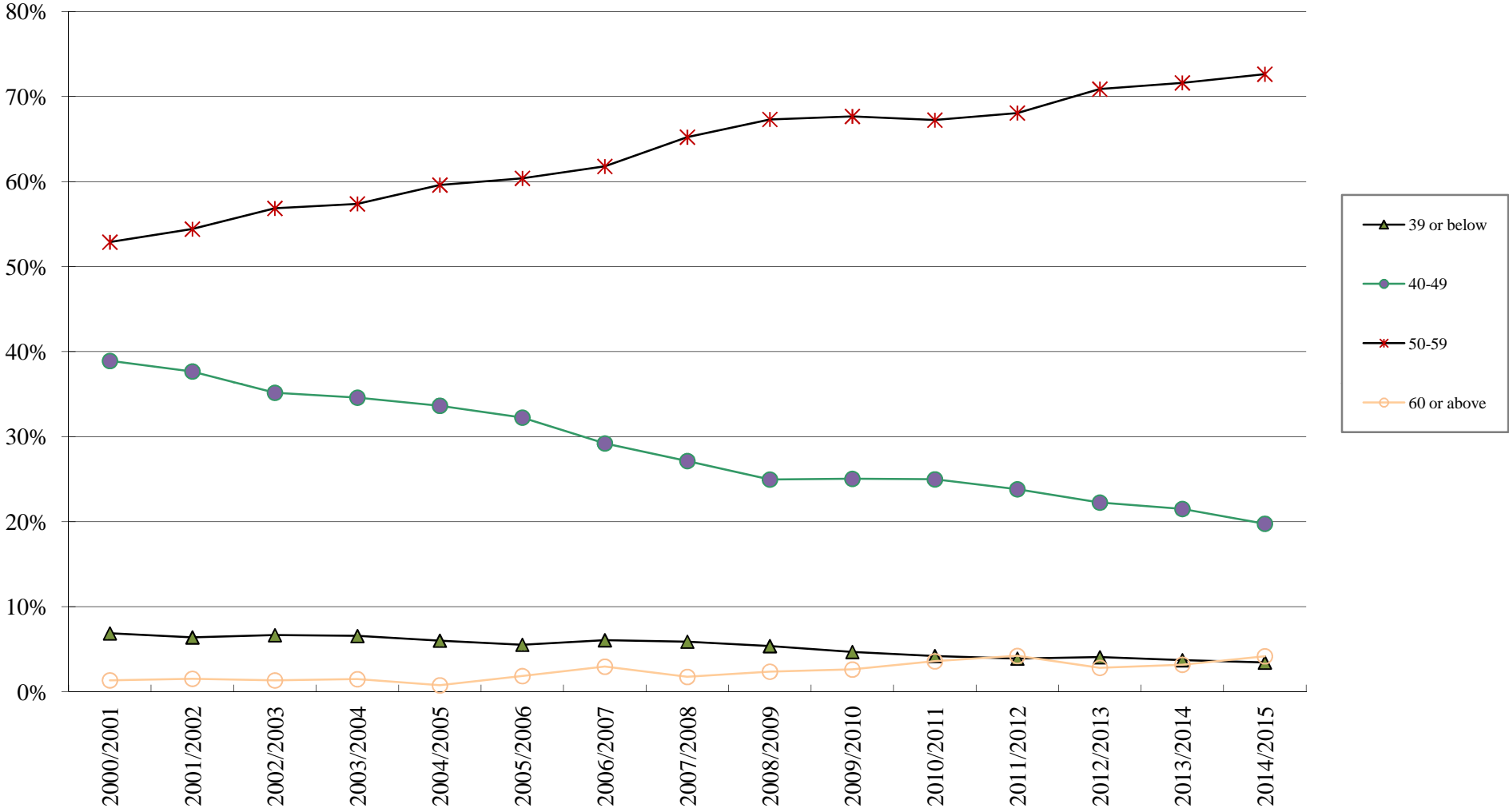
Major reasons for resignation for 2014-15
(Information from 319 respondents)



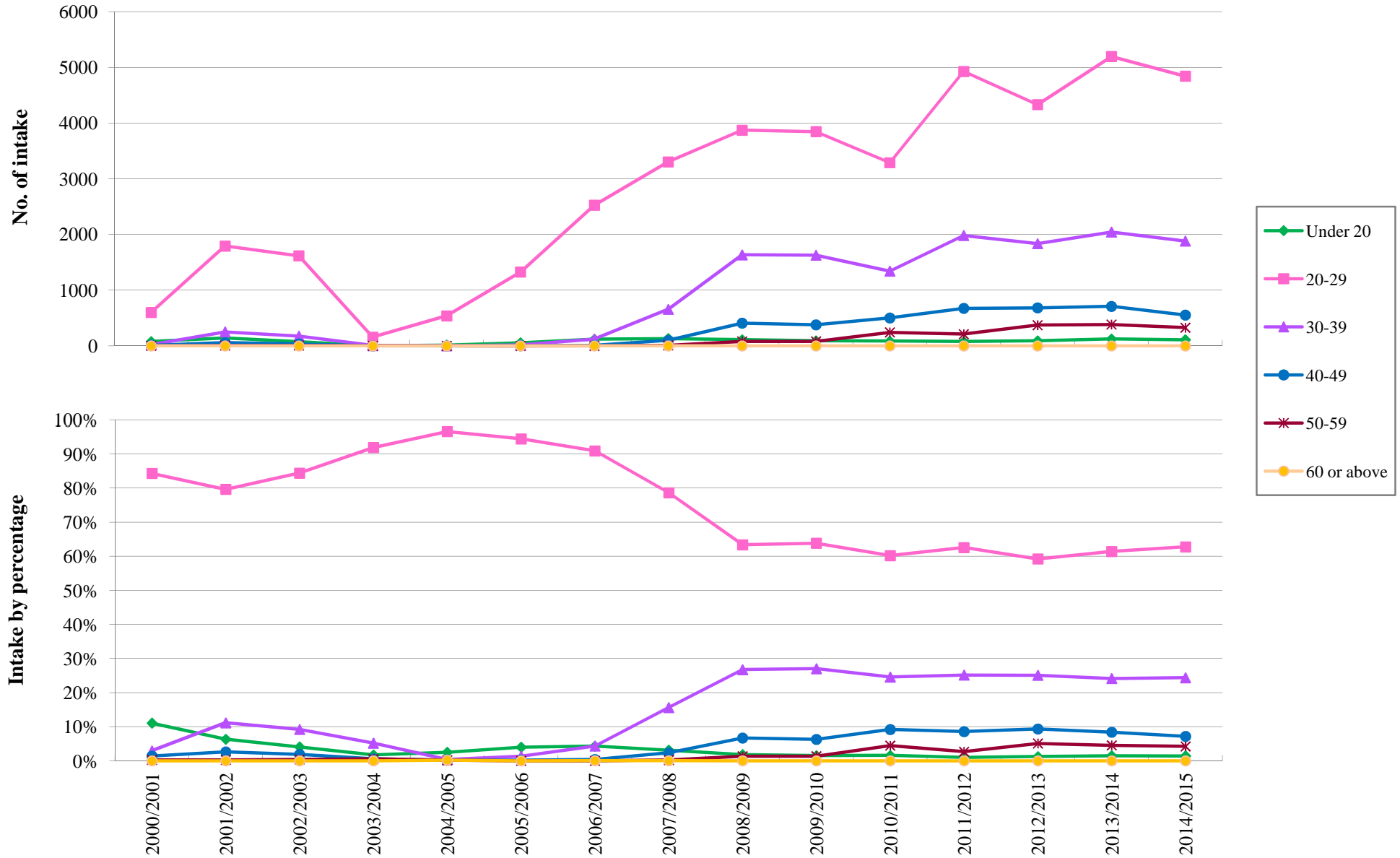
Civil Servants by Age Groups from 2000-2001 to 2014-2015



Directorate Civil Servants by Age Groups from 2000-2001 to 2014-2015



Intake of Civil Servants by Age Groups from 2000-2001 to 2014-2015



Major reasons for declining civil service job offers for 2014-15
(Information from 370 respondents)

