

# 立法會

## *Legislative Council*

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### **Panel on Public Service**

### **Meeting on 21 May 2018**

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

#### **Purpose**

This paper provides background information on the overall establishment, strength, retirement, resignation and age profile 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. In the 2000's, the civil service had been downsized through enhanced efficiency drives, the two general voluntary retirement schemes in 2000 and 2003, the targeted voluntary retirement schemes for specific grades, and the six years of open recruitment freeze<sup>1</sup> which ended in March 2007. As at 31 March 2007, the civil service establishment and strength stood at 159 400 and 153 800 respectively.

3. In recent years, the civil service has grown steadily to meet the demand for new or improved services to the public. In the five-year period from 2013-2014 to 2017-2018,<sup>2</sup> the civil service establishment had increased aggregately by around 10 300. In the 2018-2019 Draft Estimates, the civil

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<sup>1</sup> The open recruitment freeze was in effect from 1999-2000 to 2006-2007, save for 2001-2002 and 2002-2003. 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.

<sup>2</sup> According to the Revised Estimates for the respective years, the establishment figures as at 31 March 2014 and 31 March 2018 were 171 405 and 181 751.

service establishment is expected to expand by 6 700 posts, which represents a year-on-year increase of about 3.7%. In addition, to mitigate the impact of time-limited posts on the relevant grades and civil servants, the Administration will make permanent about 400 time-limited posts and extend about 590 posts in the coming year. Subject to the approval of the 2018-2019 Draft Estimates by the Legislative Council, the civil service establishment is estimated to stand at 188 451 posts at the end of March 2019.

## Wastage

### *Retirement*

4. Retirement has always been the primary reason for departure of civil servants from the civil service. 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.

5. In 2015-2016, the number of retirees was around 6 000, which represented about 3.6% of the strength. According to the Administration, the natural wastage rate will increase from 4% for the five-year period ending 2018-2019 to 4.2% in the five-year period ending 2023-2024. In view that the majority of serving civil servants who joined the Government between 1 June 2000 and 31 May 2015 will reach their current retirement age around 2030 to 2040, to tie in with the goal of expanding the labour force and to respond to the aspirations of serving civil servants, the Chief Executive announced in the 2017 Policy Address that serving civil servants who joined the Government during the aforesaid period will be allowed to choose to retire at 65 (for civilian grades) or 60 (for disciplined services grades), and the Civil Service Bureau ("CSB") has launched a consultation from February to April 2018 to seek views of the staff sides and grade/departmental management on the implementation issues. Separately, to better address the cyclical movements in natural wastage of civil servants in the coming years, flexible human resource tools, including the employment of retired/retiring civil servants on contract terms under the Post-retirement Service Contract ("PRSC") Scheme and adjustments to the further employment mechanism, have been implemented to allow Heads of Department/Heads of Grade to address the different operational and succession needs of individual grades/departments which will change from time to time.

### *Resignation*

6. Resignation only accounts for a small number of departure of civil servants. According to the Administration, the resignation rate hovered

around 0.55% of the overall strength of the civil service. In 2015-2016, the resignation rate was 0.65%. Over half of the resignees left during their probation period.

### Age profile

7. In 2015-2016, 28% and 34% of the strength of the civil service are in the age groups of 40-49 and 50-59 respectively. Whilst around two-thirds of civil servants are in these two age groups since 2006-2007, the remaining one-third is in the age groups of 20-29 and 30-39. In the five-year period ending 2015-2016, there were around 25 300 new recruits in the age group of 20-29 (or about 61% of the total intake) and around 10 000 new recruits in the age group of 30-39 (or about 24%). As a result, the number of civil servants in the age group of 20-29 increased from 9% of the civil service strength in 2009-2010 to about 13% in 2015-2016. According to the Administration, this trend would continue in the years ahead, which would moderate the ageing profile of the civil service against the backdrop of a larger number of anticipated retirement in the coming decade.

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

8. Major views and concerns expressed by Panel members since the 2013-2014 session and the Administration's responses are summarized below.

#### Succession and experience retention

9. Noting that the number of civil servants retiring would be on the increasing trend until 2023-2024, question was raised as to whether the Administration had put in place any measure to ensure the smooth succession and handover of responsibilities.

10. The Administration advised that a well-established mechanism had been put in place to facilitate bureaux and departments ("B/Ds") in making early planning for succession and taking timely actions where necessary. Under the mechanism, the Secretary for the Civil Service regularly met with Permanent Secretaries and Heads of Department to discuss the succession situation in individual departments and grades and make advance planning. In cases involving special succession and/or operational needs, B/Ds could also further employ, on a case-by-case basis, officers beyond their retirement age to meet specific operational or succession needs. In tandem with the succession planning efforts, the Administration provided professional training and development opportunities for civil servants. Apart from training arranged by individual B/Ds, the Civil Service Training and Development Institute of CSB also coordinated and made available suitable complementary training

programmes and management courses for civil servants. For civil servants identified to have potential for higher responsibilities, training would also be provided to enhance their all-round capabilities. In addition to local training, they would be sponsored to attend overseas executive development programmes at renowned educational institutions. Arrangement would also be made for them to undergo attachments to policy bureaux, regional and international organizations to broaden their experience, perspective and network.

11. At the Panel meeting on 15 May 2017, members further expressed their concern about the attractiveness of the civil service. To facilitate smooth succession, the Administration was urged to improve civil service benefits, in particular the retirement benefits, to retain quality staff.

12. The Administration advised that according to the results of the last Starting Salaries Survey, starting pay of most civilian grades were broadly comparable to the upper quartile level of market pay. As reflected by the prevailing pattern of job applications, the whole civil service remuneration package, comprising salaries and fringe benefits, was still attractive and competitive in the labour market.

#### Promotion opportunities

13. Concern was raised about the lack of promotion opportunities within a reasonable period of time and prolonged acting appointments for some professional grades. The Administration was urged to review the promotion system of the civil service, including the acting appointment arrangements. A member also asked whether the Administration had developed any system for outstanding talents to get fast-track promotion.

14. The Administration advised that the objective for promotion was to select the most suitable and meritorious officer who was able to perform the more demanding duties in a higher rank. Selection for promotion was based on objective criteria, including character, ability, performance, etc. Seniority would only be given weight if no eligible officer stood out clearly as the most suitable for promotion. At the Panel meeting on 15 May 2017, members enquired about the average time taken for civil servants to get promoted to the next higher rank. The Administration replied that based on statistics of the three financial years 2013-2015, it took an officer an average of about 11 years to be promoted to a rank in the upper salary group,<sup>3</sup> and 15 years to be promoted to a rank in the middle salary group.<sup>4</sup> The situation varied among different grades/ranks, and it usually took shorter time for those with

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<sup>3</sup> Ranks with maximum pay point above Master Pay Scale Point 33 or equivalent.

<sup>4</sup> Ranks with maximum pay point from Master Pay Scale Point 10 to 33, or equivalent.

outstanding performance to reach the directorate ranks. The Administration further advised that there were two types of acting appointments, namely, acting appointments to test an officer's suitability for promotion and acting appointments for an officer to undertake temporarily the duties of another vacant post. For the former type of acting appointments, the performance of the officers would be assessed at least on an annual basis to determine their suitability for substantive promotion.

15. As regards the impacts of the PRSC Scheme and the arrangement for final extension of service beyond retirement age of serving civil servants on the promotion prospects of younger civil servants, the Administration advised that the package of flexible initiatives for extending the service of civil servants sought to cater for different manpower needs at different times. For ranks that faced serious succession problems at a certain time, the B/Ds concerned might consider retaining serving civil servants at the ranks concerned beyond their retirement age under the adjusted further employment mechanism so that the officers at the lower ranks could have more time to consolidate. In some other cases, the PRSC Scheme might be more suitable for retaining experience in the B/Ds concerned while avoiding promotion blockage. The package of initiatives would provide B/Ds with flexibility for meeting their specific manpower needs.

#### Speeding up the recruitment process

16. Members noted that the Director of Audit had commented in his Report No. 62 about the long time taken by B/Ds for conducting civil service recruitment exercises. Members enquired what measures had been/would be taken by the Administration to address the problem.

17. The Administration advised that CSB had, since 2007, introduced streamlining measures to the recruitment process. For instance, a recruiting department could invite candidates whose qualifications required further verification to attend recruitment examination and/or interview, and offer appointment subject to the completion of the qualifications assessment. CSB had also implemented improvement measures since 2013 to reduce the number of unqualified applications by revising the standard application form for civil service jobs and enhancing the online job application system to add built-in reminders for applicants to confirm that they could meet the entry requirements of the jobs selected. Furthermore, CSB had set up a task force to look into ways for improving the efficiency and effectiveness in the conduct of recruitment exercises and a platform for sharing/identifying best practices for conducting recruitment exercises.

### Shortage of manpower in B/Ds

18. Members considered it undesirable that many civil servants had to work overtime to meet the increasing workload and new service demand. The Administration was urged to carefully assess manpower situation in individual B/Ds and address the manpower shortage problems.

19. The Administration advised that apart from strengthening the establishment, there were other means to cope with the increase in workload, such as redeployment of manpower resources, streamlining of work procedures, re-engineering of operations, etc. Each year, B/Ds would review their respective staffing situation to assess whether additional resources would be required to meet the demand for new or improved services to the public. Any proposals on creation of posts had to be fully justified by genuine operational and service needs.

20. As there would be around 6 800 civil servants retiring each year in the five-year period ending 2023-2024, question was raised whether there would be sufficient civil servants providing services to the public.

21. The Administration advised that actions would be taken to fill vacancies in a timely manner. Due to rising natural wastage rate of the civil service, coupled with steady growth of civil service establishment by 1% to 1.5% annually between 2007-2008 and 2016-2017, an average of about 10 000 appointments were made each year to meet manpower needs.

### Resignation of civil servants

22. Some members expressed concern over the outflow of civil servants in the Administrative Officer grade to other public organizations, which might be attributable to the adverse impact of the political appointment system on the morale of senior civil servants.

23. The Administration advised that turnover of civil servants in the Administrative Officer grade was stable. The Administration also pointed out that as 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.

24. Noting that the resignation rate of civil servants in 2015-2016 (0.65%) was at the highest level in the past 15 years, members enquired about the

measures to retain quality and experienced civil servants with a view to maintaining the sustainability and stability of the civil service.

25. The Administration replied that 665 (63%) of the 1 056 civil servants resigned in 2015-2016 left during the probationary period. However, the Administration considered it understandable as probationers were in the early stage of adaptation and might eventually find the civil service not suitable for them. The Administration was mindful of the need to develop civil servants for succession planning purposes and would liaise with those B/Ds with high wastage rate to devise staff retention plans and discuss with individual B/Ds to ensure early identification of succession problems, advance planning and timely implementation of suitable measures.

#### Female participation rate in the civil service

26. At the Panel meeting on 15 May 2017, a member enquired about the reason for an increase of female participation rate in the civil service from 33.4% in 2001-2002 to 37.1% in 2015-2016.

27. The Administration advised that this increase was in line with the overall trend of higher female participation rate in the labour force, and might also be attributable to the rising education level of females. Besides, their strong communication skills provided an edge when competing for civil service jobs that demanded ability to elucidate public policies.

#### **Latest development**

28. At the Panel meeting scheduled for 21 May 2018, the Administration will brief members on the overall establishment, strength, wastage position and age profile of the civil service.

#### **Relevant papers**

29. A list of relevant papers is in the **Appendix**.

**Civil service establishment, strength,  
retirement, resignation and age profile**

**List of relevant papers**

Meeting	Date of meeting	Paper
Panel on Public Service	3 June 2013	<a href="#">Administration's paper</a> <a href="#">Updated background brief prepared by the Legislative Council Secretariat</a> <a href="#">Minutes</a>
	25 April 2014	<a href="#">Administration's paper</a> <a href="#">Updated background brief prepared by the Legislative Council Secretariat</a> <a href="#">Minutes</a> <a href="#">Administration's follow-up response to issues raised at the Panel meeting</a>
	18 May 2015	<a href="#">Administration's paper</a> <a href="#">Updated background brief prepared by the Legislative Council Secretariat</a> <a href="#">Minutes</a>
	18 April 2016	<a href="#">Administration's paper</a> <a href="#">Updated background brief prepared by the Legislative Council Secretariat</a> <a href="#">Minutes</a>



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	15 May 2017	<a href="#">Administration's paper</a> <a href="#">Updated background brief prepared by the Legislative Council Secretariat</a> <a href="#">Minutes</a> <a href="#">Administration's follow-up response to issues raised at the Panel meeting</a>

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