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Panel on Public Service

Meeting on 17 May 2021

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

Purpose

This paper provides background information on the overall establishment, strength, retirement, resignation, age profile and gender 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 freeze¹ 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. Between 2017-2018 and 2020-2021, the civil service establishment had increased by about 19 600 posts (11%). The projected establishment by end March 2021 was 197 845 posts. With a view to maintaining the sustainability of public finance amidst the

¹ 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.

economic downturn, the Administration aims to have zero growth in the civil service establishment in 2021-2022 in order to contain the growth in establishment expenditure. The civil service establishment as set out in the 2021-2022 Estimates of Expenditure is 197 646 posts.

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. The estimated number of officers reaching normal retirement age in 2021-2022 is around 6 300, representing a wastage rate (arising from retirement) of about 3.5% of the strength as at end June 2020. It is estimated that the annual average number of civil servants who will reach normal retirement age will be around 6 200 for the five-year period from 2020-2021 to 2024-2025. In view that the majority of serving civil servants who joined the Government between 1 June 2000 and 31 May 2015 ("eligible civil servants") 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 Administration launched an option in July 2018 which allowed eligible civil servants to choose to retire at 65 (for civilian grades) or 60 (for disciplined services grades) ("the Option"). The Option period ended on 16 September 2020 and about 47 000 (or 83%) out of some 56 000 eligible civil servants had taken the Option.

6. 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. In addition, if individual departments request other arrangements on extending the service of their civil service staff having regard to their specific manpower needs, they may put up a proposal. With the support of the relevant policy bureaux, the Civil Service Bureau will assess the operational needs of the departments concerned and the justifications provided, and consider whether there is still room for them to deploy the existing measures for extension of

service, or whether there is a genuine need to make special arrangements for them.²

Resignation

7. Resignation only accounts for a small number of departure of civil servants. From 2017-2018 to 2019-2020, the numbers of civil servants resigned from the civil service were 1 333, 1 443 and 1 571 respectively. Over 60% of the resignees left during their probation period.

Age profile and gender profile

8. As at 31 March 2020, 28%, 25.5% and 27.3% of the strength of the civil service³ were in the age groups of 25 to below 35, 35 to below 45 and 45 to below 55 respectively; the participation rate of female civil servants was 38.5%. For Hong Kong labour force as a whole, the overall female participation rate was 54.2% in 2020.

Major views and concerns expressed by the Panel

9. Major views and concerns expressed by Panel members in previous meetings and the Administration's responses are summarized below.

Disparity between the establishment and strength of the civil service

10. Members in general welcomed the Administration's proposal to have zero growth in the civil service in 2021-2022 to contain the establishment expenditure under the current economic situation. However, there were concerns about the difference between the establishment and strength of the civil service, the impact on civil servants' workload and the effectiveness and efficiency of public services. There was suggestion that the Administration should re-engineer the structure and operations of bureaux and departments ("B/Ds") and redeploy staff to B/Ds with manpower shortage.

² In the light of the need to strengthen the manpower and the severe setback in recruitment, the Hong Kong Police Force submitted a proposal to the Security Bureau and the Civil Service Bureau to launch a scheme for all serving police officers at non-directorate level who joined the Government before 1 June 2000 to apply for extending their service beyond the retirement age up to the age of 60. The Chief Executive had approved the above proposal and the scheme was launched on 1 April 2021. The Chief Executive had also given in-principle approval for other disciplined services departments to explore launching a similar scheme.

³ Excludes Judges and Judicial Officers, officers of the Independent Commission Against Corruption and locally engaged staff working in Hong Kong Economic and Trade Offices.

11. The Administration advised that due to the lead time required for conducting recruitment exercises, it was unavoidable that there was a gap between the establishment and strength of the civil service. The average time for completing recruitment exercises was about six months. With a view to coping with the workload without increase in civil service establishment, B/Ds were encouraged to enhance effectiveness through re-prioritization, internal redeployment and streamlining of work processes. Innovation and technology would also be used to advance the quality, efficiency and effectiveness of public services. Besides, B/Ds would deploy staff resources according to the operational needs.

Promotion opportunities

12. Members raised concern 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.

13. 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.

14. 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 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 B/Ds concerned while avoiding promotion blockage. The Administration would keep in view the overall manpower situation, staff morale and succession planning of various grades after the implementation of the Option.

Resignation of civil servants

15. In response to members' question as to whether the Administration had looked into the underlying reasons for officers resigning from the civil service,

the Administration explained that around 60% of the resignees left during probationary period. The Administration considered it understandable because probationers might be still exploring a suitable career path for themselves and find working in the Government unsuitable for them.

16. Members remarked that as civil servants appointed on the New Permanent Terms on or after 1 June 2000 would not be entitled to pension benefits and medical and dental benefits after retirement, the civil service remuneration package had lost its competitive edge when compared to the remuneration package offered by private sector. Members therefore urged the Administration to come up with measures to preserve the attractiveness of and retain talents in the civil service, such as providing post-retirement medical benefits for all civil servants.

17. The Administration responded that based on the large number of applications received in the recruitment exercises and that the resignation rate had remained at under 1% of the strength of the civil service over the years, the civil service should still be attractive and competitive in the labour market. As regards civil servants appointed on or after 1 June 2000, the Administration advised that the terms and conditions of employment for them were introduced following the civil service reform undertaken in 1999 and were drawn up with reference to private sector's practices. It was the Government's civil service pay policy to ensure that civil service remuneration was regarded as fair by both civil servants and the public. In order to maintain broad comparability between civil service pay and private sector pay, the former was compared with the latter on a regular basis through three types of survey, namely the annual Pay Trend Survey, the triennial Starting Salaries Survey and the six-yearly Pay Level Survey.

Succession planning

18. Members expressed concern on the retirement wave in the Government in recent years. Question was raised as to whether the Administration had put in place any measures to retain experienced retiring staff. At the Panel meeting on 18 January 2021, a member raised concern about the possible succession problem in the leadership of civil service as only 52% of the eligible civil servants on the Directorate/Directorate (Legal) Pay Scale had taken the Option.

19. The Administration advised that the number of retirees would gradually decline to about 2.4% in the five-year period ending 2037-2038. As most of the eligible civil servants would only reach their original retirement age about 15 to 25 years later, B/Ds should have sufficient time to make succession planning systematically.

20. The Administration further advised that flexible measures for extension of service, including the employment of retired/retiring civil servants on contract terms under the PRSC Scheme and adjustments to the further employment mechanism, were also introduced to address the different operational and succession needs of individual grades or B/Ds in the interim if necessary. In tandem with the succession planning efforts, civil servants with potential for higher responsibilities would be provided with local training and sponsored to attend overseas executive development programmes to enhance their all-round capabilities. Arrangements would also be made for them to undergo attachments to policy bureaux, regional and international organizations to broaden their experience, perspective and network.

Female participation rate in the civil service

21. Question was raised as to whether the Administration had done enough to apply gender mainstreaming in recruitment of civil servants, and how the Administration would come up with better measures to foster a higher female participation rate in the civil service. There was suggestion that the Administration should consider setting a target ratio for female civil servants.

22. The Administration advised that appointment to the civil service was based on the principle of open and fair competition. All candidates would be assessed on the basis of their ability, performance and character and having regard to the stipulated entry requirements set according to the job requirements of the grade concerned. Gender was not a consideration in the selection process.

23. In response to members' suggestions of making reference to the practice of some private sector companies on the initiatives to help female employees to strike a balance between their work and family commitments, say workplace childcare services and allowing female employees in need to work from home or take part-time work, the Administration advised that it had endeavoured to provide a family-friendly working environment to its employees. The Administration had an open mind to the idea of home-office policy for civil servants and was willing to make reference to family-friendly practices adopted by the private sector with a view to attracting and retaining talent. Heads of Departments would also allow individual staff to work from home under special circumstances.

Latest development

24. At the Panel meeting scheduled for 17 May 2021, the Administration will brief members on the overview of the civil service establishment, strength, retirement, resignation, age profile and gender profile.

Relevant papers

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

Council Business Division 4
Legislative Council Secretariat
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Appendix

Overview of the civil service establishment, strength, retirement, resignation, age profile and gender profile

List of relevant papers

Meeting	Date of meeting	Paper
Panel on Public Service	18 April 2016	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes
	15 May 2017	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes Administration's follow-up response to issues raised at the Panel meeting
	21 May 2018	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes Administration's follow-up response to issues raised at the Panel meeting
	20 May 2019	Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes Administration's follow-up response to issues raised at the Panel meeting