

立法會

Legislative Council

LC Paper No. CB(4)991/16-17(04)

Ref: CB4/PL/PS

Panel on Public Service

Meeting on 15 May 2017

Updated background brief on the overall establishment, strength, retirement, resignation and age 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. Throughout the 1990s, the civil service establishment (i.e. the number of civil service posts) remained at around 186 000 to 196 000, whilst the actual number of civil servants ranged from 180 000 to 190 000. The civil service had been downsized through enhanced efficiency drives, the two general voluntary retirement ("VR") schemes in 2000 and 2003, the targeted VR 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. In the five-year period from 2010-2011 to 2014-2015, the civil service establishment had increased aggregately by around 8 100, representing an annual average increase of

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.

around 1 600. The 2017-2018 Draft Estimates of Expenditure provide for 3 378 additional civil service posts in various bureaux and departments ("B/Ds"), including some 400 posts for replacing non-civil service contract ("NCSC") positions for which the long-term need has been established. The proposed increase in civil service establishment for 2017-2018 represents a year-on-year increase of 1.9% over the 2016-2017 Revised Estimates (i.e. 178 327 posts). Subject to the approval of the 2017-2018 Draft Estimates by the Legislative Council, the civil service establishment is estimated to stand at 181 705 posts at the end of March 2018.

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 2014-2015, the number of retirees was around 5 700, which represented about 3.5% of the strength. According to the Administration, the number of retirees will continue to rise to a peak of around 6 800 each year on average in the five-year period ending 2023-2024. Whilst there would be no anticipated significant succession or recruitment problems across-the-board over the coming decade or so, 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 0.5% of the overall strength of the civil service. In 2014-2015, the resignation rate was 0.55%. Over half of the resignees left during their probation period.

Age profile

7. In 2014-2015, 29% and 35% 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 2014-2015, 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 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 12% in 2014-2015. 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 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 the Civil Service Bureau ("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. To facilitate smooth succession, the Administration was urged to improve civil service benefits, in particular the retirement benefits, to retain quality staff. The Administration advised that various surveys on pay trend/level were regularly conducted to ascertain whether civil service pay was broadly comparable to private sector pay. The whole civil service remuneration package, comprising salaries and fringe benefits, was still attractive and competitive in the labour market.

Promotion opportunities

12. 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.

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. On average, it took about 14 years for civil servants to get promoted to the next higher rank. 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.

14. As regards the impacts of the PRSC Scheme and the revised 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

15. 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.

16. The Administration advised that CSB had, since 2007, introduced suitable streamlining measures to the recruitment process with a view to meeting the manpower needs of B/Ds more swiftly. 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, at the Panel meeting in April 2016, the Administration advised that 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

17. 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.

18. 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.

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

20. The Administration advised at the Panel meeting on 18 May 2015 that actions would be taken to fill vacancies in a timely manner. In the past few years, about 8 700 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.

Resignation of civil servants

21. Some members expressed concern over the outflow of civil servants in the Administrative Officer ("AO") 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.

22. The Administration advised that turnover of civil servants in the AO 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.

23. Regarding the measures to retain civil servants, the Administration advised at the Panel meeting on 18 April 2016 that the resignation rate of civil servants had remained at a stable level of 0.5% to 0.55% in recent years. To improve staff retention, more resources for training would be set aside to empower civil servants in dealing with growing public expectation on public services and increasing workload.

24. In view of the fact that the fringe benefits provided to civil servants appointed under the Civil Service Provident Fund ("CSPF") Scheme (i.e. appointed on or after 1 June 2000) were less favourable than those provided to civil servants appointed under the Old and New Pension Schemes, question was raised as to whether there were more resignees after the replacement of pension schemes by the CSPF Scheme since 2000. The Administration replied at the Panel meeting on 18 May 2015 that no increasing trend in resignation was observed since the introduction of the new terms of appointment in 2000.

Retirement

25. At the Panel meeting on 18 April 2016, members urged the Administration to consider allowing civil servants appointed on or after 1 June 2000 but before 1 June 2015 the option to extend their service up to the retirement age set for new recruits appointed on or after 1 June 2015, i.e. 65 in

respect of civilian grades or 60 in respect of disciplined services grades, without going through any selection by the management.

26. The Administration advised that the package of initiatives for extending the service of civil servants was formulated against the background of an ageing population and an anticipated higher wastage of civil servants in the coming years. As the manpower and succession needs would vary from grade to grade and from time to time, allowing serving civil servants to opt for a higher retirement age might give rise to management problems such as manpower mismatch, promotion blockage and lack of healthy turnover.

Latest development

27. At the Panel meeting scheduled for 15 May 2017, the Administration will brief members on the overall establishment, strength, wastage position and age profile of the civil service.

Relevant papers

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

Council Business Division 4
Legislative Council Secretariat
9 May 2017

Appendix

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

List of relevant papers

| Meeting | Date of meeting | Paper |
|-------------------------|-----------------|--|
| Panel on Public Service | 17 January 2011 | Administration's paper Background brief prepared by the Legislative Council Secretariat <u>Minutes</u> |
| | 16 April 2012 | Administration's paper Updated background brief prepared by the Legislative Council Secretariat <u>Minutes</u> |
| | 3 June 2013 | Administration's paper Updated background brief prepared by the Legislative Council Secretariat <u>Minutes</u> |
| | 25 April 2014 | Administration's paper Updated background brief prepared by the Legislative Council Secretariat <u>Minutes</u> <u>Administration's follow-up response to issues raised at the Panel meeting</u> |

| Meeting | Date of meeting | Paper |
|---------|-----------------|---|
| | 18 May 2015 | Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes |
| | 18 April 2016 | Administration's paper Updated background brief prepared by the Legislative Council Secretariat Minutes |

Council Business Division 4
Legislative Council Secretariat
9 May 2017