For Discussion on 20 May 2019

#### **Legislative Council Panel on Public Service**

# An Overview of the Civil Service: Establishment, Strength, Retirement, Resignation, Age Profile and Gender Profile

#### **Purpose**

This paper provides an update on the overall establishment, strength, wastage situation, age profile and gender profile of the civil service.

#### **Establishment and Strength**

#### (a) Overall

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- 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 changes in establishment (i.e. the number of posts) and strength (i.e. the number of serving civil servants) of the civil service for the last 15 years since 2003-04 are shown at **Annex A**.
- 3. As shown at **Annex A**, the civil service establishment was around 169 000 in 2003-04 while the strength was around 163 000. There was a gradual down-sizing of the civil service afterwards, mainly because of the implementation of enhanced efficiency drives since 2000, 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 2002-03¹). As at 31 March 2007, the civil service establishment and strength stood at around 159 400 and 153 800 respectively.

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 2013-14 to 2017-18, the civil service establishment had increased aggregately by around 11 100, representing an annual average increase of around 2 200. During the same period, about 11 600 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. As at 31 March 2018, the civil service establishment and strength stood at around 178 028 and 171 458 respectively.
- 5. As reflected in the 2019-20 Draft Estimates, the civil service establishment is expected to increase from 188 335 as at 31 March 2019 (revised estimate) to 191 816 as at 31 March 2020 (draft estimate), representing an increase of about 1.8% over the 2018-19 Revised Estimates. The civil service strength as at 31 March 2018 represented about 2.3% of the population of Hong Kong (7.451 million in mid-2018) and about 4.3% of the total workforce (3.982 million in mid-2018).

#### (b) <u>Directorate and Non-directorate</u>

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 2018, the establishment and strength at the non-directorate level were 176 563 and 170 073 respectively, and those at the directorate level were 1 465 and 1 385 respectively.

#### Wastage

7. In 2017-18, the wastage in the civil service was 8 616, accounting for 5.1% of the strength. Retirement was the primary reason for departure of civil servants, while the other reasons, including resignation, completion of agreement and death, accounted for only a small proportion of wastage.

#### (a) Retirement

8. The existing retirement age of civil servants is prescribed under the pension 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 age of civil servants is set out at **Annex B**.

- 9. The retirement<sup>2</sup> position of the civil service over the last 15 years is shown at **Annex C**. The number of retirees was around 6 500 in 2017-18, which represented about 3.9% of the strength. As regards directorate civil servants, the number of retirees stood at 6% of the directorate strength in 2003-04 and ranged between 6.2% and 9.6% from 2004-05 to 2012-13. The number then dropped to 8% in 2013-14 and increased gradually to 11.7% in 2017-18. Details are at **Annex D**.
- 10. Based on the existing normal retirement age of civil servants, it is projected that the natural wastage rate will continue to rise in the coming years, and then will gradually decline in the subsequent years. The number of retirees will maintain at the annual average of 3.7% of the civil service strength for the two five-year periods ending 2017-18 and 2022-23. The number will then gradually decline to about 3.2% in the five-year period ending 2027-28, to about 2.8% in the following five-year period ending 2032-33, and to about 2.4% in the five-year period ending 2037-38.

#### (b) Resignation

- 11. Resignation accounted only for a small number of departures of civil servants. As shown at **Annex E**, the resignation rate ranged from 0.55% to 0.65% of the strength of the civil service from 2013-14 to 2016-17. In 2017-18, the resignation rate was 0.8% of the strength, remaining at a low level. Besides, over 60% of the resignees left during their probation period, partly because they found a long-term career in the Government unsuitable for them.
- 12. According to the feedback received from the exit survey in 2017-18 as shown at **Annex F**, the major reasons for officers resigning from the civil service were: marriage or family reasons (24%), taking up jobs in the private sector (16%) and pursuing further studies (13%).

## **Age Profile**

13. The age profile of the civil service over the last 15 years is illustrated at **Annex G**. Since 2006-07, around two-thirds of civil servants were in the

For the purpose of this paper, "retirement" covers retirement as set out in **Annex B** and re-employment after retirement without a break in service.

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age groups of 40-49 and 50 or above, while the remaining one-third was in the age groups of 20-29 and 30-39. The difference between the numbers of civil servants in the above two strata has narrowed down in the recent years. In 2017-18, the age groups of 40-49 and 50 or above constituted about 27% and 33% of the civil service strength respectively, while about 40% of the civil service strength belonged to the age groups of 20-29 and 30-39. 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 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 H**.

- 14. **Annex I** 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 had been on a continuous decline in the last decade, while the age group of 50 or above remained the largest group, representing about 79% of its strength in 2017-18.
- 15. Nevertheless, more young people have been recruited to the civil service with the gradual resumption of open recruitment as shown at **Annex J**. In the five-year period ending 2017-18, there were around 29 500 new recruits in the age group of 20-29 (or about 63% of the total intake) and around 10 600 new recruits in the age group of 30-39 (or about 23% of the total intake). As shown at **Annex G**, 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 15% in 2017-18. This trend is expected to continue, which will bring about a more evenly distributed age profile of the civil service against the backdrop of the slight increase in the anticipated retirement rate in the coming years as well as the trend of steady growth of the civil service establishment.
- 16. As regards recruitment to the civil service, about 14 260 appointments were made in 2017-18. The appointment decline rate was at a low level of 14%. According to the feedback received from respondents to our survey, the main reasons for their turning down of civil service job offers were: remaining in their current job (38%), taking up another civil service job (27%) and taking up a job in the private sector (9%). Details are at **Annex K**.

#### **Gender Profile**

- 17. The female participation rate in the civil service over the last 15 years is illustrated at **Annex L**. The overall proportion of female civil servants increased from 33.8% in 2003-04 to 37.7% in 2017-18. The rising trend of female participation is observed in both directorate and non-directorate ranks during the period, the proportion for which was from 25.2% in 2003-04 to 37.8% in 2017-18 and from 33.8% in 2003-04 to 37.7% in 2017-18 respectively.
- Furthermore, the rising trend of female participation rate is more prominent in respect of civilian grades. Specifically, the participation rate of female civilian civil servants<sup>3</sup> rose from 43.2% in 2003-04 to 48.5% in 2017-18, under which the proportion increased from 27.3% in 2003-04 to 40.1% in 2017-18 for directorate officers, and from 43.4% in 2003-04 to 48.6% in 2017-18 for non-directorate officers. Details are at **Annex M**. The rise in the proportion of female civil servants was in line with the overall increasing trend in the female participation rate in the labour force of Hong Kong, which was from 44.4% in 2004 to 49.5% in 2017. The participation rate of female civilian officers was also on par with that in the labour force of Hong Kong. As at 31 March 2018 and 31 March 2019, of the 18 Permanent Secretary posts ranked at Point 8 of the Directorate Pay Scale (i.e. the top civil service positions), nine (or 50%) and eight (or 44.4%) were filled respectively by female officers.

# **Advice Sought**

19. Members are invited to note this paper.

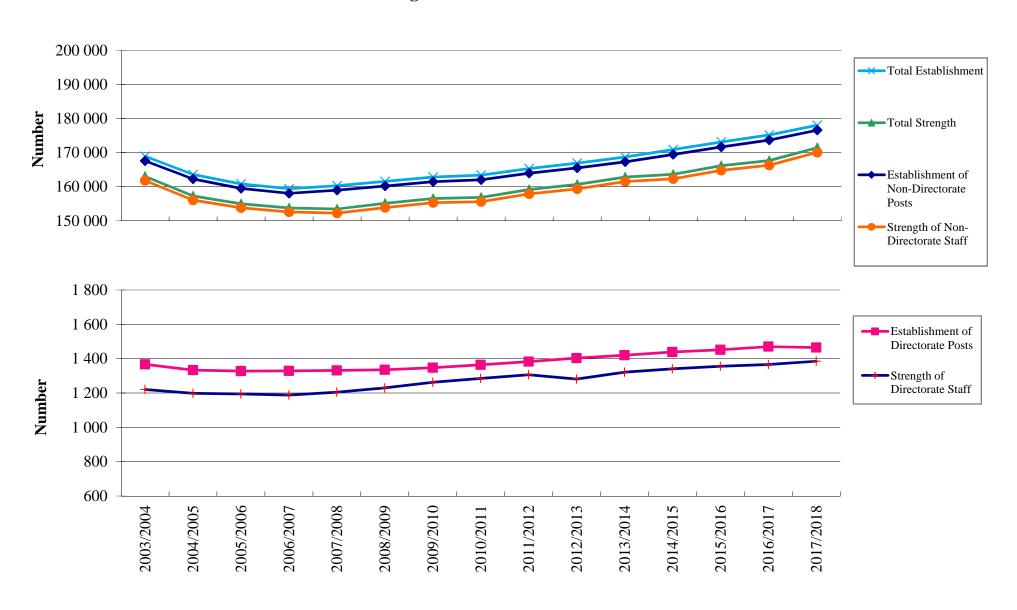
Civil Service Bureau May 2019

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<sup>&</sup>lt;sup>3</sup> Calculated by excluding all civil servants who are serving in the disciplined services and remunerated by the Police Pay Scale (PPS) and General Disciplined Services Pay Scale (GDSPS).

#### Annex A

#### Establishment and Strength of the Civil Service from 2003-2004 to 2017-2018



#### **Retirement Ages in the Civil Service**

#### (A) The retirement age is –

(i) 55 for civil servants (including both civilian and disciplined services grades) appointed before 1 July 1987 who 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 who have not opted to raise their retirement age;

65 for civil servants appointed on or after 1 June 2000 but before 1 June 2015 on the CSPF Scheme who have opted to raise their retirement age, and those appointed on or after 1 June 2015 on the CSPF Scheme;

#### Disciplined services grades

(iii) 55 or 57 (depending on ranks)<sup>1</sup> 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 who have not opted to raise their retirement age; and

60 (regardless of ranks) for civil servants appointed on or after 1 June 2000 but before 1 June 2015 on the CSPF Scheme who have opted to raise their retirement age, and those appointed on or after 1 June 2015 on the CSPF Scheme.

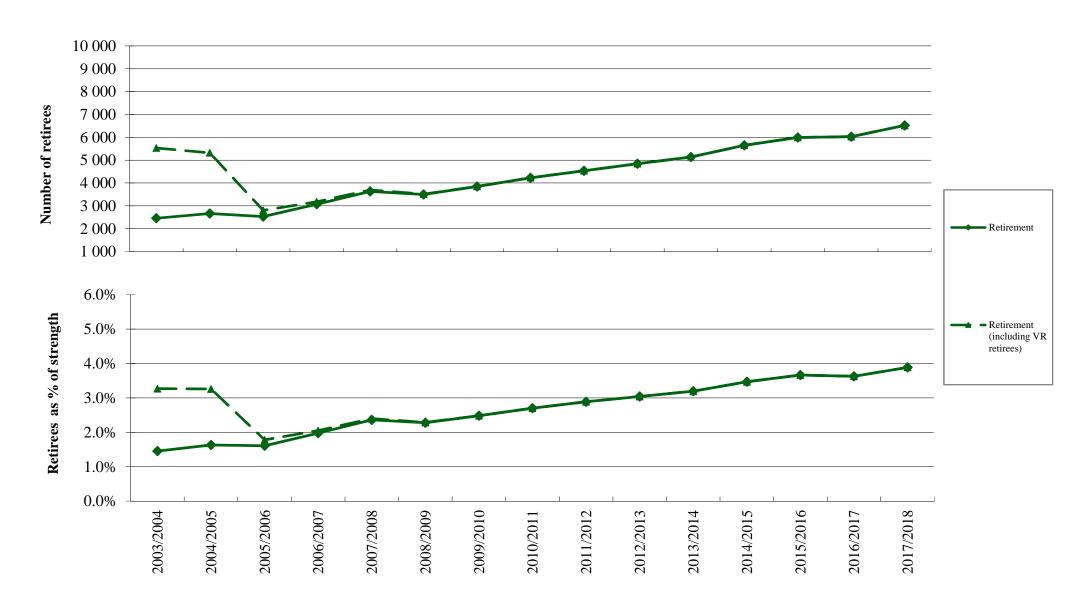
The retirement age is 57 for civil servants in some directorate ranks in disciplined services grades, while the retirement age is 55 for civil servants in all other ranks in disciplined services grades.

- (B) Civil servants may apply to retire on or after attaining the age of
  - (i) 45 for Rank and File civil servants in disciplined services grades who are on OPS; and
  - (ii) 50 for civilian civil servants who are on OPS, civil servants in officer ranks in disciplined services grades who are on OPS<sup>2</sup>, and Rank and File civil servants in disciplined services grades who have switched from OPS to NPS.

In addition, civilian civil servants who have switched from OPS to NPS may choose to retire on or after attaining the age of 55. For civil servants in disciplined services grades who are on NPS (including those who have switched from OPS to NPS), they may choose to retire on or after attaining the age of 50 or 55 (depending on ranks). For civil servants appointed on or after 1 June 2000 but before 1 June 2015 on the CSPF Scheme who have opted to raise their retirement age, they may also choose to retire on or after attaining their original retirement age (viz. 55, 57 or 60).

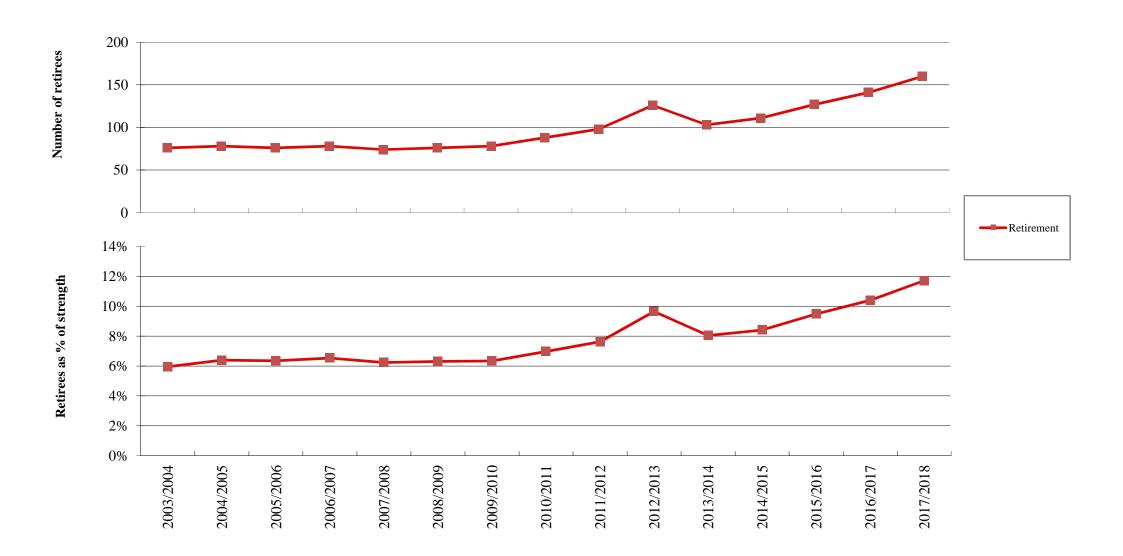
<sup>&</sup>lt;sup>2</sup> Civilian civil servants and civil servants in officer ranks in disciplined services grades on OPS may also apply for retirement on or after attaining the age of 45 on grounds of ill health, or on adequate compassionate or personal grounds.

#### Retirement Position of the Civil Service from 2003-2004 to 2017-2018



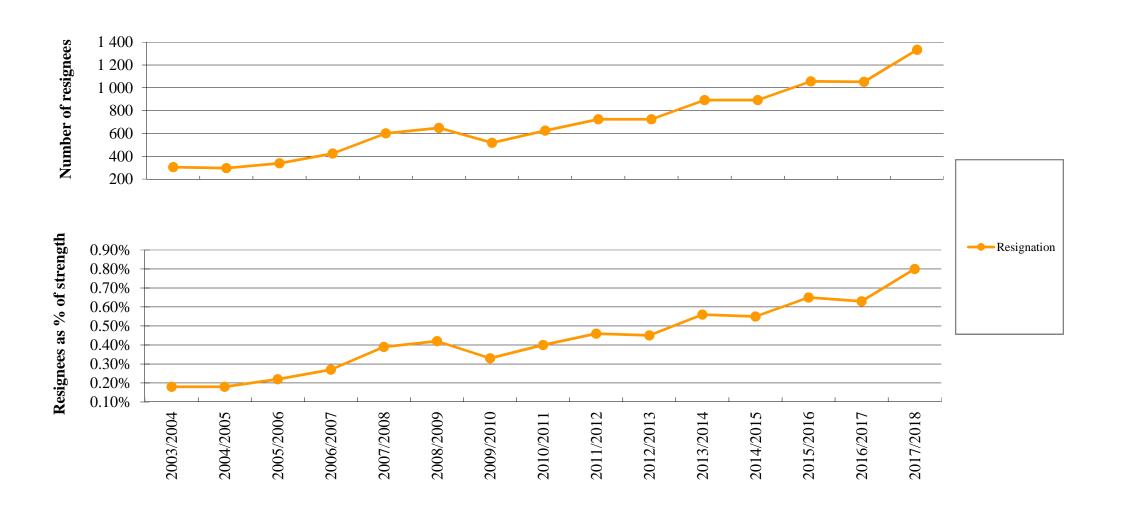
Note: "Retirement" in this chart covers retirement as set out in Annex B and re-employment after retirement without a break in service.

#### Retirement Position of Directorate Civil Servants from 2003-2004 to 2017-2018



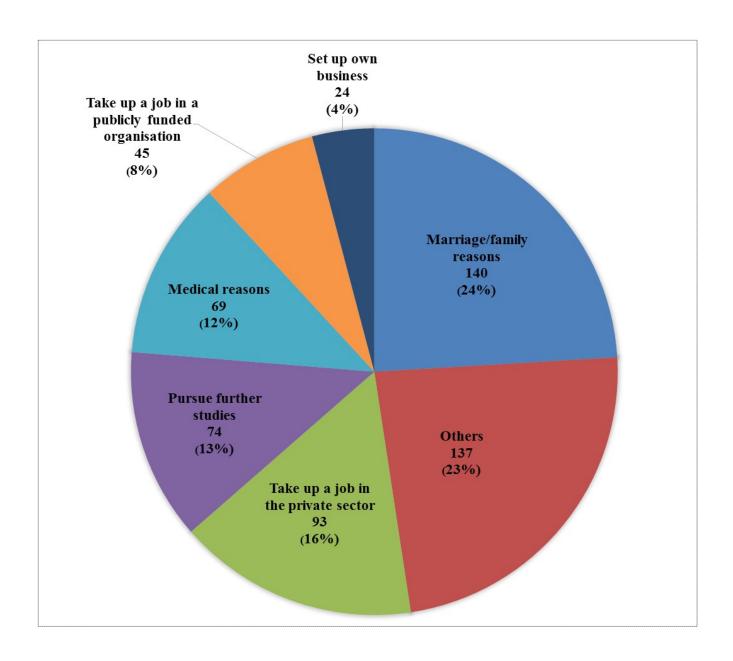
Note: "Retirement" in this chart covers retirement as set out in Annex B and re-employment after retirement without a break in service.

### Resignation Position of the Civil Service from 2003-2004 to 2017-2018

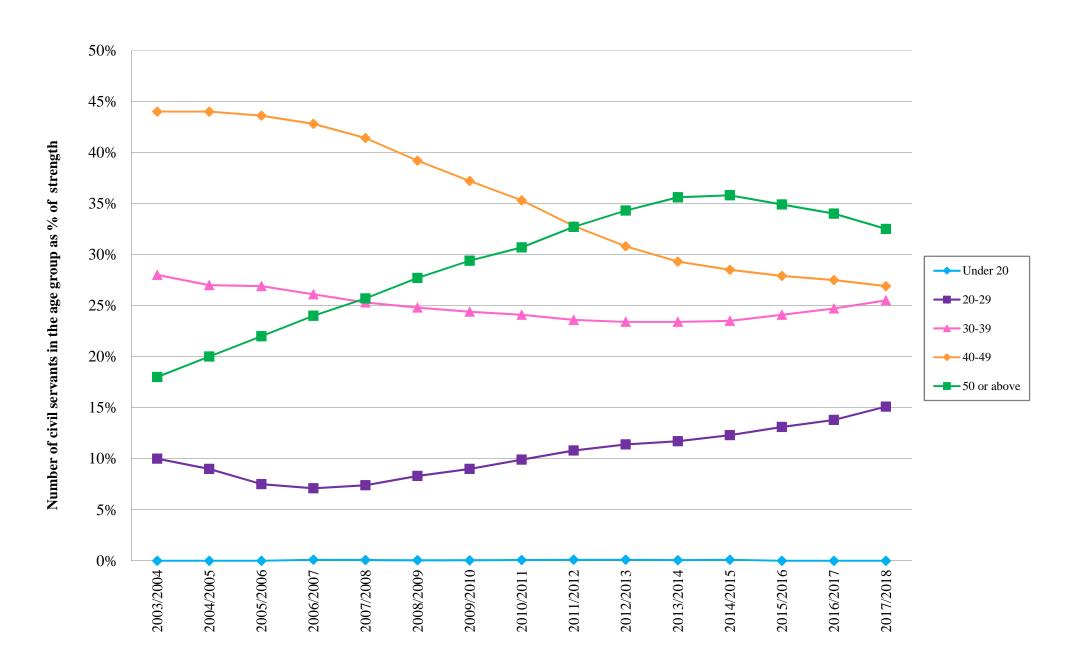


Annex F

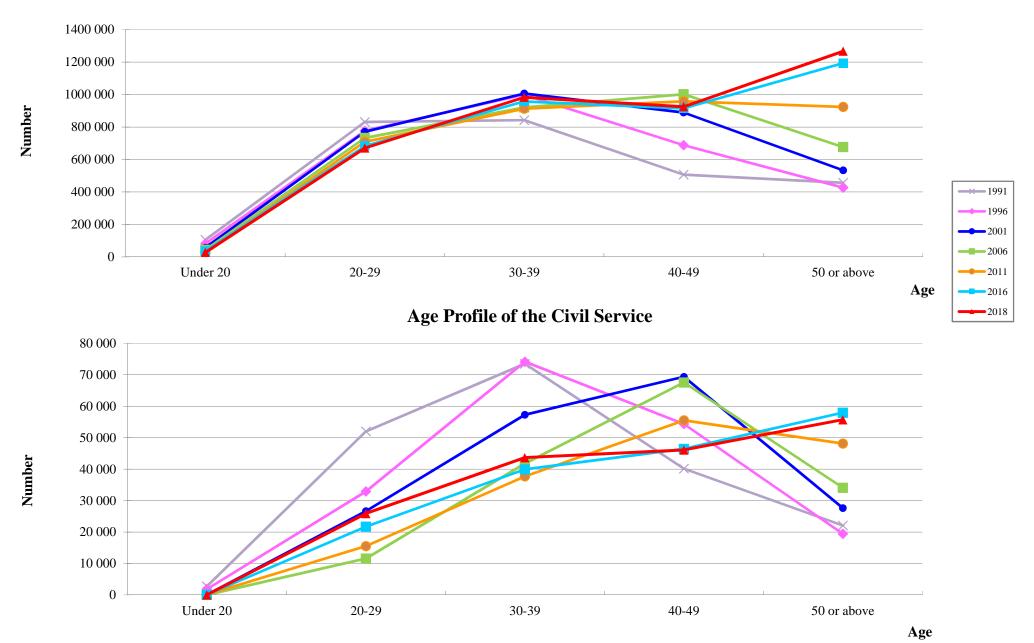
# <u>Major reasons for resignation for 2017-18</u> (<u>Information from 582 respondents</u>)



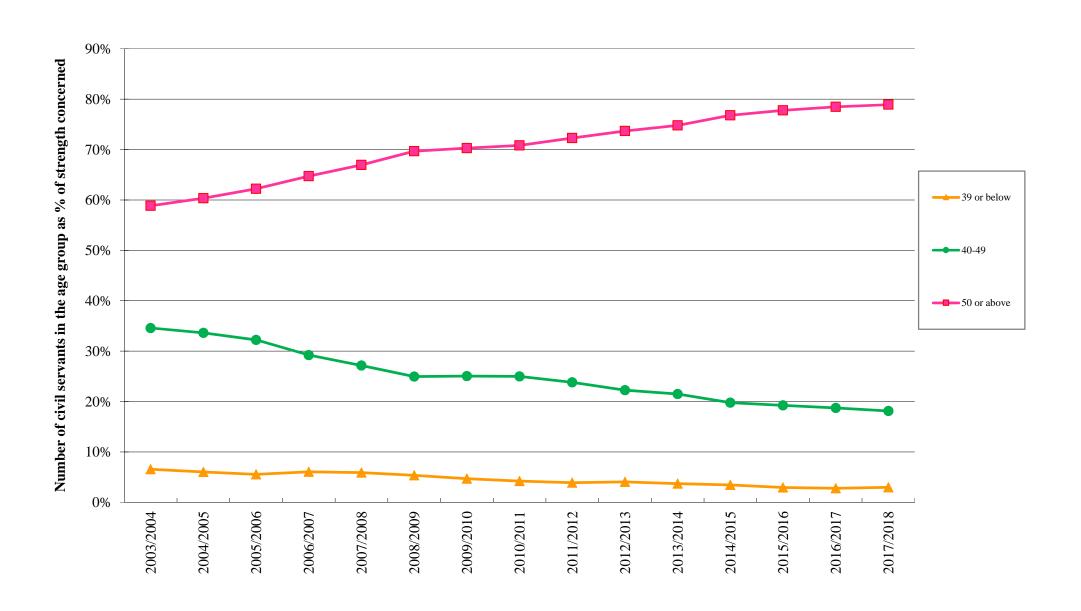
### Civil Servants by Age Groups from 2003-04 to 2017-18



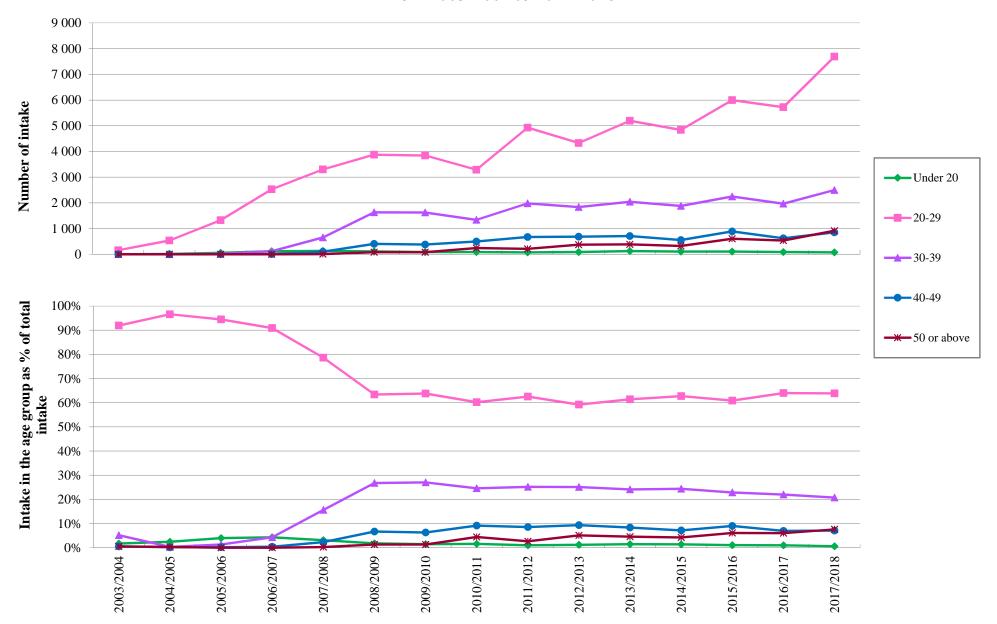
# **Age Profile of the Hong Kong Working Population**



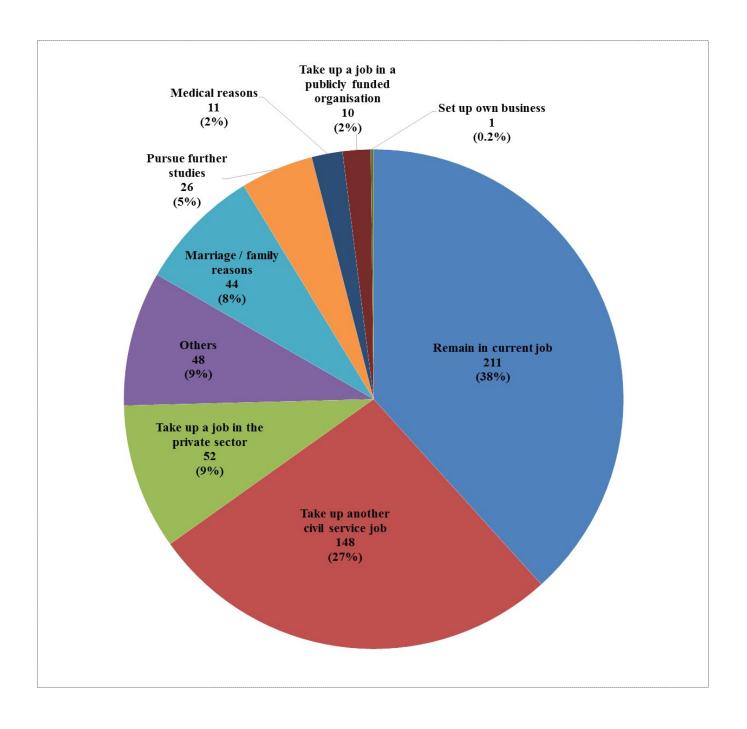
# Directorate Civil Servants by Age Groups from 2003-2004 to 2017-2018



# Intake of Civil Servants by Age Groups from 2003-2004 to 2017-2018

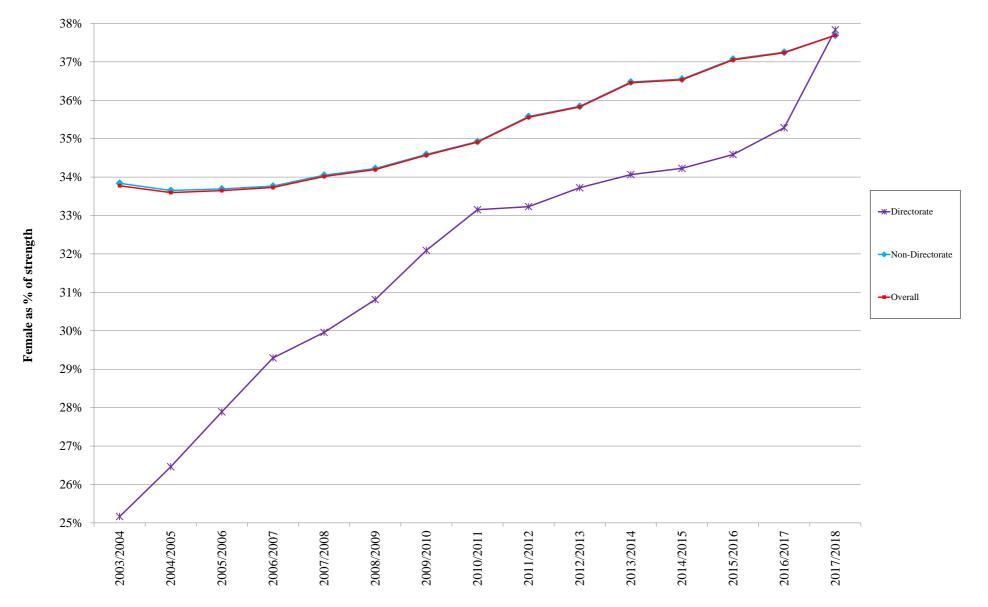


# <u>Major reasons for declining civil service job offers for 2017-18</u> (<u>Information from 551 respondents</u>)



Annex L





# Percentage of Female (by Rank) in the Civil Service (excluding Officers on PPS and GDSPS) from 2003-2004 to 2017-2018

