

For Discussion on
20 May 2013

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, retirement and age profile of the Civil Service¹, and an analysis of the attractiveness of civil service jobs through examining the recruitment and resignation situation.

Establishment and Strength

(a) Overall

2. Over the years, the size of the Civil Service has largely followed changes in economic development, increasing community expectations and demand for public services, and 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 25 years since 1987-88 is shown at **Annex A**.

3. As shown at **Annex A**, from a peak of around 200 000 posts in 1990-91, the civil service establishment remained at around 186 000 to 196 000 in the rest of the 1990s, while the number of civil servants ranged from 180 000 to 190 000. 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

¹ For the purpose of this paper, the Civil Service does not include judges and judicial officers, locally-engaged staff in the Mainland and overseas Economics and Trade Offices and officers in the Independent Commission Against Corruption.

targeted VR schemes for specific grades, and the six years of open recruitment freeze which ended in March 2007 (namely from 1999-00 to 2006-07 save for 2001-02 and 2002-03)². As at 31 March 2007, the civil service establishment and strength stood at around 159 400 and 153 800 respectively.

4. In recent years, the Civil Service has grown modestly to meet the demand for new or improved services to the public. As at 31 March 2012, the civil service establishment and strength stood at 165 343 and 159 195 respectively, representing an aggregate increase of 5 942 (or 3.7%) and 5 390 (or 3.5%) for establishment and strength respectively since end-March 2007. The number of civil servants on 31 March 2012 was about 2.2% of the population of Hong Kong (estimated at 7.136 million in mid-2012) and about 4.2% of the total work force (estimated at 3.804 million in mid-2012). These percentages have remained stable since 2006-07.

(b) Directorate and Non-directorate

5. A breakdown of the civil service establishment and strength by directorate and non-directorate levels over the last 25 years is also provided at **Annex A**. In brief, over 99% of both establishment and strength were at the non-directorate level. As at 31 March 2012, there were 163 960 non-directorate posts and 157 889 non-directorate civil servants; and 1 383 directorate posts and 1 306 directorate civil servants.

Attractiveness of Civil Service Jobs

6. To assess whether civil service jobs remain attractive, we have analysed the recruitment and resignation situation in the Civil Service in the financial year of 2011-12.

² 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.

(a) Recruitment situation

7. In 2011-12, a total of 11 127 appointments were offered, of which 1 718 were declined, representing a decline rate of 15%. Details are at **Annex B**. There were, on average, 52 qualified applications for each civil service job opening, involving a total of 330 recruitment exercises. The competition for civil service job offers remained keen and the decline rate was generally at a low level.

8. According to a survey of 370 respondents who declined civil service job offers, the main reasons for their declining the job offers were - taking up another civil service job (33%), remaining in their current job (27%), and taking up a job in the private sector (8%). Details are at **Annex C**.

(b) Resignation situation

9. Resignation only accounts for a small number of departure of civil servants. As shown at **Annex D**, the resignation rate remained at a low level of below 0.5% of the strength of the Civil Service over the past decade or so and the rate in 2011-12 was 0.45%. Over half of the resignees left during their probation period.

10. According to the information collected from 288 resignees as shown at **Annex E**, the largest group (28%) resigned because they had taken up a job in the private sector; while pursuing further studies (16%) and marriage or family reasons (15%) were the other major reasons.

Retirement

11. Retirement is the primary reason for departure of civil servants from the Service. The retirement age of civil servants is prescribed under the pensions legislation and Civil Service Regulations. More information is set out at **Annex F**.

12. The retirement position of the Civil Service over the last 25 years is shown at **Annex G**. Briefly, the number of civil servants retiring increased steadily from around 980 (or 0.5% of the strength) in 1987-88 to the peak of around 4 000 (or 2.2%) in 1996-97. It then dropped sharply in the following two years, and picked up steadily around the turn of the century before peaking at around 8 800 (or 5.1%) in 2001-02 largely as a result of the first general VR scheme. The number of retirees remained high in the following three years (i.e. 2002-03 to 2004-05) mainly because of the second general VR scheme. The number of retirees dropped to around 2 600 (or 1.7%) in 2005-06 and increased gradually to around 4 200 (or 2.7%) in 2011-12. As regards directorate civil servants, the number of retirees increased gradually from around 4% of the directorate strength in 2001-02 to around 7.5% in 2011-12 as shown in **Annex H**.

13. A breakdown of the age of civil servants at the time of retirement over the last 25 years is provided at **Annex I**. Briefly, with the introduction of the New Pension Scheme (NPS) in 1987 to replace the Old Pension Scheme (OPS) and the declining number of civil servants on the OPS, civil servants retiring before the age of 55 decreased from 35% of the total number of retirees in 1987-88 to 17% in 2006-07 and to 8% in 2011-12. As shown at **Annex J**, directorate civil servants retiring before the age of 55 also decreased from about 30% of directorate retirees in 2001-02 to around 1% in 2011-12. The declining trend in the number of civil servants retiring before the age of 55 is expected to continue, as more serving civil servants are subject to the normal retirement age of 60. At the end of 2012, 94% of all civil servants on pensionable terms and Civil Service Provident Fund Scheme were subject to a retirement age of 60.

14. At **Annex K** is the number of civil servants projected to retire in the next 25 years, on the assumption that they will only retire upon reaching their applicable normal retirement age. Briefly, the number of retirees will increase until 2021-22, from the annual average of around 4 100 for the five-year period ended 2011-12 to around 5 600 in the five-year period ending 2016-17 and around 7 000 in the next five-year period ending 2021-22. The number will decline to around 5 700 in the following five-year period ending 2026-27 and further to around 4 600 in the next five-year period ending 2031-32. The declining trend will

continue thereafter. The larger number of retirees in the coming decade is largely due to the significant growth of the Civil Service in the 1980s, when those recruited then will be approaching their normal retirement age by 2021-22.

Age Profile

15. The age profile of the Civil Service over the last 25 years is illustrated at **Annex L**. The age group of 40-49 has become the largest group of civil servants since 1999-2000. The age group of 50-59 has also continued to increase throughout the period. 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. The relative ageing profile is mainly attributed to the expansion of the Civil Service in the 1980s, the introduction of the NPS in 1987 (under which the normal retirement age is 60 instead of 55 under the OPS), 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 M**.

16. While the number of civil servants in the age groups of 40-49 and 50-59 comprised around two thirds of the total strength in 2011-12, more young people have been recruited into the Civil Service with the gradual resumption of open recruitment since April 2007 as shown in **Annex N**. In the five-year period from 2007-08 to 2011-12, there were around 19 200 new recruits in the age group of 20-29 (or 65% of the total intake) and around 7 200 new recruits in the age group of 30-39 (or 24%). As shown at **Annex L**, the number of civil servants in the age group of 20-29 increased from 7.5% of the civil service strength in 2007-08 to over 10% in 2011-12. 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 retirement in the coming decade.

17. **Annex O** shows the age profile of directorate civil servants over the last 25 years. The number of directorate civil servants in the age group of 40-49 has been on a continuous decline in the last decade, while

the age group of 50-59 is on a rising trend and has remained the largest group since 1999-2000, representing 68% of its strength in 2011-12.

Observations

18. Overall speaking, civil service jobs remain attractive to job seekers. As noted in paragraphs 7 - 10 above, competition for civil service jobs remained keen, while the low resignation rate reflected a high stability of the Civil Service. On the latter, we note that the majority of the resignees left during the probation period. This should not be a cause of concern, as new recruits are often still searching for their career goals and some may find that civil service jobs do not meet their career aspirations only after serving in the Civil Service for a while.

19. On retirement, as mentioned in paragraph 14 above, the number of retirees will peak at annual average of around 7 000 in the five-year period from 2017-18 to 2021-22. In the face of an increasing number of civil servants retiring in the next decade and the consequential increase in the number of vacancies, we are taking a number of measures to facilitate succession planning.

20. In terms of recruitment, measures are in place to ensure that bureaux and departments will continue to bring in new blood to fill government vacancies with a view to meeting their operational needs and facilitating succession in the longer run. Specifically, bureaux and departments will continue to conduct recruitment exercises in a timely manner and where appropriate, expedite the processes in accordance with the streamlined procedures promulgated. Bureaux and departments are also required to conduct promotion exercises in a specified timeframe so as to fill vacancies in promotion ranks in good time.

21. The Administration has also put in place a well-established mechanism to facilitate bureaux and departments 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, the Administration also provides training and development opportunities for civil servants at all levels so as 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 bureaux and departments, the Civil Service Training and Development Institute of the Civil Service Bureau has put in place a structured training and development framework to assist bureaux and departments in the grooming and development of civil servants with potential for advancement for succession planning purpose. The training and development programmes, local and overseas, cover public policy, management, leadership development, national studies and the Basic Law.

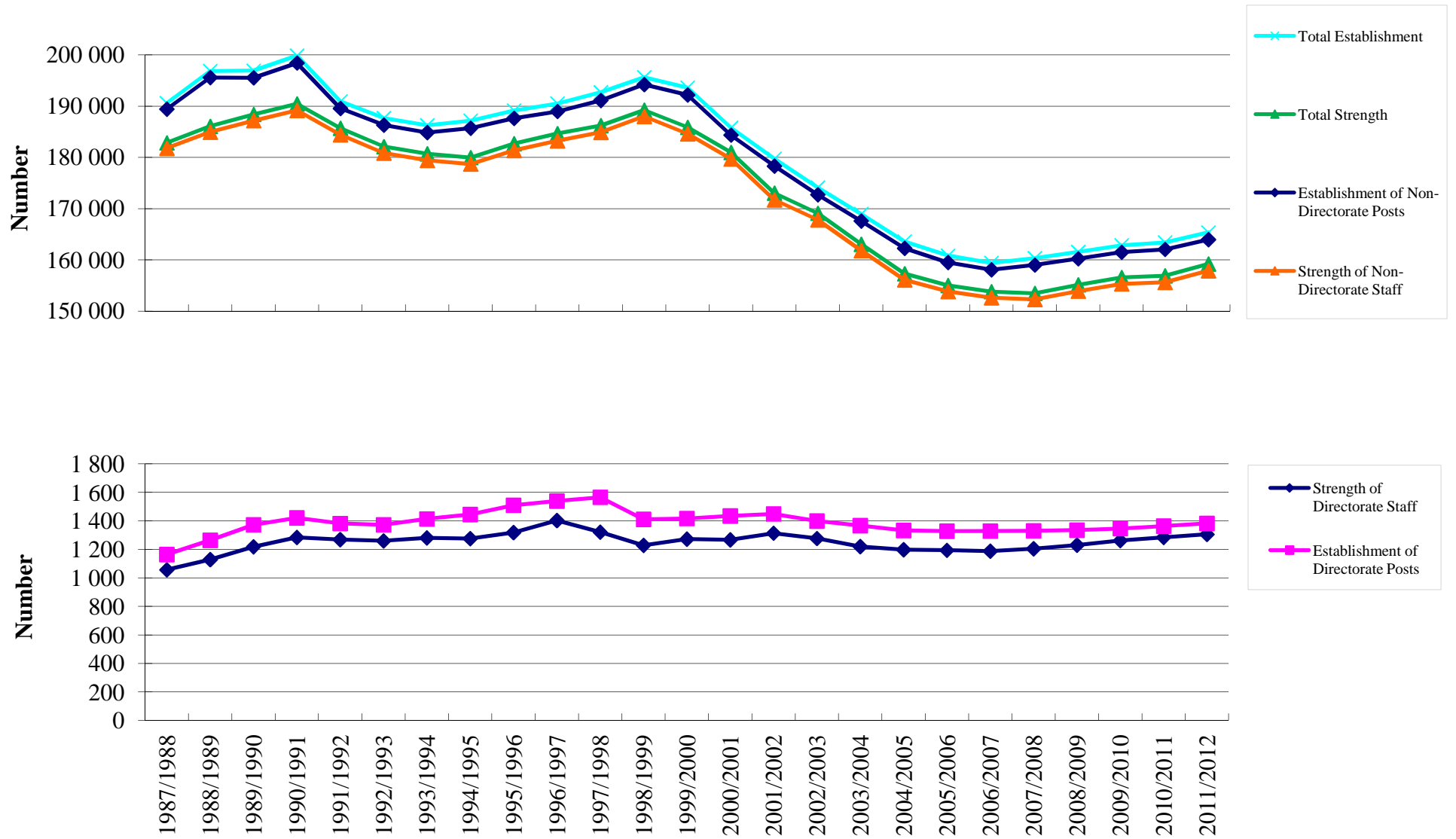
22. In the light of the ageing population and dwindling labour force in Hong Kong, the Administration is examining the issue of extending the working life of our working population. Against this backdrop and to facilitate succession planning in the Civil Service, the Civil Service Bureau has commenced a preliminary study to assess the retirement situation in the Civil Service and look at possible options to address any operational needs identified. We are inviting inputs from the bureau / departmental management and will analyse the data collected taking into account the unique circumstances and features of the civil service system, including succession and operational needs, manpower planning, promotion prospects of serving officers, etc. We aim to complete the study around end of 2013 / early 2014 and would then consider the way forward.

Advice Sought

23. Members are invited to note this paper.

Civil Service Bureau
May 2013

Establishment and Strength of the Civil Service from 1987-88 to 2011-12



Recruitment Position of the Civil Service for 2011-12

| Salary Band (Note 1) | Number of | | | | | Decline rate |
|-------------------------|--------------------------|--------------------------|-------------------------|----------------------------------|--------------------------|--------------|
| | recruitment exercises | applications received | qualified candidates | appointments offered (Note 2) | appointments declined | |
| Directorate | 1 | 93 | 21 | 1 | 0 | 0% |
| Upper | 64 | 78 744 | 53 443 | 1 060 | 85 | 8% |
| Middle | 193 | 724 926 | 450 096 | 8 429 | 1 409 | 17% |
| Lower | 72 | 75 375 | 41 067 | 1 637 | 224 | 14% |
| Total | 330 | 879 138 | 544 627 | 11 127 | 1 718 | 15% |

Note 1

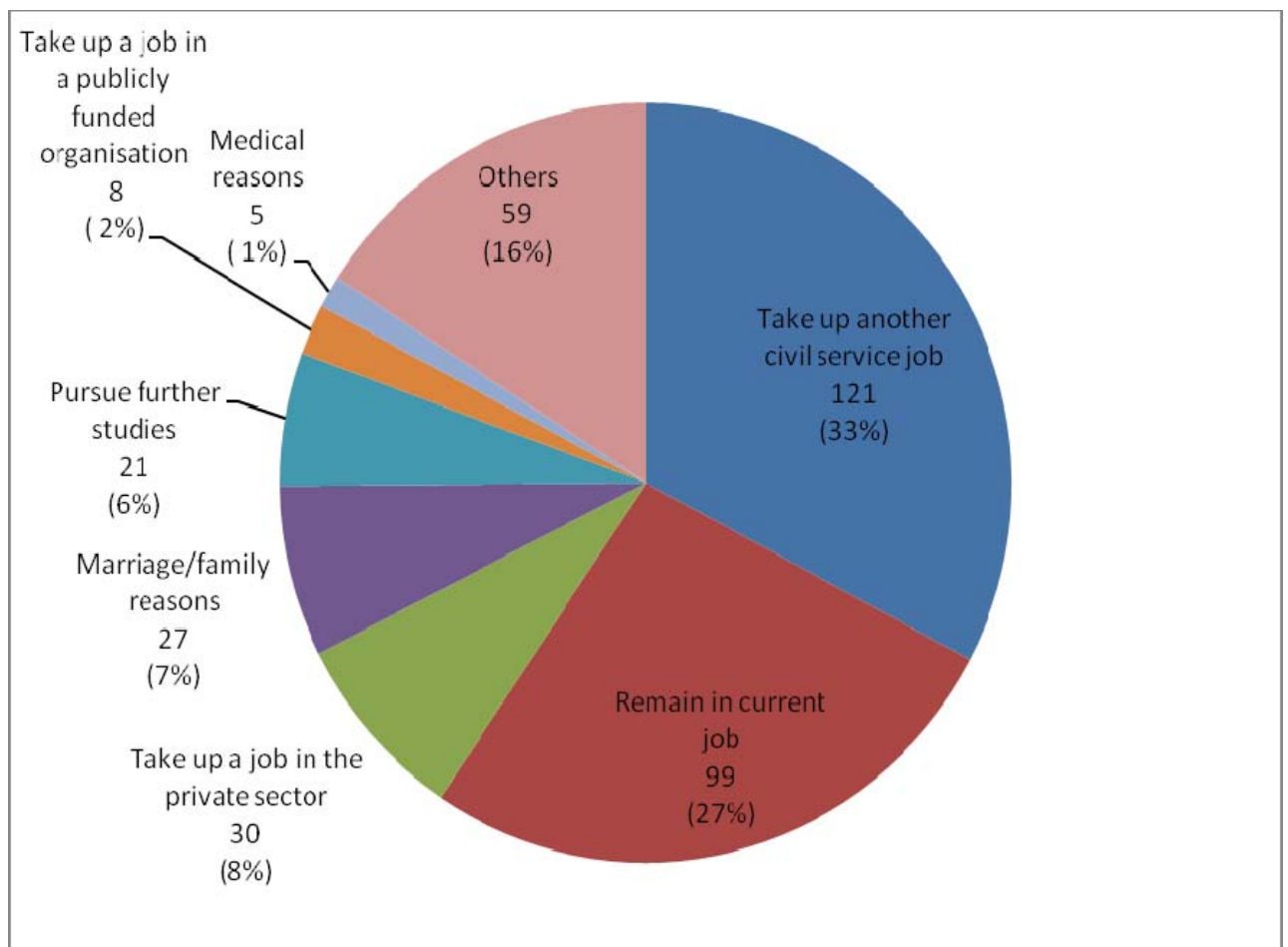
The salary band is drawn according to the pay scales of civil service ranks:

- (1) Directorate: From D1 to D8 on the Directorate Pay Scale (DPS) or equivalent, i.e. from \$112,200 and above;
- (2) Upper: From Master Pay Scale (MPS) 34 or equivalent to just below the DPS or equivalent, i.e. from \$55,850 to \$100,625;
- (3) Middle: From MPS 10 to 33 or equivalent, i.e. from \$17,835 to \$54,665; and
- (4) Lower: Below MPS 10 or equivalent, i.e. below \$17,835.

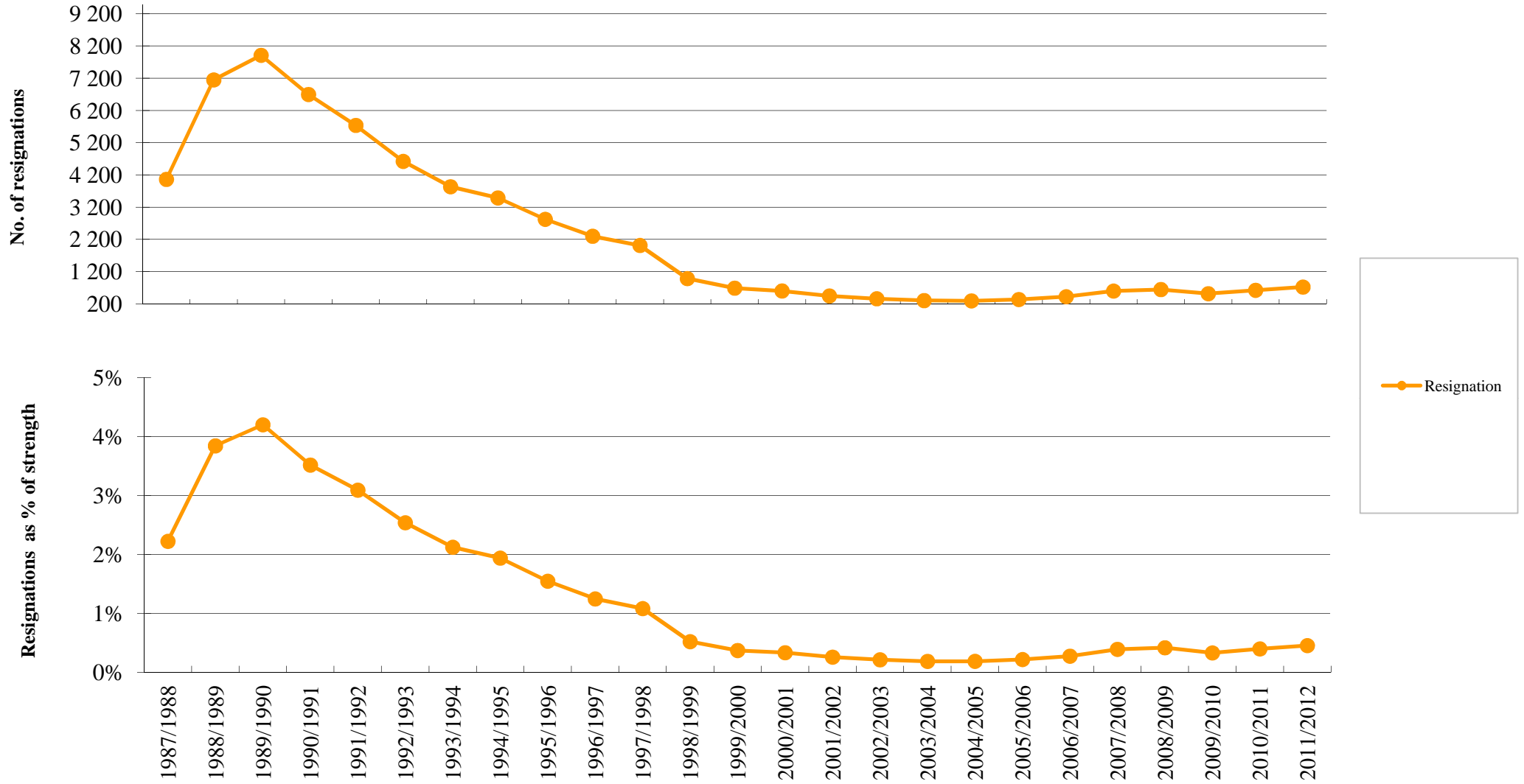
Note 2

These figures include cases whereby people had applied for more than one civil service jobs simultaneously and declined an offer for taking up another civil service job offer.

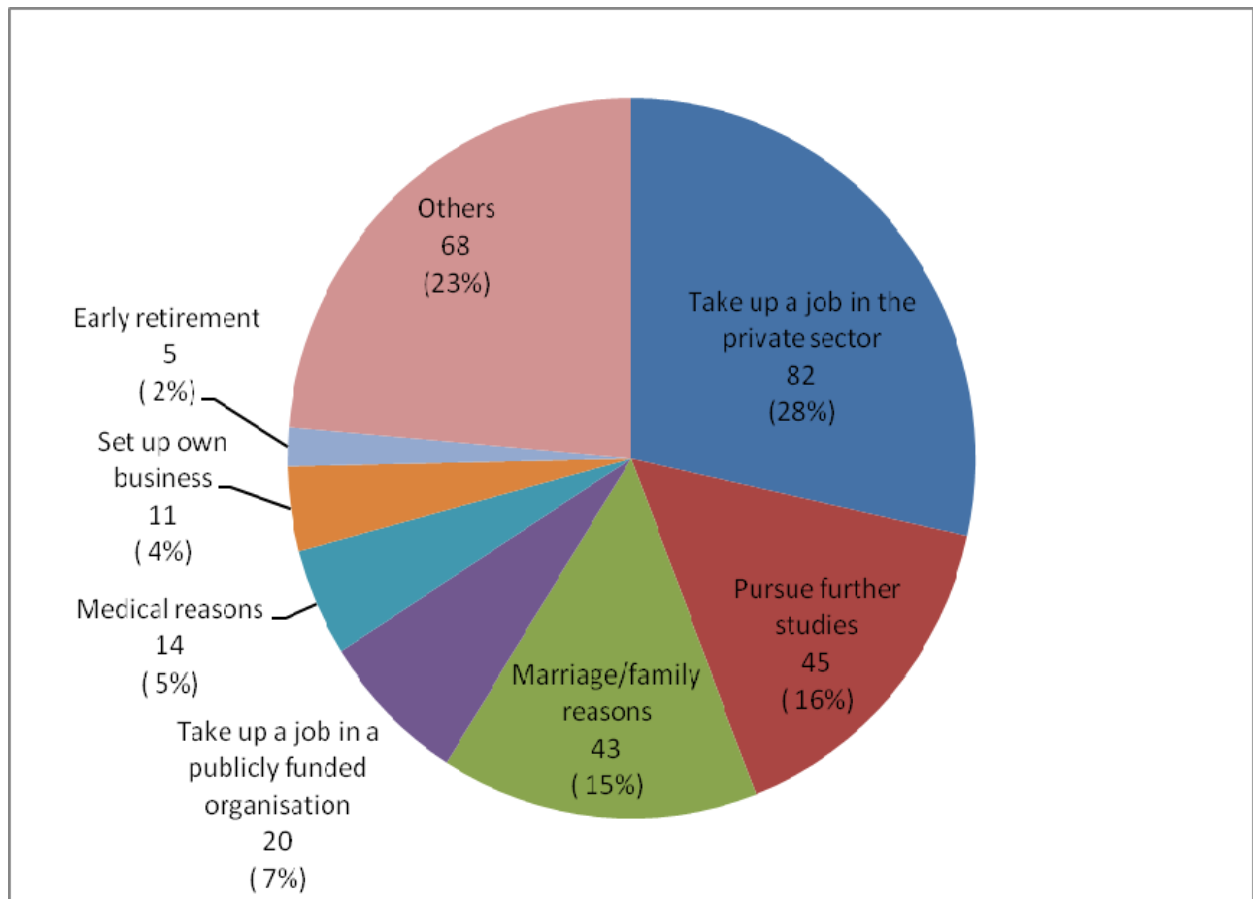
Most important reason for declining civil service job offers
for 2011-12
(Information from 370 respondents)



Resignation Position of the Civil Service from 1987-88 to 2011-12



Most important reason for resignation for 2011-12
(Information from 288 respondents)



Retirement Ages in the Civil Service

(A) The normal retirement age is –

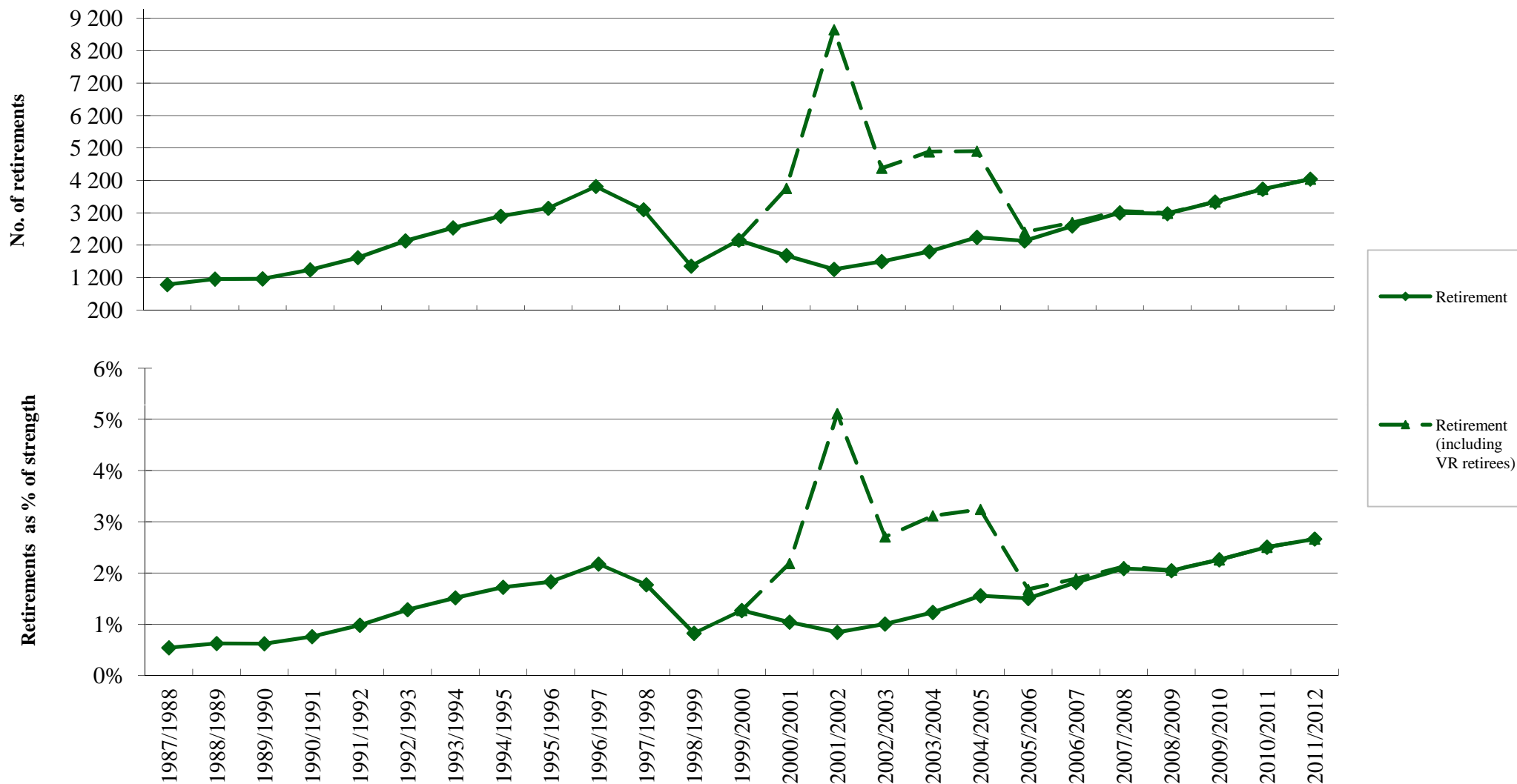
- (i) 55 for civil servants (both civilian and disciplined services grades) recruited before 1 July 1987 and remain on the Old Pension Scheme (OPS);
- (ii) 60 for civilian civil servants who have switched from the OPS to the New Pension Scheme (NPS) and for civil servants recruited to civilian grades on or after 1 July 1987 on the NPS or the Civil Service Provident Fund (CSPF) Scheme; and
- (iii) 55 or 57 (depending on ranks) ^{Note} for civil servants in the disciplined services grades who have switched from the OPS to the NPS and for civil servants recruited to disciplined services grades on or after 1 July 1987 on the NPS or the CSPF Scheme.

(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 the OPS;
- (ii) 50 for civilian civil servants and are on the OPS, civil servants in officer ranks of disciplined services grades and are on the OPS, and rank-and-file civil servants in disciplined services grades who have switched from the OPS to the NPS; and
- (iii) 55 for civilian civil servants who have switched from the OPS to the NPS, and civil servants in directorate ranks of disciplined services grades whose normal retirement age is 57 who have switched from the OPS to the NPS.

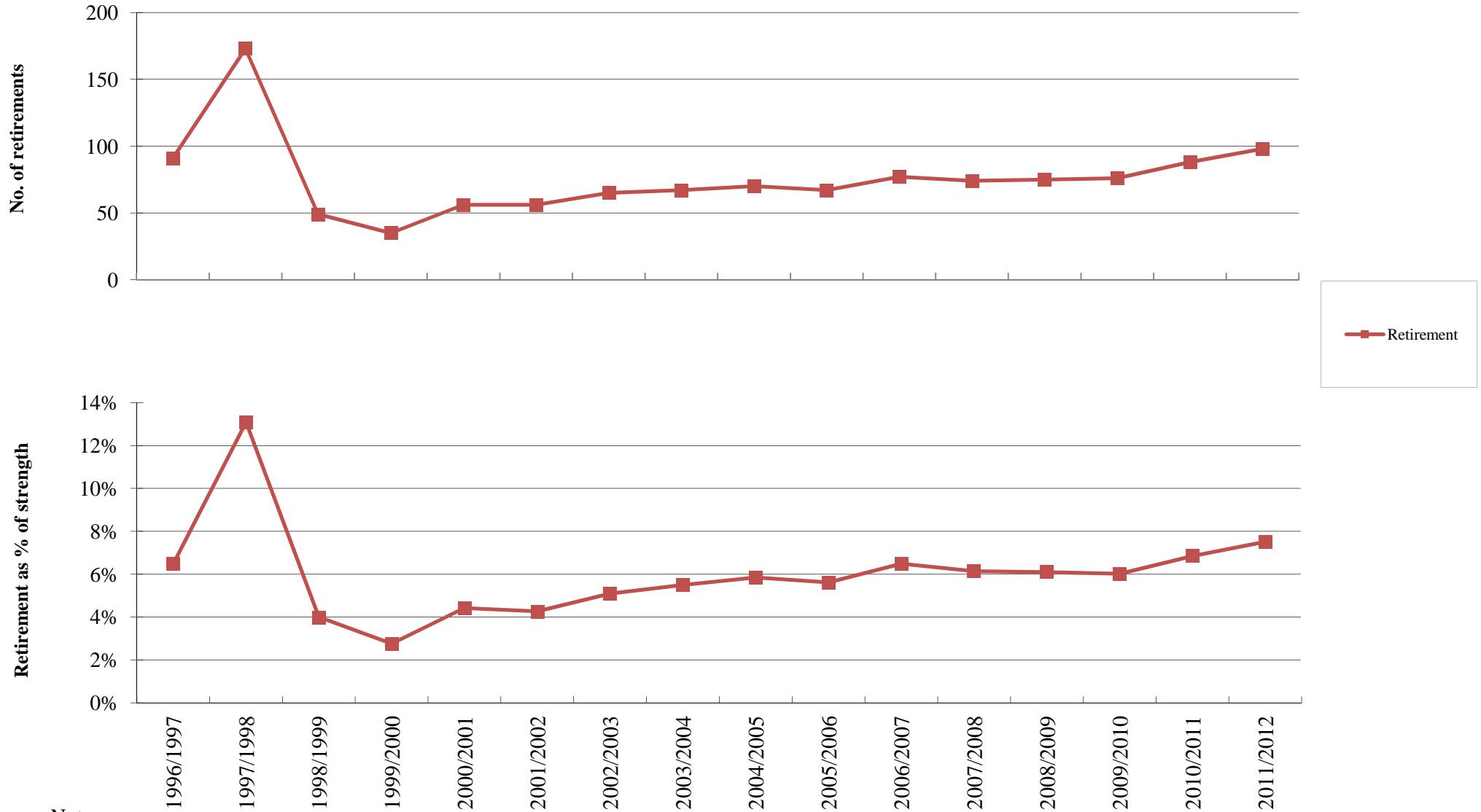
^{Note} The normal retirement age is 57 for civil servants in some directorate ranks in the disciplined services grades, while the normal retirement age is 55 for civil servants in all other ranks in the disciplined services grades.

Retirement Position of the Civil Service from 1987-88 to 2011-12



Note: "Retirement" in this chart refers to normal and early retirement.

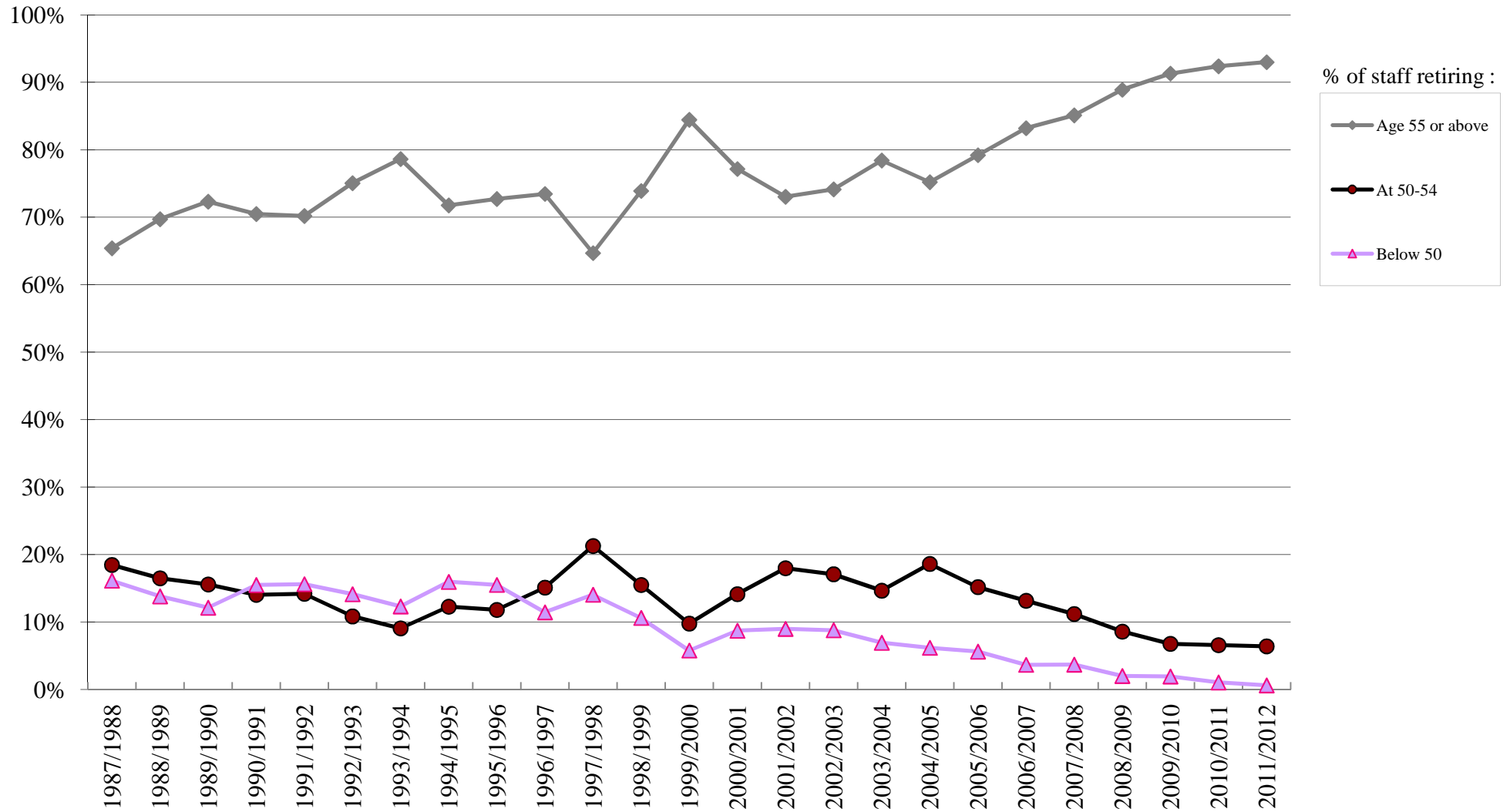
Retirement Position of Directorate Civil Servants from 1996-97 to 2011-12



Note:

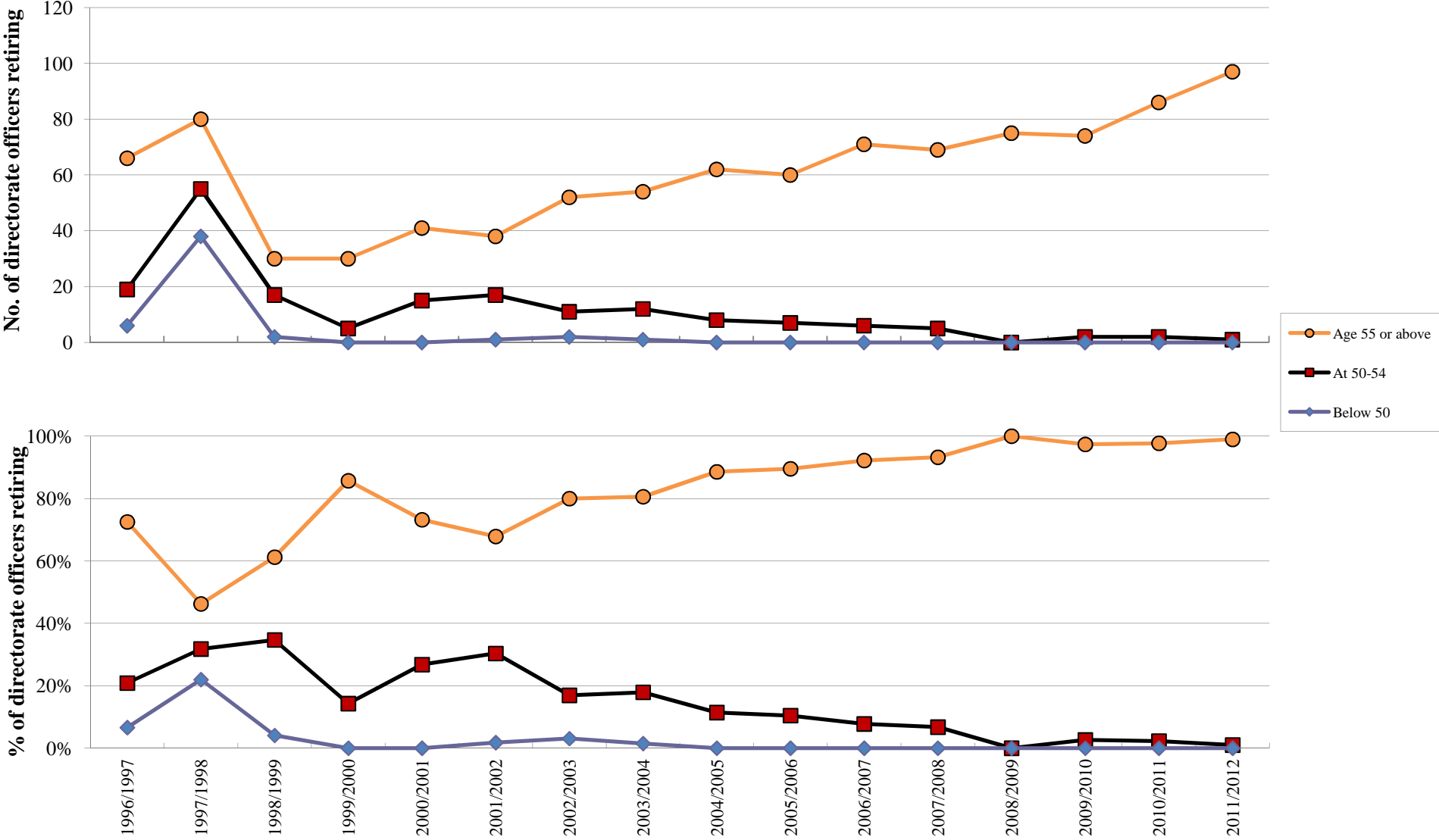
- "Retirement" in this chart refers to normal and early retirement.
- Breakdown by directorate and non-directorate civil servants in respect of retirement before 1996-97 is not available.

Age of Civil Servants on Retirement from 1987-88 to 2011-12



Note: "Retirement" in this chart refers to normal and early retirement.

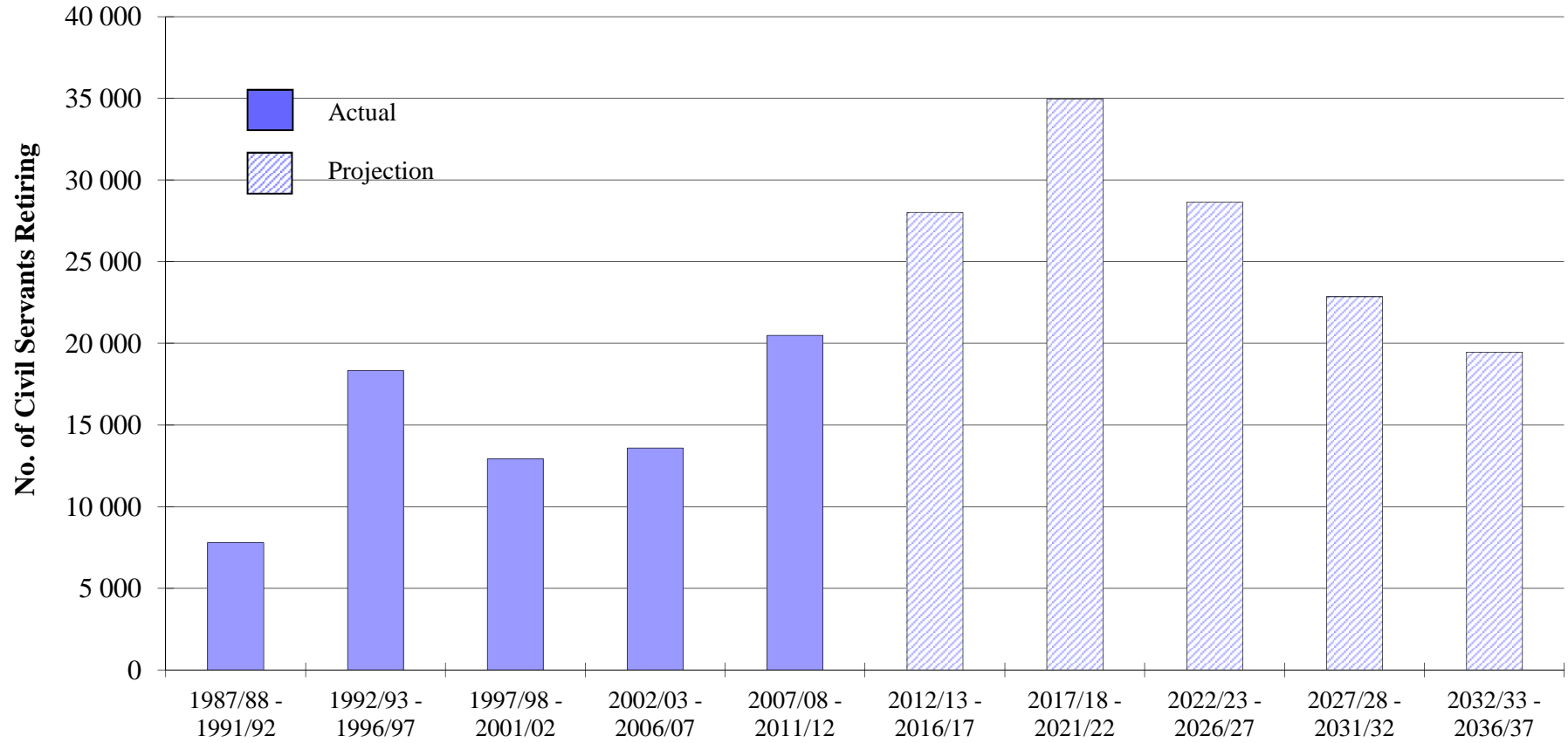
Age of Directorate Civil Servants on Retirement from 1996-97 to 2011-12



Note:

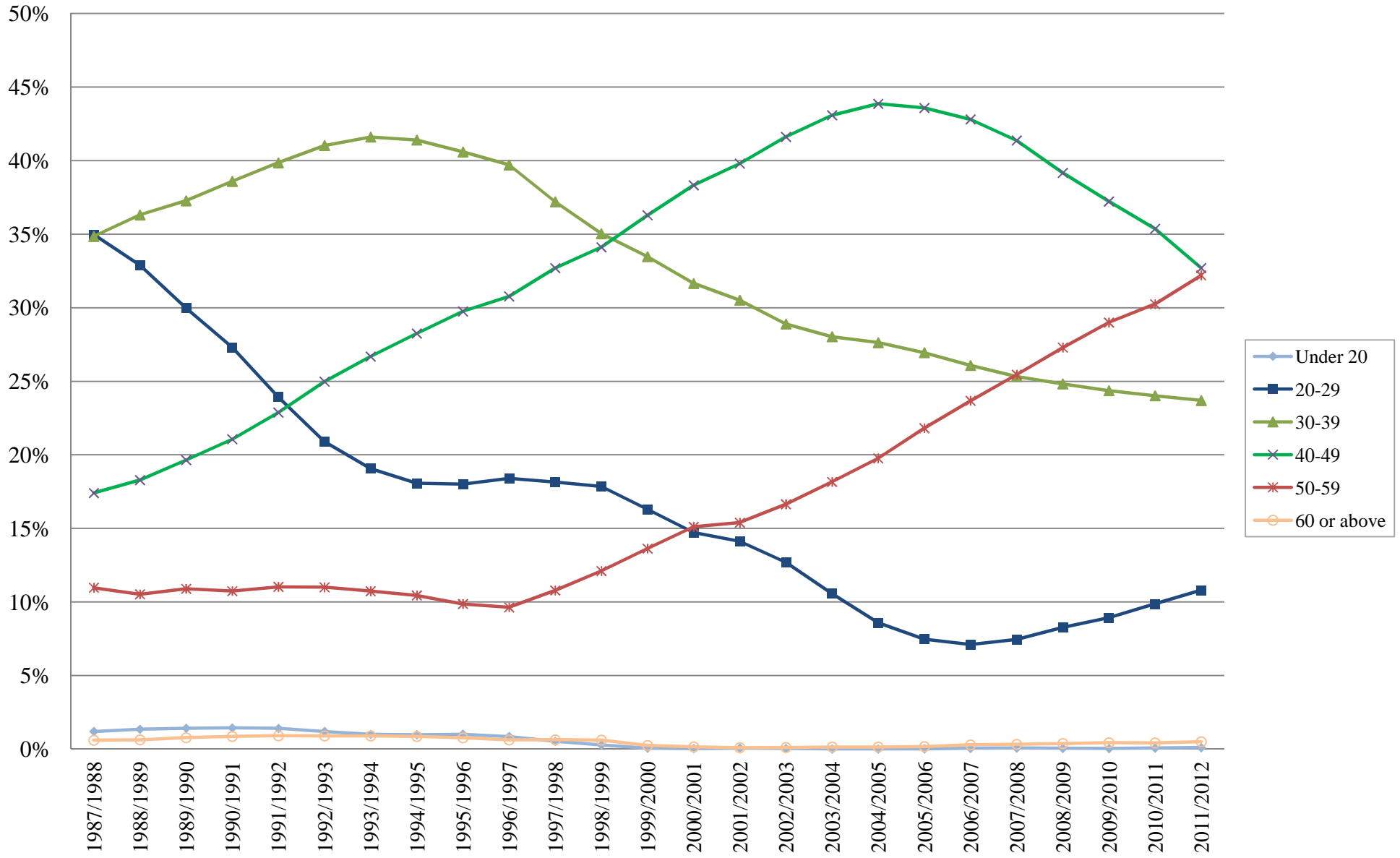
- "Retirement" in this chart refers to normal and early retirement.
- Breakdown by directorate and non-directorate civil servants in respect of retirement before 1996-97 is not available.

Projected Number of Civil Servants Retiring in the Next 25 Years

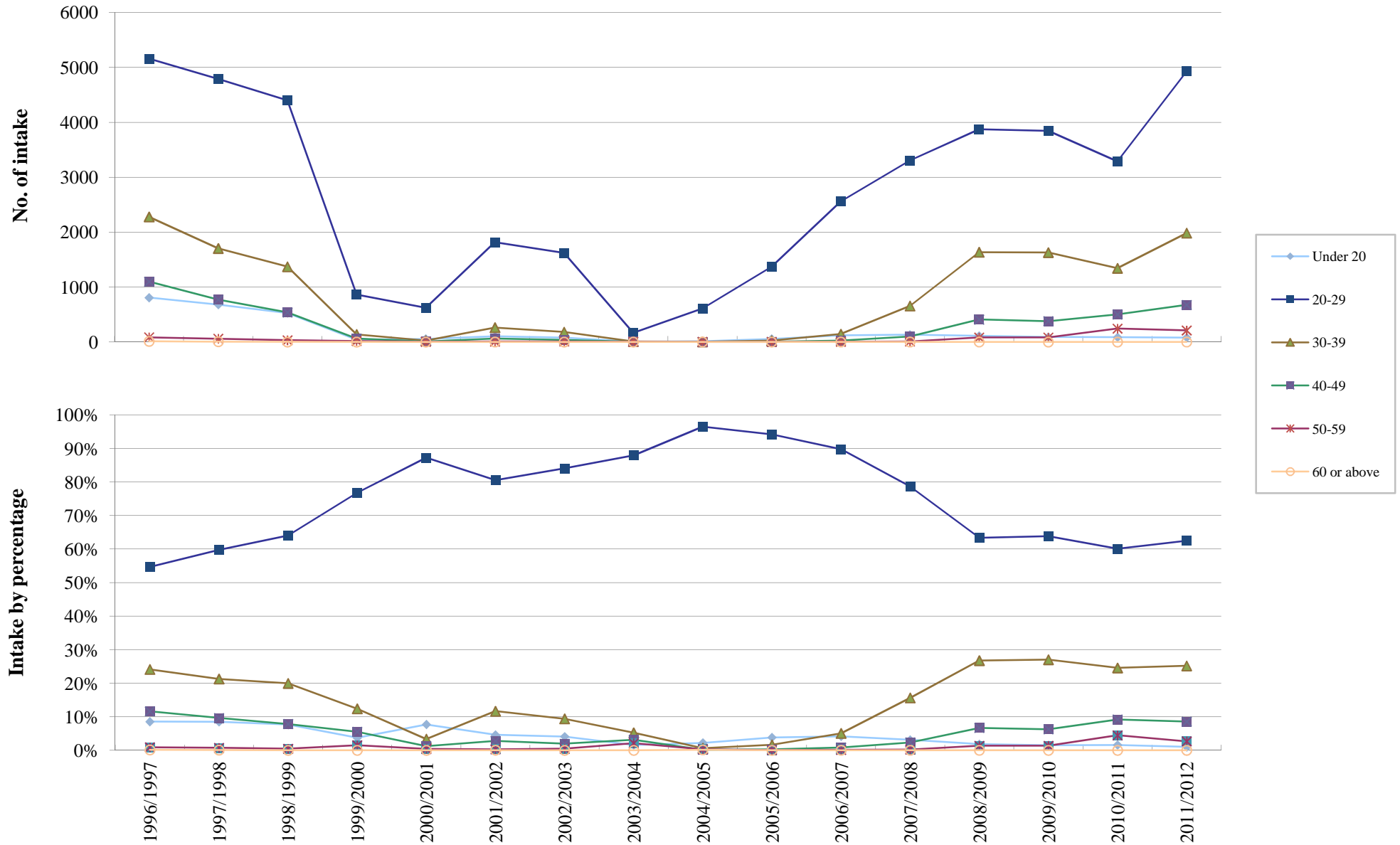


Note : Projection made on the basis of age profile of the Civil Service as at 31 March 2012 and assuming that staff leave on normal retirement.

Civil Servants by Age Groups from 1987-88 to 2011-12



Intake of Civil Servants by Age Groups from 1996-97 to 2011-12



Directorate Civil Servants by Age Groups from 1987-88 to 2011-12

