

For Discussion on
25 April 2014

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, wastage situation and age profile of the Civil Service.

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 15 years since 1998-99 is shown at **Annex A**.

3. As shown at **Annex A**, the civil service establishment was around 193 600 to 195 600 in the late 1990s, while the number of civil servants was around 186 000 to 189 000. 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 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)¹. 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 steadily to meet the demand for new or improved services to the public. In the five-year period from 2008-09 to 2012-13, the civil service establishment had increased aggregately by around 6 600, representing an annual average increase of around 1 300. During the same period, about 8 200 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.

5. As reflected in the 2013-14 Revised Estimates, the establishment figure² increased from 168 594 as at 31 March 2013 to 171 405 as at 31 March 2014. The figure² is estimated to stand at 173 961 posts at the end of March 2015 as reflected in the 2014-15 Draft Estimates. The number of civil servants as at 31 March 2013 represented about 2.2% of the population of Hong Kong (estimated at 7.19 million in mid-2013) and about 4.1% of the total work force (estimated at 3.88 million in mid-2013). These percentages have remained stable since 2006-07.

(b) Directorate and Non-directorate

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 establishment and strength were at the non-directorate level. As at 31 March 2013, there were 165 500 non-directorate posts and 159 382 non-directorate civil servants; and 1 403 directorate posts and 1 281 directorate civil servants.

¹ 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.

² The figures include judges and judicial officers, locally-engaged staff in the Mainland and overseas Economic and Trade Offices and officers in the Independent Commission Against Corruption, as reflected in the 2013-14 Revised Estimates and 2014-15 Draft Estimates.

Wastage

7. In 2012-13, the wastage in the Civil Service was 6 180, accounting for 3.8% of the strength as at 31 March 2013. Retirement is the primary reason for departure of civil servants from the Service and the other reasons, including resignation, completion of agreement and death, only account for a small portion.

(a) Retirement

8. The retirement age of civil servants is prescribed under the pensions legislation and Civil Service Regulations. More information is set out at **Annex B**.

9. The retirement³ position of the Civil Service over the last 15 years is shown at **Annex C**. Briefly, the number of civil servants retiring increased from around 1 700 in 1998-99 to the peak of around 9 000 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 2 800 in 2005-06 and increased gradually to around 4 800 in 2012-13, which represented about 3% of the strength as at 31 March 2013. As regards directorate civil servants, the number of retirees increased gradually from 5% of the directorate strength in 2001-02 to a range between 6% and 7.5% in the following ten years from 2002-03 to 2011-12, and further to 9.8% in 2012-13. Details are at **Annex D**.

10. At **Annex E** is the number of civil servants projected to retire in the next 20 years, on the assumption that they will only retire upon reaching their applicable normal retirement age. Briefly, the number of retirees will increase from the annual average of around 4 200 for the five-year period ended 2012-13 to around 6 000 in the five-year period ending 2017-18, and around 7 000 in the next five-year period ending 2022-23. The number will decline to around 5 400 in the five-year period ending 2027-28 and further to around 4 500 in the following five-year

³ For the purpose of this paper, “retirement” covers normal retirement, early retirement and re-employment after retirement without a break in service.

period ending 2032-33. The declining trend will continue thereafter. The larger number of retirees in the coming decade is mainly due to the significant growth of the Civil Service in the 1980s, when most civil servants recruited then will be approaching their normal retirement age between 2018-19 and 2022-23.

(b) Resignation

11. Resignation only accounts for a small number of departure of civil servants. As shown at **Annex F**, 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. The resignation rate in 2012-13 was 0.45%. Over half of the resignees left during their probation period.

12. According to the information collected from 270 resignees in 2012-13 as shown at **Annex G**, the largest group (25%) resigned because they had taken up a job in the private sector; while pursuing further studies (14%) and marriage or family reasons (12%) were the other major reasons.

Age Profile

13. The age profile of the Civil Service over the last 15 years is illustrated at **Annex H**. While the age group of 40-49 remained the largest group of civil servants from 1999-2000 to 2010-11, the age group of 50-59 continued to increase and became as large as the age group of 40-49 in 2011-12. In 2012-13, the age group of 50-59 was the largest age group in the Civil Service. 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 New Pension Scheme in 1987 (under which the normal 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 I**.

14. **Annex J** shows the age profile of directorate civil servants over the last 15 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 has remained the largest group since 1999-2000, representing about 71% of its strength in 2012-13.

15. While the number of civil servants in the age groups of 40-49 and 50-59 has comprised around two thirds of the total strength since 2006-07, more young people have been recruited to the Civil Service with the gradual resumption of open recruitment since April 2007 as shown in **Annex K**. In the five-year period ended 2012-13, there were around 20 300 new recruits in the age group of 20-29 (or about 62% of the total intake) and around 8 400 new recruits in the age group of 30-39 (or about 26%). As shown at **Annex H**, the number of civil servants in the age group of 20-29 increased from 8.3% of the civil service strength in 2008-09 to about 11.4% in 2012-13. 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.

16. As regards intake of new recruits to the Civil Service, according to the information collected from bureaux and departments, a total of 9 265 appointments were made in 2012-13. The decline rate was at a low level of 12%. According to the feedback received from candidates who responded to our survey and declined civil service job offers, the main reasons for their turning down the offers were - remaining in their current job (32%), taking up another civil service job (30%), and marriage or family reasons (11%). Details are at **Annex L**.

Observations

17. As increasing number of civil servants who were recruited during the rapid expansion of the Civil Service in the 1980s will be approaching their normal retirement age, the number of retirees will continue to rise and peak at annual average of around 7 000 in the five-year period from

2018-19 to 2022-23. 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.

18. 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. They will also be reminded to conduct promotion exercises in a specified timeframe so as to fill vacancies in promotion ranks in good time.

19. 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.

20. In the face of the demographic challenges arising from an ageing population and a dwindling labour force and in anticipation of the higher wastage of civil servants in the coming decade, the Civil Service Bureau

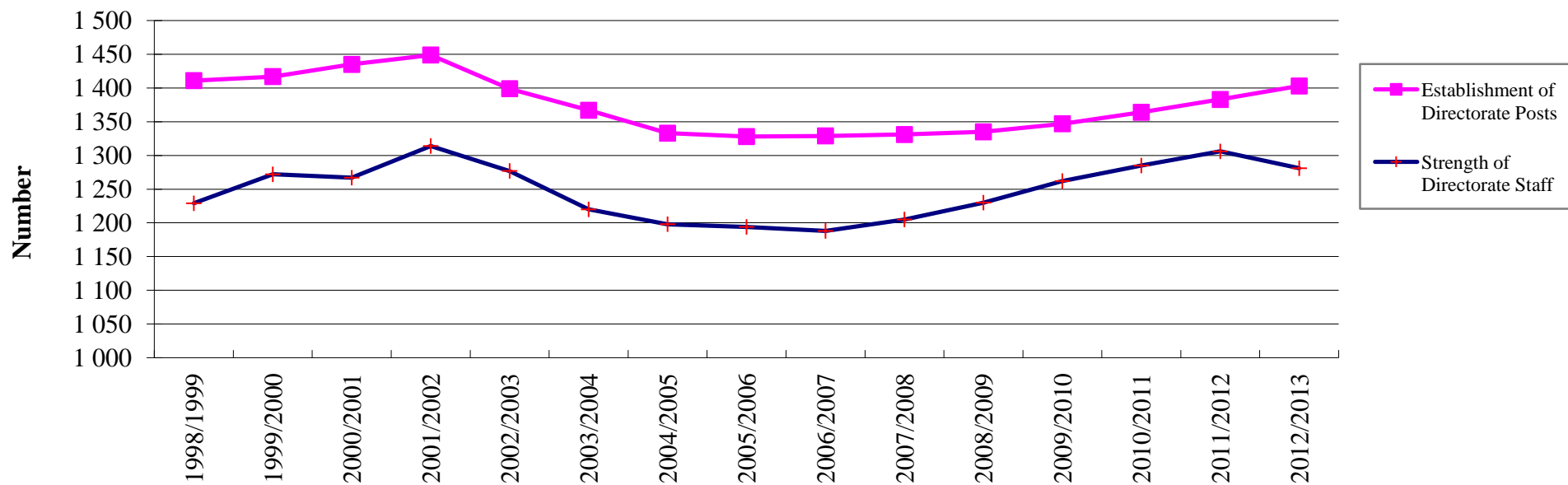
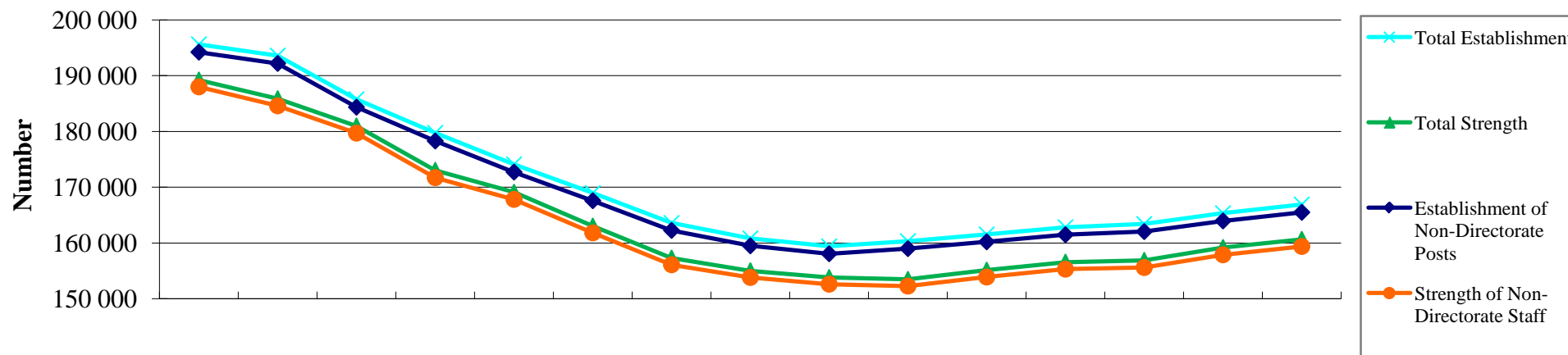
released on 3 April 2014 a consultation paper, setting out a proposed framework of flexible retirement and employment initiatives for extending the service of civil servants beyond retirement age. The consultation will last for four months until 2 August 2014. The Administration will provide details of the proposed framework in a separate paper to the Panel.

Advice Sought

21. Members are invited to note this paper.

Civil Service Bureau
April 2014

Establishment and Strength of the Civil Service from 1998-99 to 2012-13



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 OPS to the New Pension Scheme (NPS) and for civil servants recruited to civilian grades on or after 1 July 1987 on NPS or the Civil Service Provident Fund (CSPF) Scheme; and
- (iii) 55 or 57 (depending on ranks)¹ for civil servants in the disciplined services grades who have switched from OPS to NPS and for civil servants recruited to disciplined services grades on or after 1 July 1987 on NPS or CSPF Scheme.

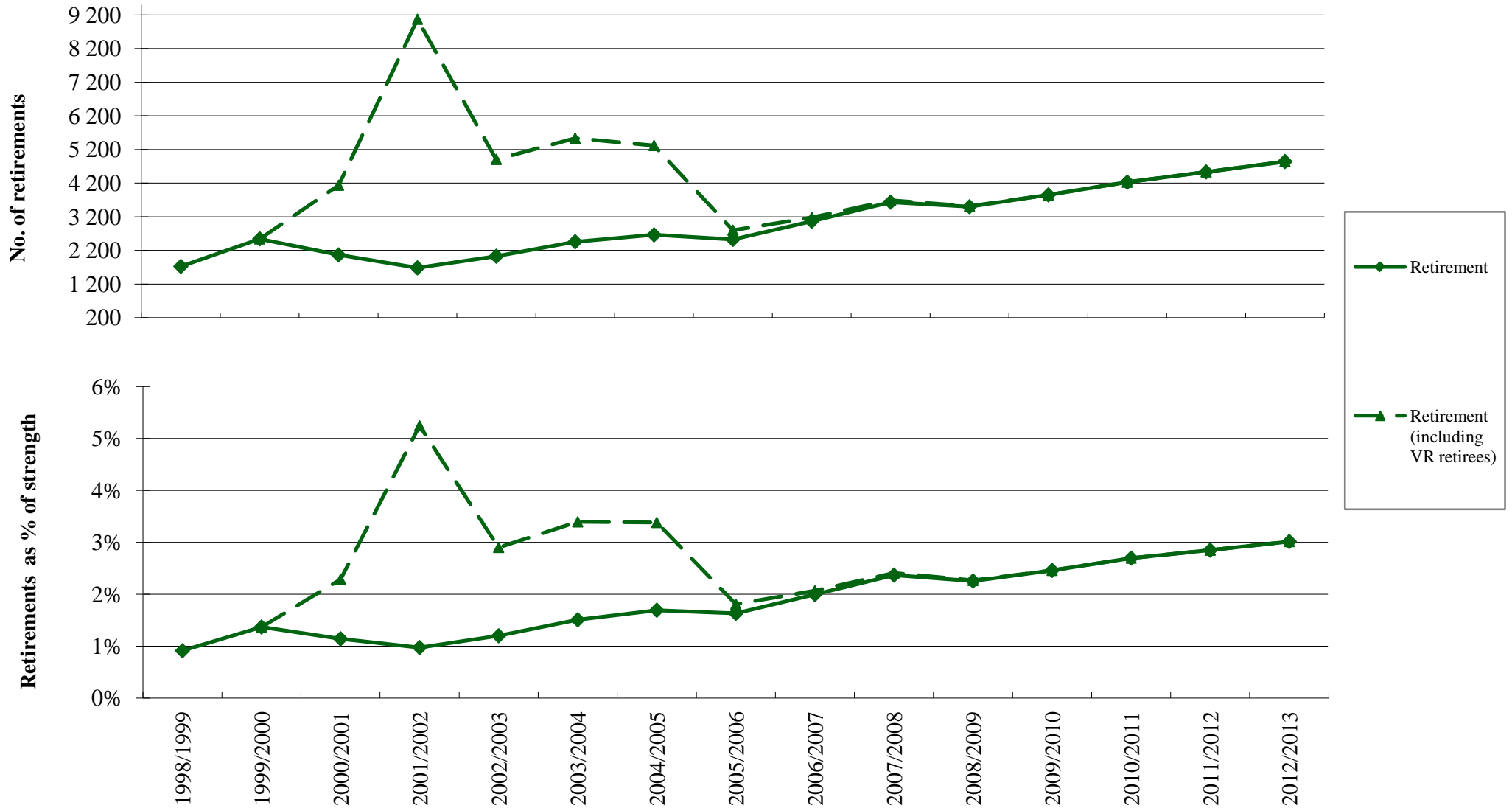
(B) Civil servants may apply to retire early after attaining the age of –

- (i) 45 for rank-and-file civil servants in disciplined services grades and are on OPS;
- (ii) 50 for civilian civil servants and are on OPS, civil servants in officer ranks of disciplined services grades and are on OPS², and rank-and-file civil servants in disciplined services grades who have switched from OPS to NPS; and
- (iii) 55 for civilian civil servants who have switched from OPS to NPS, and civil servants in directorate ranks of disciplined services grades whose normal retirement age is 57 who have switched from OPS to NPS.

¹ 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.

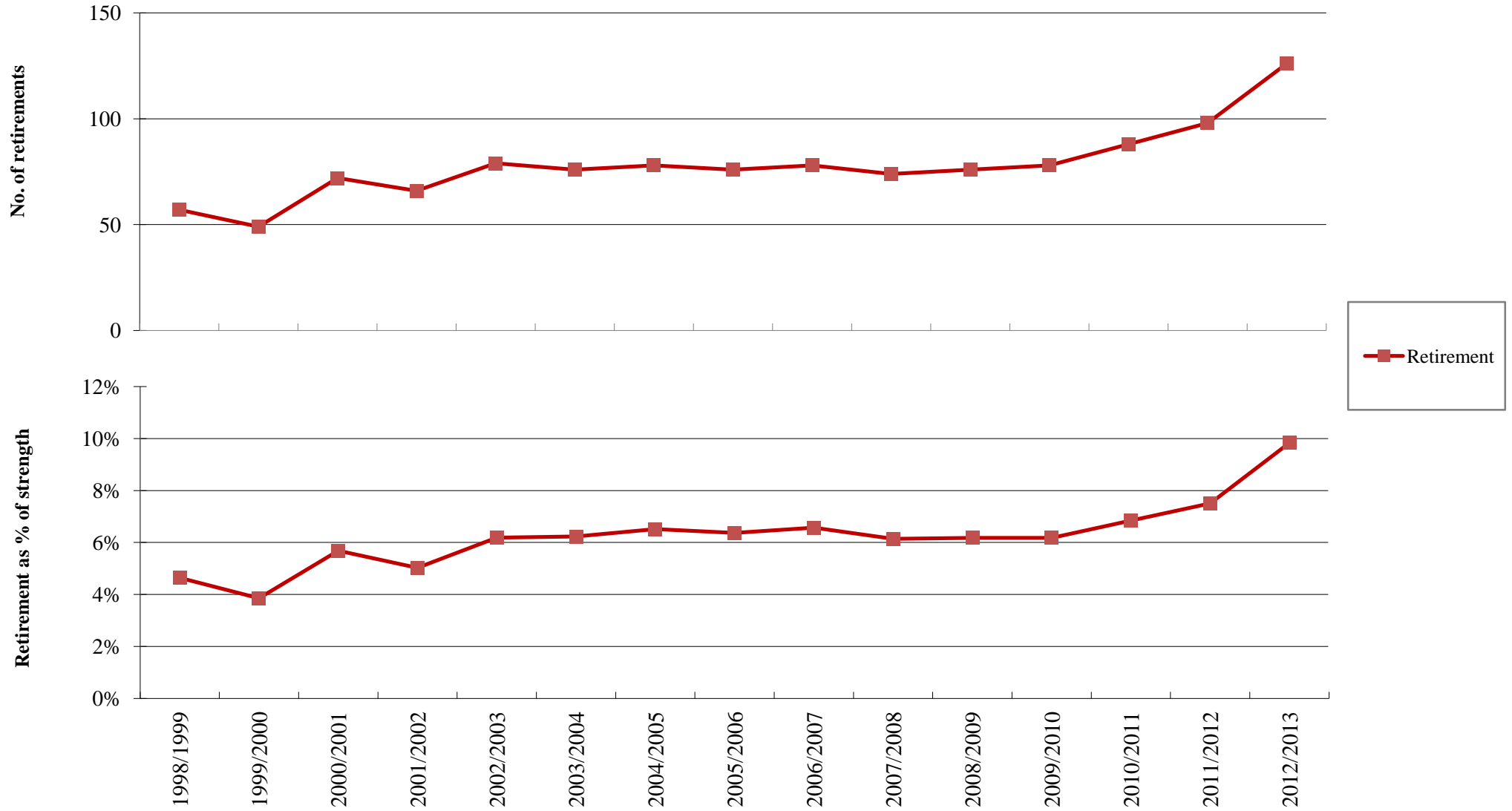
² Civilian civil servants and officer ranks of disciplined services grades on OPS may also apply for premature retirement on attaining the age of 45 on grounds of ill health, or on adequate compassionate or personal grounds.

Retirement Position of the Civil Service from 1998-99 to 2012-13



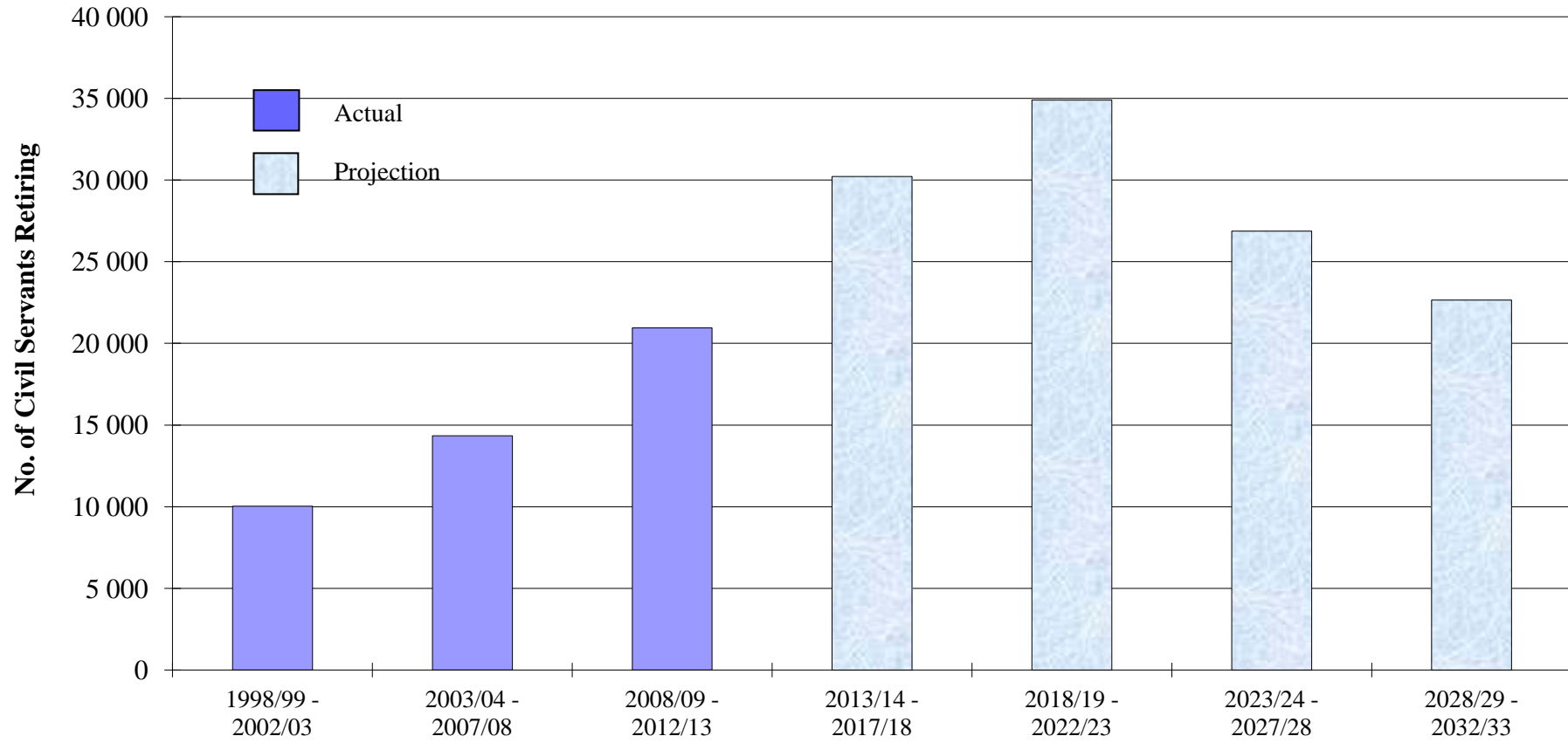
Note: "Retirement" in this chart refers to normal retirement, early retirement and re-employment after retirement without a break in service.

Retirement Position of Directorate Civil Servants from 1998-99 to 2012-13



Note: "Retirement" in this chart refers to normal retirement, early retirement and re-employed after retirement without a break in service.

Projected Number of Civil Servants Retiring in the Next 20 Years

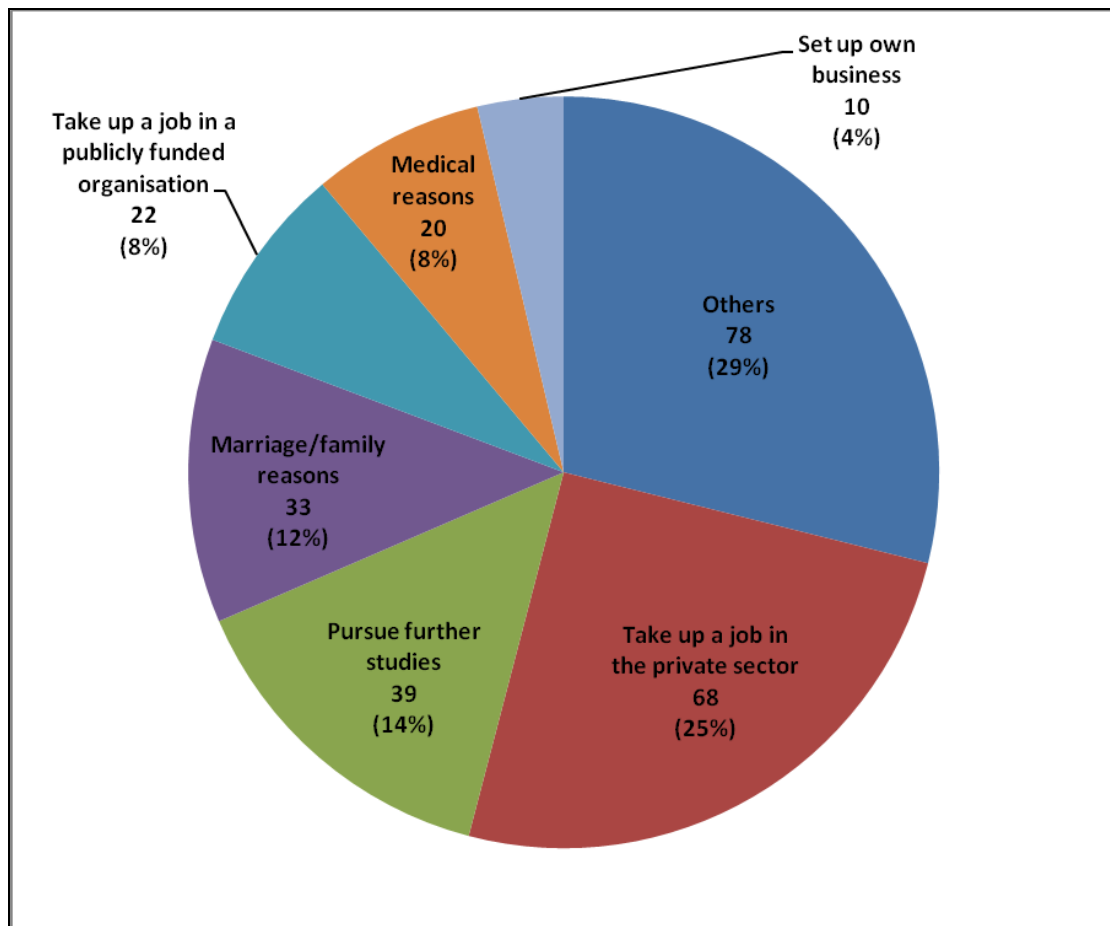


Note : Projection made on the basis of age profile of the Civil Service as at 31 March 2013 and assuming that staff leave on normal retirement.
 "Retirement" in 1998-99 to 2012-13 refers to normal retirement, early retirement and re-employment after retirement without a break in service.

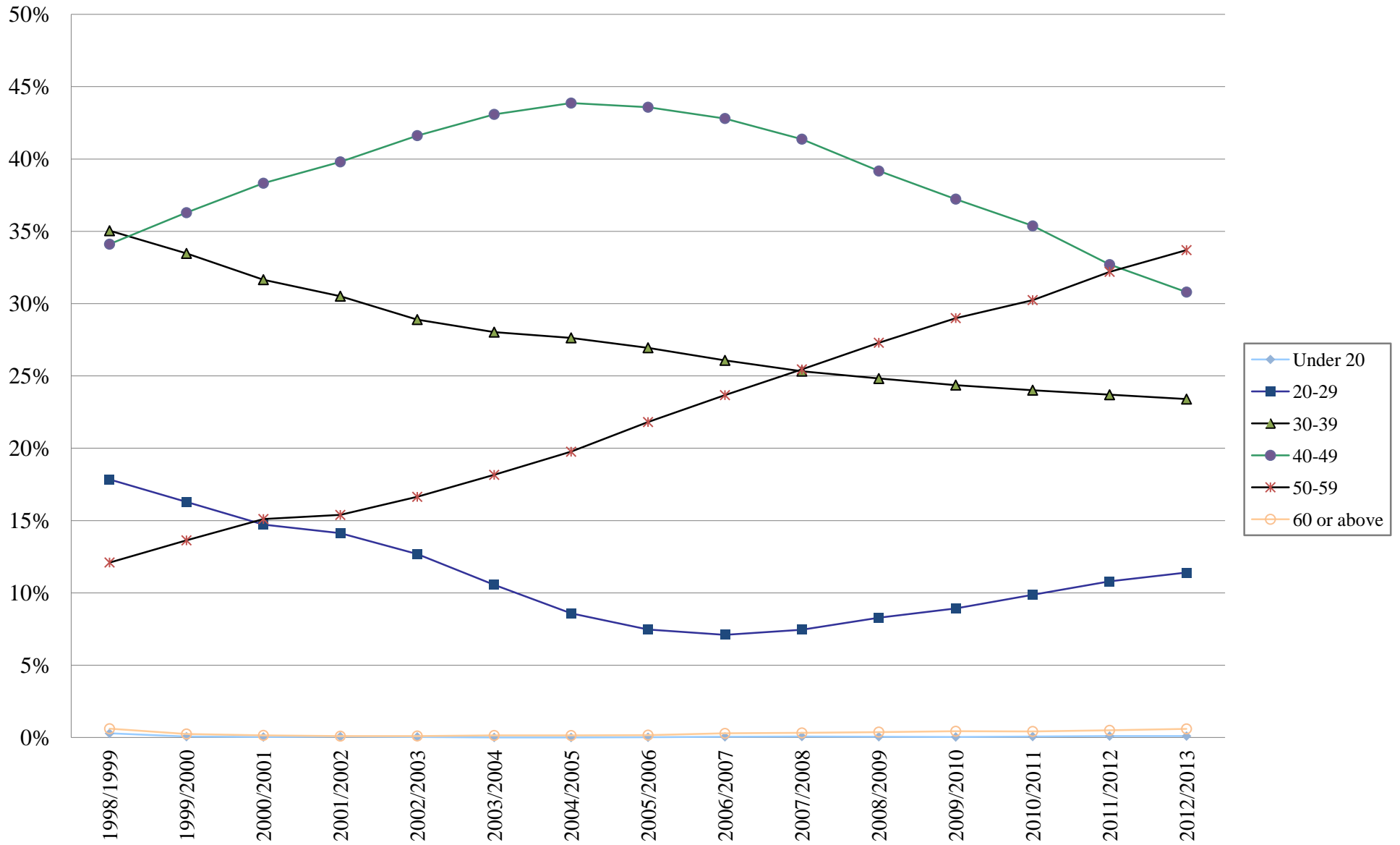
Resignation Position of the Civil Service from 1998-99 to 2012-13



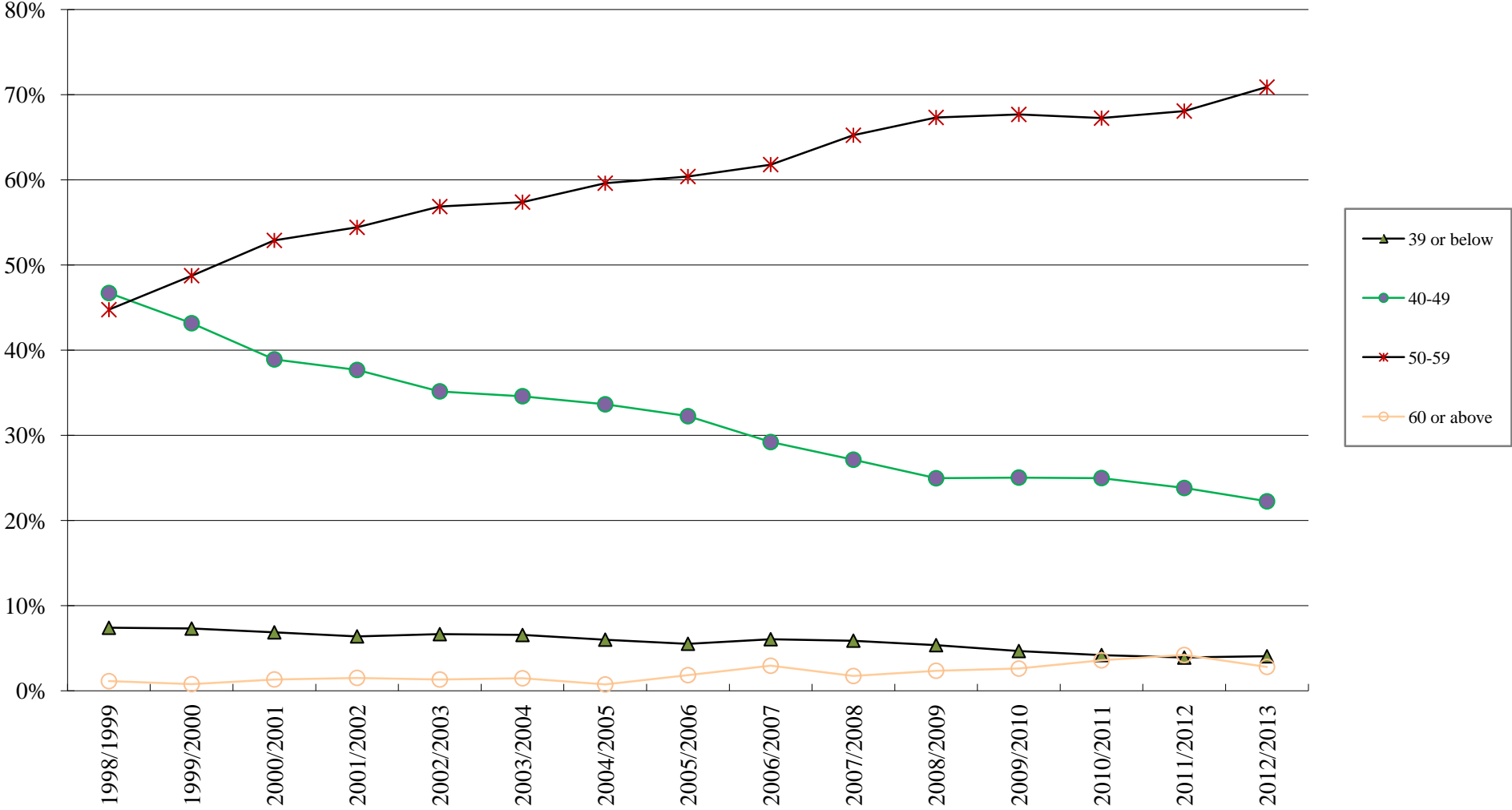
Major reasons for resignation for 2012-13
(Information from 270 respondents)



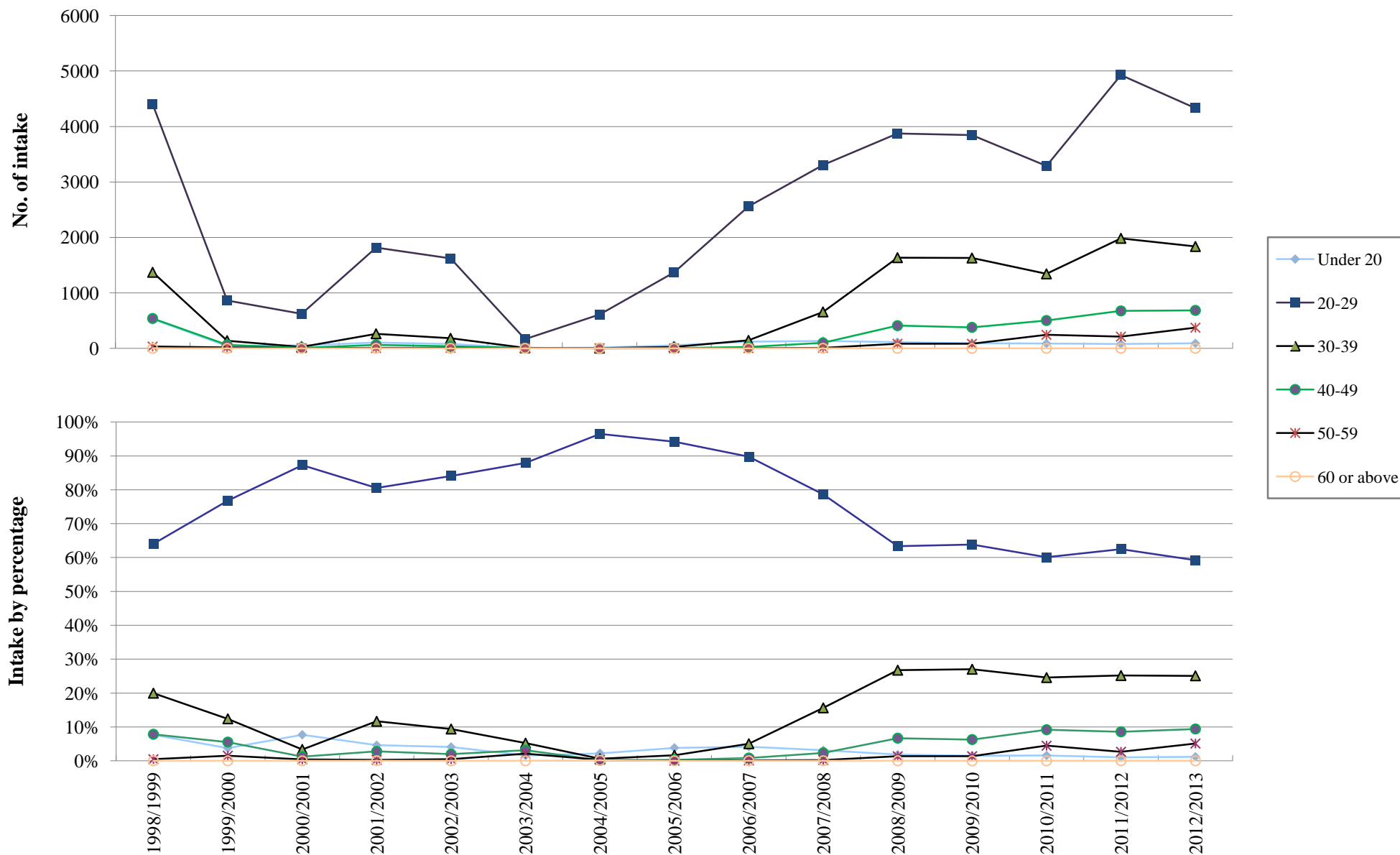
Civil Servants by Age Groups from 1998-99 to 2012-13



Directorate Civil Servants by Age Groups from 1998-99 to 2012-13



Intake of Civil Servants by Age Groups from 1998-99 to 2012-2013



Major reasons for declining civil service job offers
for 2012-13
(Information from 237 respondents)

