

**A Report on the Work
of the
Advisory Committee on
Post-retirement Employment**

June 1991

INTRODUCTION

The Advisory Committee was appointed by the Governor to give advice on civil servants' post-retirement employment policies and consider applications from directorate officers. The purpose of this report is to inform the Governor of the work of this Advisory Committee since its establishment in October 1987. It also outlines the principles and criteria adopted by the Committee in vetting applications and the trend of employment opportunities available to civil servants in the private sector after their retirement.

COMPOSITION OF THE ADVISORY COMMITTEE

2. The present composition of the Advisory Committee is -

Chairman : Sir Roger Lobo, CBE, LL.D, JP

Members : Dr Victor Fung, OBE
The Hon Mr Justice Wong
The Hon E B Wiggham, JP
Secretary for the Civil Service

This Committee is serviced by the Appointments Division of the Civil Service Branch. The Deputy Secretary for Civil Service (Appointments), who also attends the meetings, advises the Committee on appointments and retirement policies, while the Chief Executive Officer (Pensions) serves as Secretary.

PRINCIPLES AND CRITERIA

3. Under the Pensions legislation, retired officers are required to seek prior permission from the Governor to enter employment or business in Hong Kong within two years (or any longer period as specified by the Governor) of their retirement. Directorate officers who have been involved in policy formulation whilst in service would be exposed to public criticism if their post-retirement employment was perceived to give rise to any conflict of interest. In order to protect the image and interest of the Hong Kong Government, a set of rules and principles has been used to ensure that there are no improprieties in the employment of such officers.

4. The Advisory Committee takes into account the applicant's previous involvement in policy formulation in considering whether such an involvement would benefit the prospective employer in an improper manner or enable the applicant to gain an unfair advantage over his competitors. Views are sought from the respective policy Secretaries for each application on the question of conflict of interest. Considerations are also given to whether the proposed employment will result in the officer having an undesirable public profile. Conditions, such as a period of sanitisation or sanctions against dealings with specific companies, are imposed to minimise the problem. Officers who retired at Secretary level or above are required to seek permission within five years as from their final departure from active service. These principles apply to both retired officers and those on post-resignation or end-of-agreement leave.

5. The public perception of the appropriateness of the applicant's taking up the employment in question is also an important consideration. One application was rejected on grounds that the nature of business involved in the proposed appointment would bring the Civil Service and the image of Hong Kong Government into disrepute.

CASES PROCESSED

6. From October 1987 to March 1991, a total of 95 applications from 63 retired directorate officers were referred to the Advisory Committee for consideration. One was rejected, 23 approved with the imposition of sanitisation periods between 1 and 6 months, and the others approved without conditions.

7. Among these 63 applicants, 8 were former Secretaries or higher. They mainly join financial and trading enterprises. Most of the appointments are non-executive in nature and in some cases applications are for more than one appointment.

8. Over half of the applicants are professionals with a medical, legal or engineering background and most of them enter private practice after retirement. The next largest group comprises former Administrative Officers who were generally offered positions in major finance and trading companies soon after their retirement. A breakdown of the background of the 63 applicants and the nature of the business in which they are engaged is given at Annexes A and B.

POST-RETIREMENT EMPLOYMENT FOR NON-DIRECTORATE OFFICERS

9. Applications for post-retirement employment from non-directorate officers are handled by the respective Heads of department or Heads of grade. They are dealt with having regard to the same principles and criteria as those applicable to directorate officers. Blanket approval is given for all staff remunerated on the Model Scale 1 Pay Scale to enter outside appointments after retirement.

10. A statistical analysis of the applications approved in 1990/91 and particulars of the applicants is given at Annex C. A total of 302 applications from 298 non-directorate officers was recorded. Of the 298 successful applicants, the majority are in the age range of 55-59 (50.7%), and were in receipt of a salary of between Master Pay Scale points 14-33 at the time of retirement (52%).

11. It is interesting to note that 40% of these applicants were former disciplined staff, and despite their age, over 54% of them are employed as security guards or in other security related jobs. The next largest group is made up of retired officers in the works, executive and clerical grades. Some of these have started their own business; others have taken managerial positions in trading or finance-related companies; but most of them continue to perform similar types of work to that which they performed in the civil service.

12. In terms of the nature of business, 37% of the applicants continue their careers in the service sector, e.g. in hotels, property management and banks; 12.5% in trading and 16% in education and training.

THE WAY AHEAD

13. With the serious brain-drain problem prevailing in Hong Kong, retired civil servants who are still in their 50s or early 60s with long years of experience and a good understanding of the public needs become an important additional source of supply in the labour market. Their continued employment whether in the public or private sector is of considerable value to the community and should therefore be encouraged.

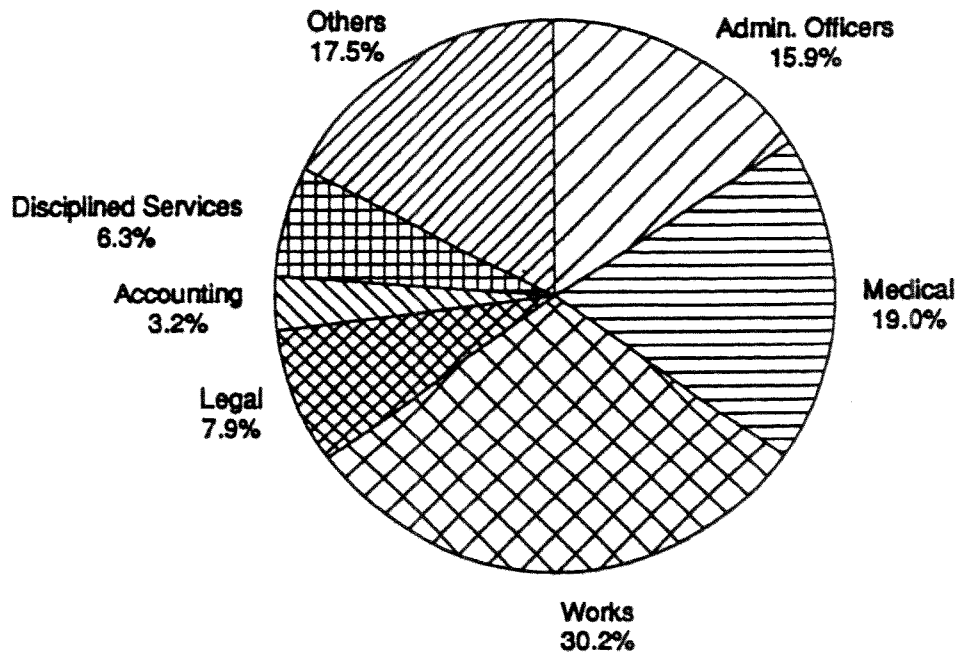
14. Whilst the Advisory Committee fully supports post-retirement employment which will be beneficial to Hong Kong at large, it nevertheless takes care to see that in terms of that employment no unfair advantage is gained as a result of officers' former links with the Government, in terms of the information available to them or the relationship they have with their former colleagues.

15. The Advisory Committee will continue to consider applications for post-retirement employment in accordance with its Terms of Reference and make recommendations to the Governor as appropriate.

Post-retirement Employment for Directorate Officers

Breakdown by professions
(as at 31.3.1991)

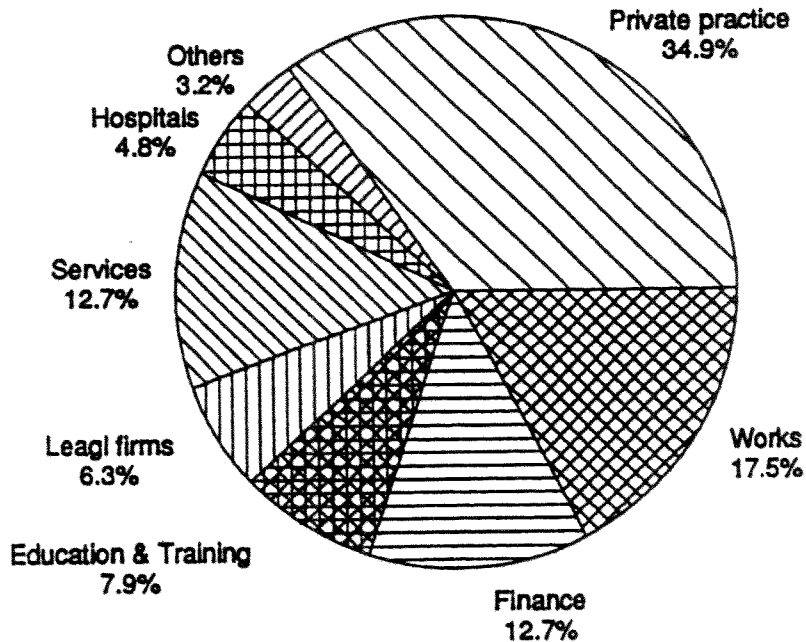
	Number of Officers	Percentage	
A. Administrative Officers	10	15.9	
B. Medical	12	19.0	
C. Works	19	30.2	
D. Legal	5	7.9	60.3
E. Accounting	2	3.2	
F. Disciplined Services	4	6.3	
G. Others	11	17.5	
	63	100.0	



Post-retirement Employment for Directorate Officers

Breakdown in the nature of business engaged after retirement (as at 31.3.1991)

	Number of Officers	Percentage
A. Private practice/ Self-employed	22	34.9
B. Works	11	17.5
C. Finance	89	12.7
D. Education & Training	5	7.9
E. Legal firms	4	6.3
F. Services	8	12.7
G. Hospitals	3	4.8
H. Others	2	3.1
	63	100.0

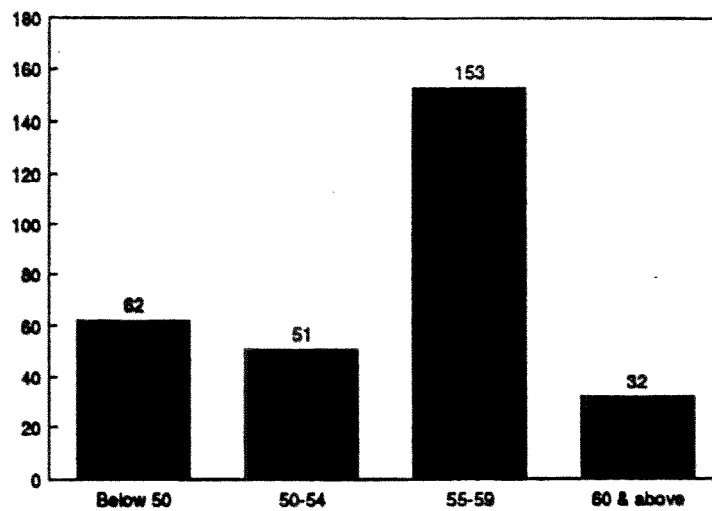


Applications for Post-retirement Employment for retired non-directorate officers in 1990/91

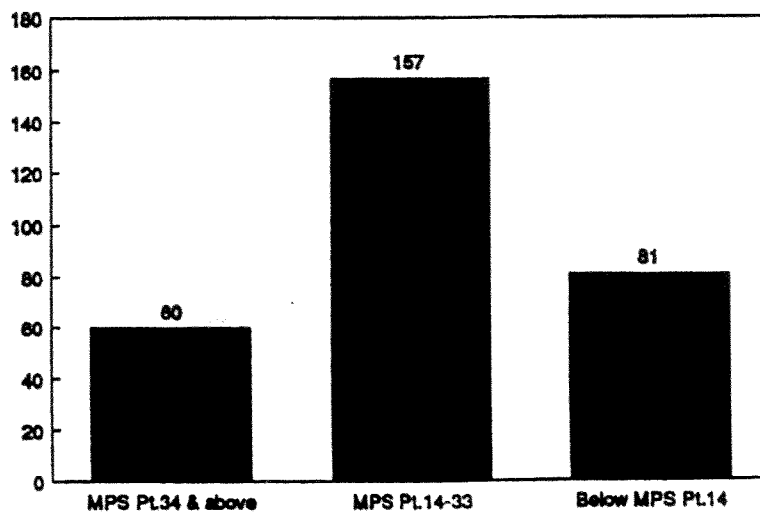
Number of applications : 302
Number of successful applications : 302

Particulars of successful applicants
Total number in 1990/91 : 298

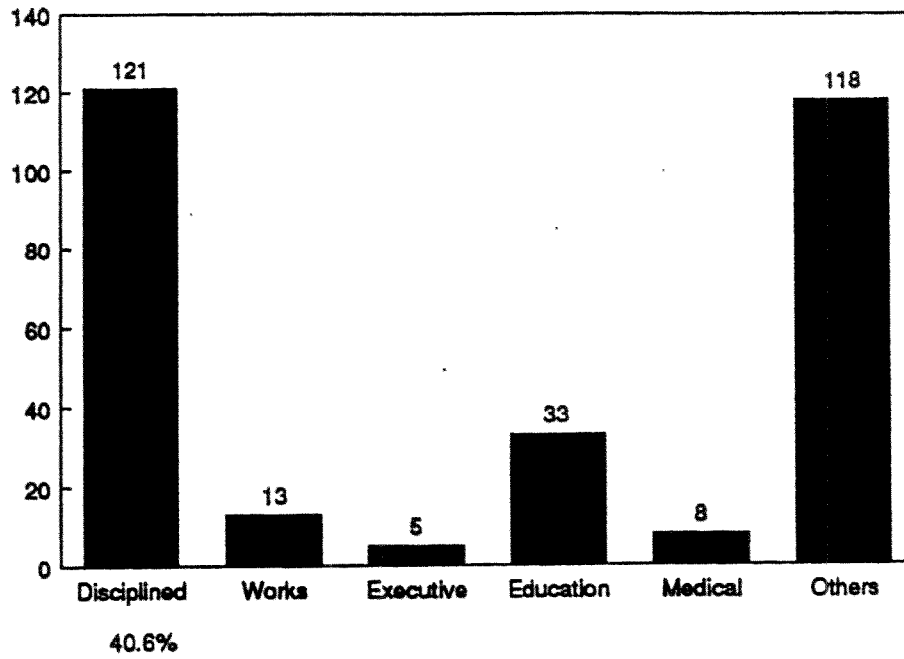
(a) Age Group



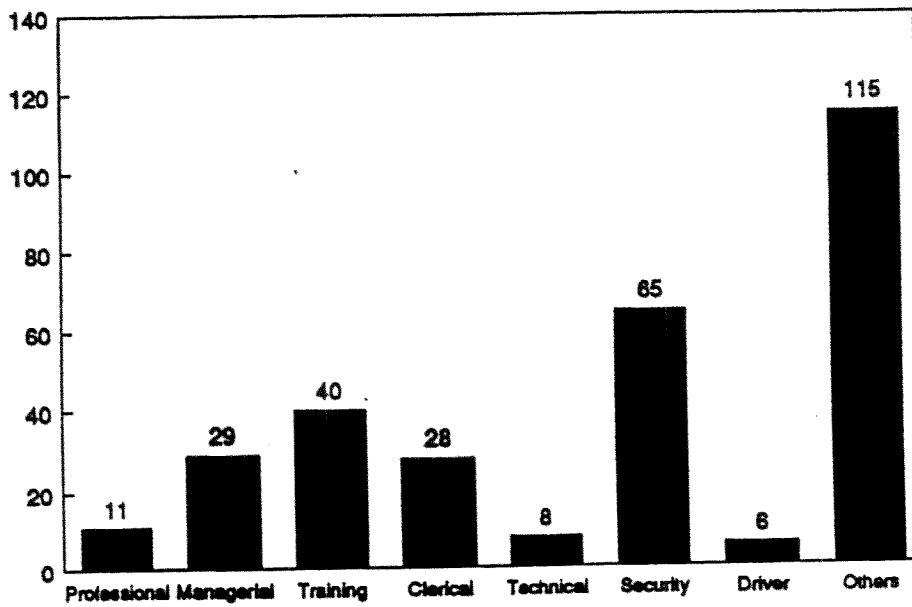
(b) Salary received at the time
of retirement



(c) Type of work previously engaged in the Civil Service



(d) Nature of jobs taken up after retirement



(e) Nature of business of the companies

