

The Seventh Report on the Work

of the

Advisory Committee on

Post-retirement Employment

covering up to and including

31 March 1996

INTRODUCTION

The Advisory Committee on Post-retirement Employment (Advisory Committee) was appointed by the Governor to give advice on civil service post-retirement employment policy and consider applications from directorate officers. The terms of reference of the Advisory Committee are at Annex A. The purpose of this report is to inform the Governor of the work of the Advisory Committee since its establishment in October 1987. It also outlines the principles and criteria adopted by the Advisory Committee in vetting applications and the trends in 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	:	The Hon Mr Justice Leong
		Mr Philip K H Wong, OBE, LL.D, JP
		Mr Peter Thompson, OBE, LL.D, JP
		Mr W K Lam, JP, Secretary for the Civil Service

3. The Committee is serviced by the Appointments Division of the Civil Service Branch. The Deputy Secretary for the Civil Service (1), who also attends all meetings, advises the Committee on appointment and retirement policies, whilst the Chief Executive Officer (Pensions) serves as Secretary.

PRINCIPLES AND CRITERIA

4. Under the pensions legislation, retired officers are required to seek prior permission from the Governor to take up employment or business in Hong Kong within two years (or any longer period as specified by the Governor) of their retirement. The period is three years for officers at Secretary level or above.

5. Directorate officers who have been involved in policy formulation whilst in service would be exposed to public criticism if their post-retirement

employment is perceived to give rise to any conflict of interest. In order to protect the image and interests 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.

6. 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.

7. Consideration is 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, may be imposed to minimise problems. These principles apply to both retired officers and those on pre-retirement or end-of-agreement leave. A guideline that retired senior civil servants should not undertake more than six post-retirement appointments at any one time has been set.

8. The public perception of the appropriateness of the applicant's taking up the employment in question is also an important consideration. Up to 31 March 1996, 3 applications were rejected because they did not meet the principles and guidelines set by the Committee.

CASES PROCESSED

9. From October 1987 to March 1996, a total of 265 applications from 165 retired directorate officers were referred to the Advisory Committee for consideration. 3 were rejected, 55 approved with the imposition of sanitisation periods of between 1 and 12 months, and the others approved without conditions.

10. Amongst these 165 applicants, 19 were former Secretaries or above. They mainly joined financial and trading enterprises. Most of the appointments were non-executive in nature and in some cases applications were for more than one appointment.

11. Over half of the applicants were professionals with a medical, legal, accounting or engineering background and most of them entered private practice after retirement. The next largest group comprised 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 165 applicants and the nature of the business in which they are engaged is given at Annexes B and C.

NOTIFICATION SYSTEM

12. In July 1995, the Advisory Committee recommended a notification system which would help Civil Service Branch make quite sure that there are no potential conflicts of interest arising from a retiree wrongly assuming that by simply working abroad there is no potential conflict of interest. All retired directorate officers have to inform Civil Service Branch of any paid employment undertaken anywhere during the first two years of retirement, or such longer period as may be determined by the Governor, giving the name and address of the employer and a brief description of their duties. The Civil Service Branch would advise the retiree whether he has to make a formal application for the consideration of the Advisory Committee. The new arrangement was accepted by the Governor and was promulgated by the Civil Service Branch in a circular issued on 12 July 1995.

POST-RETIREMENT EMPLOYMENT FOR NON-DIRECTORATE OFFICERS

13. Applications for post-retirement employment from non-directorate officers are handled by their 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 take up outside appointments after retirement.

14. A statistical analysis of the applications approved from 1 January 1995 to 31 December 1995 together with particulars of the applicants is given at Annex D. A total of 603 applications from 544 non-directorate officers were recorded. Of the 543 successful applicants, the majority were in the age range of 55-59 (52%), and were in receipt of a salary of between Master Pay Scale points 14-33 at the time of retirement (67%).

15. It is interesting to note that 28% of these applicants were former disciplined staff, and despite their age, over 35% of them were employed as security guards or in other security related jobs. The next largest group was made up of retired officers in the works and education grades. Some of these

started their own business; others continued to perform similar types of work to those which they performed in the Civil Service.

THE WAY AHEAD

16. Retired civil servants who are in their 50s or early 60s, with long years of experience and a good understanding of the public needs, have been a useful 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.

17. 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 such employment no unfair advantage is gained as a result of the applicants' former links with the Government, in terms of the information available to them or the relationship they have with their former colleagues.

18. 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.

(Report)

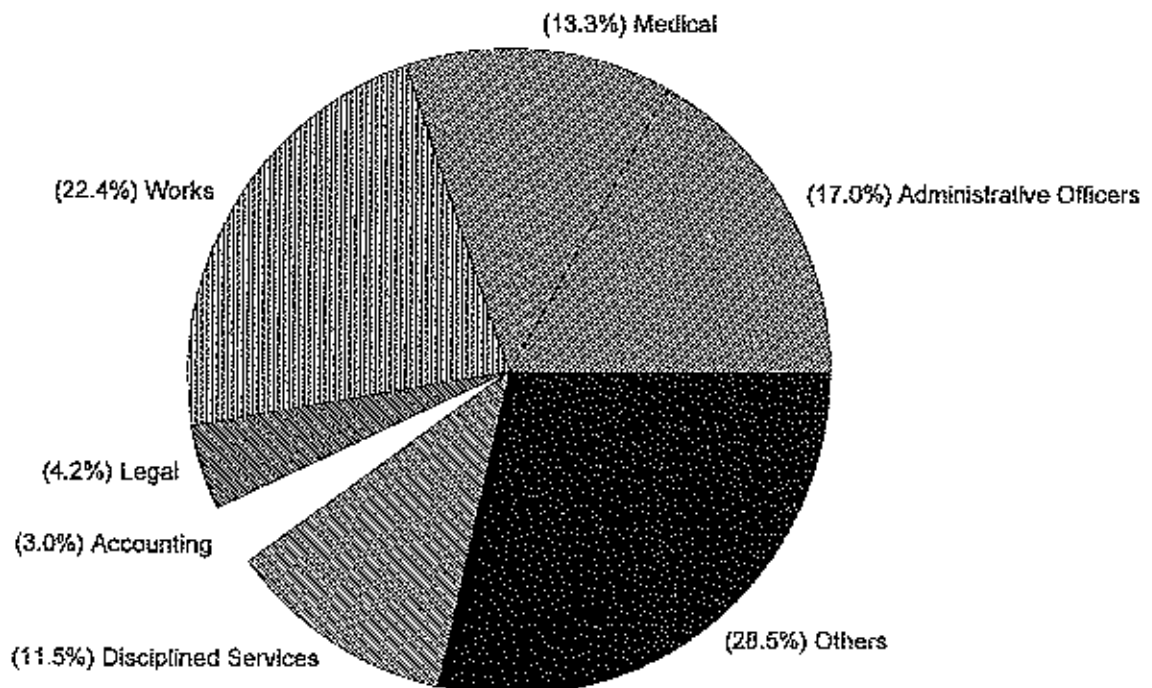
Advisory Committee on Post-retirement Employment

Terms of Reference

- (a) To advise the Governor on the principles and the criteria to be adopted to deal with applications for post-retirement employment.
- (b) To consider and advise on all applications from directorate officers, Secretaries and above.
- (c) To consider and advise on other applications which may be referred by the Secretary for the Civil Service.

Post-Retirement Employment for Directorate Officers
Breakdown by Professions
(as at 31.3.96)

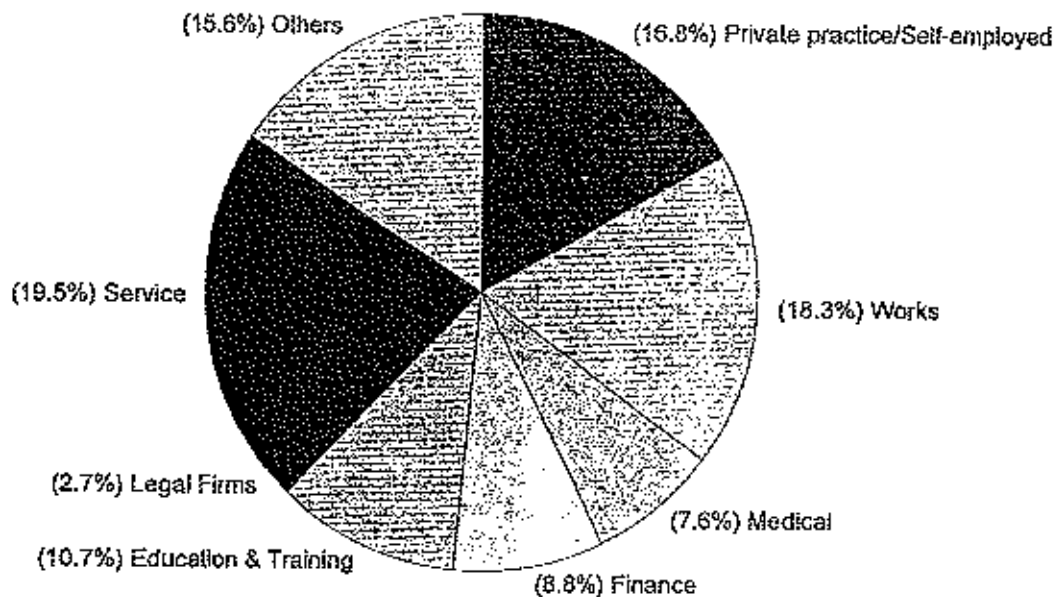
	Number of Officers	Percentage
A. Administrative Officers	28	17.0
B. Medical	22	13.3
C. Works	37	22.4
D. Legal	7	4.2
E. Accounting	5	3.0
F. Disciplined Services	19	11.5
G. Others	47	28.5
	<hr/> 165	<hr/> 100.0



Post-Retirement Employment for Directorate Officers

Breakdown in the nature of business engaged after retirement (as at 31.3.96)

	Number of Jobs	Percentage
A. Private practice/Self-employed	44	16.8
B. Works	48	18.3
C. Medical	20	7.6
D. Finance	23	8.8
E. Education & Training	28	10.7
F. Legal Firms	7	2.7
G. Service	51	19.5
H. Others	41	15.6
	<hr/> 262	<hr/> 100.0

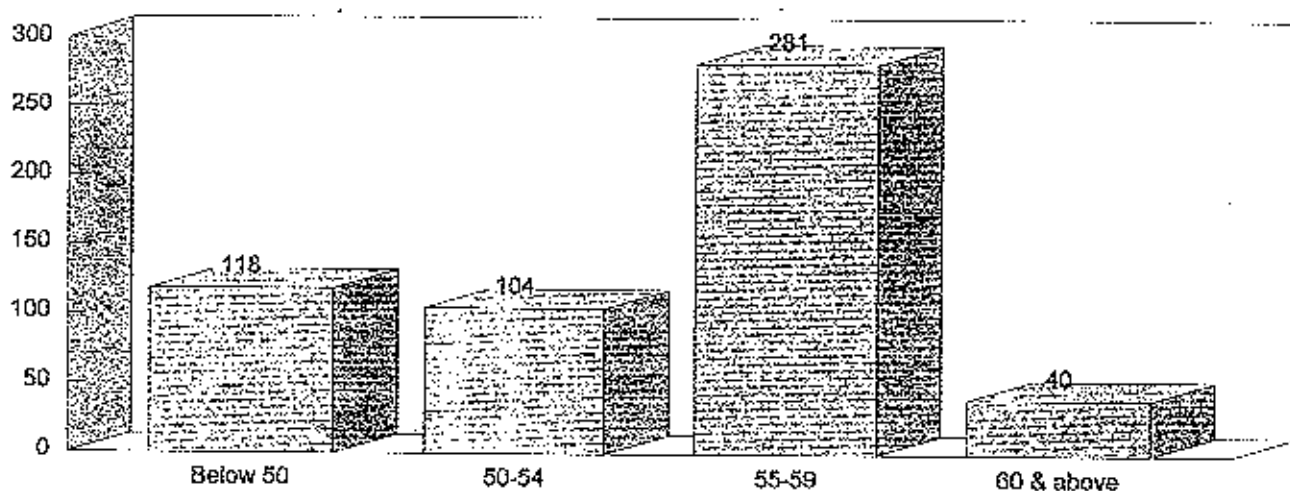


Applications for Post-retirement Employment for retired non-directorate officers for the period (1.1.95 - 31.12.95)

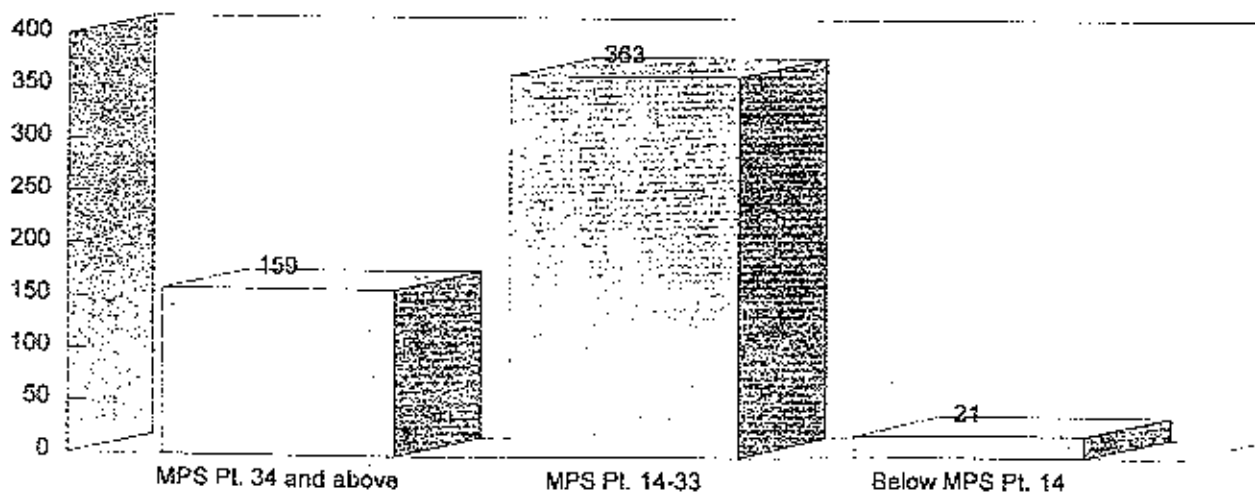
Number of applications 603
 Number of successful applications : 602

Particulars of successful applicants
 Total number : 543

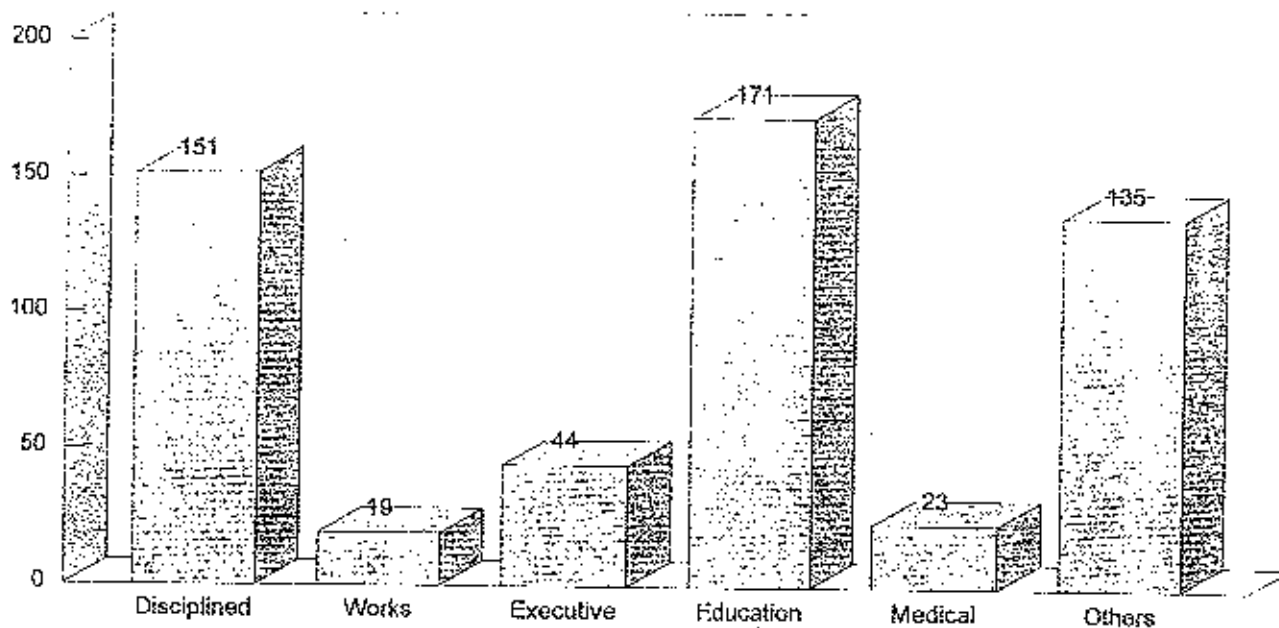
(a) Age Group



(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

