

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

**February 1990**

## 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

Mr. K.O. Shipley, CBE, 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.

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PRINCIPLES AND CRITERIA

3. Under the Pensions legislations, 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.

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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 December 1989, a total of 65 applications from 47 retired directorate officers were referred to the Advisory Committee for consideration. One was rejected, 18 approved with the imposition of sanitisation periods between 3 to 6 months, and the others approved without conditions.

7. Among these 47 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 far more than one appointment.

8. Nearly 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 47 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 1988/89 and particulars of the applicants is given at Annex C. A total of 303 applications from 300 non-directorate officers was recorded. Only one was rejected. Of the 299 successful applicants, the majority are in the age range of 55-59 (66.6%), and were in receipt of a salary of between Master Pay Scale points 18-37 at the time of retirement (71.5%).

11. It is interesting to note that 63.9% of these applicants were former disciplined staff, and despite their age, over 57% 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, 36% of the applicants continue their careers in the service sector, e.g. in hotels, property management and banks; 28.8% in trading and 9.5% 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.

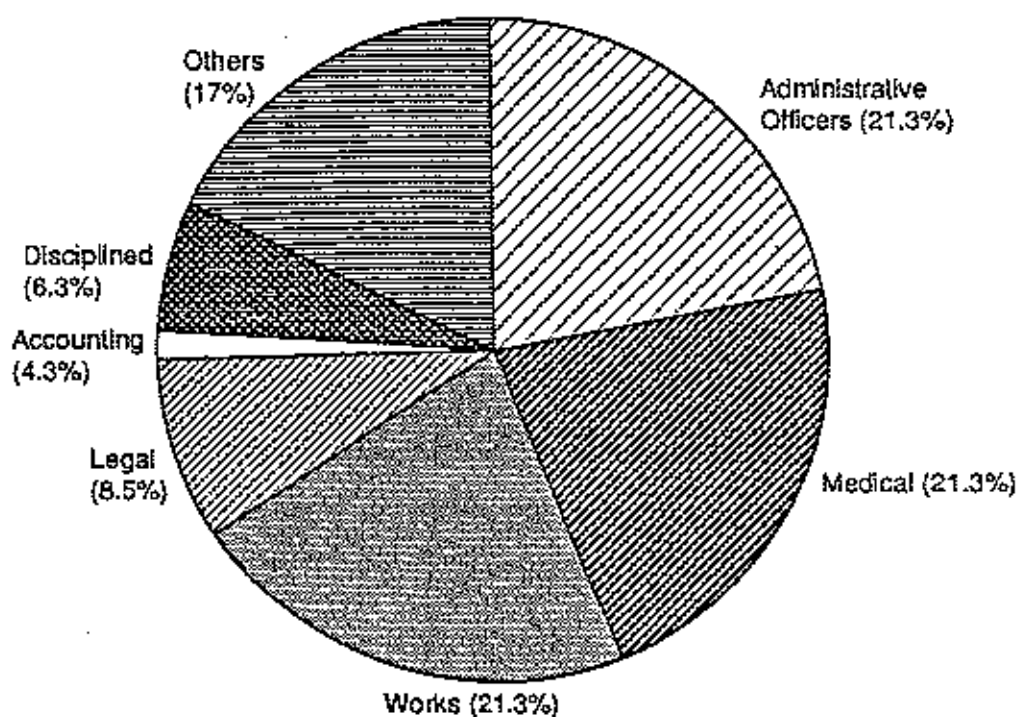
15. The Advisory Committee will continue to consider applications for post-retirement employment in accordance with its Terms of Reference and make recommendations to the Governor as appropriate.

## Post-retirement Employment for Directorate Officers

### Breakdown by professions

	Number of Officers	Percentage
Administrative Officers	10	21.3
Medical	10	21.3
Works	10	21.3
Legal	4	8.5
Accounting	2	4.3
Disciplined	3	6.3
Others	8	17.0
	47	100.0

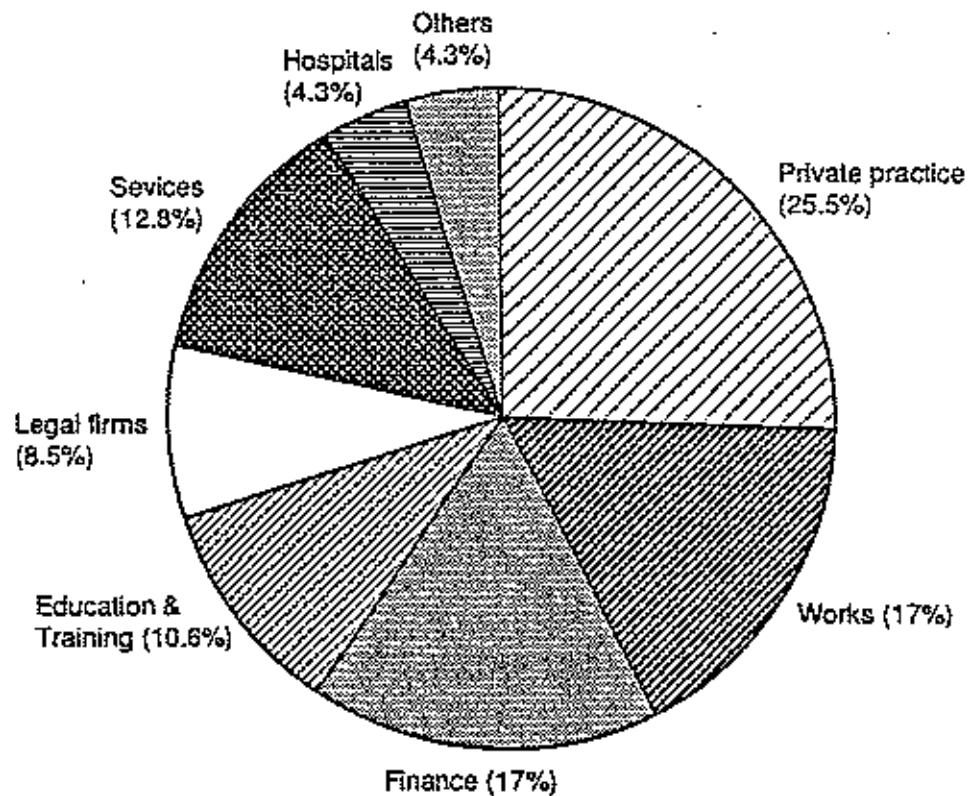
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## Post-retirement Employment for Directorate Officers

### Breakdown in the nature of business engaged after retirement

	Number of Officers	Percentage
Private practice	12	25.5
Works	8	17.0
Finance	8	17.0
Education & Training	5	10.6
Legal firms	4	8.5
Services	6	12.8
Hospitals	2	4.3
Others	2	4.3
	<b>47</b>	<b>100.0</b>





### Applications for Post-retirement Employment from retired non-directorate officers in 1988/89

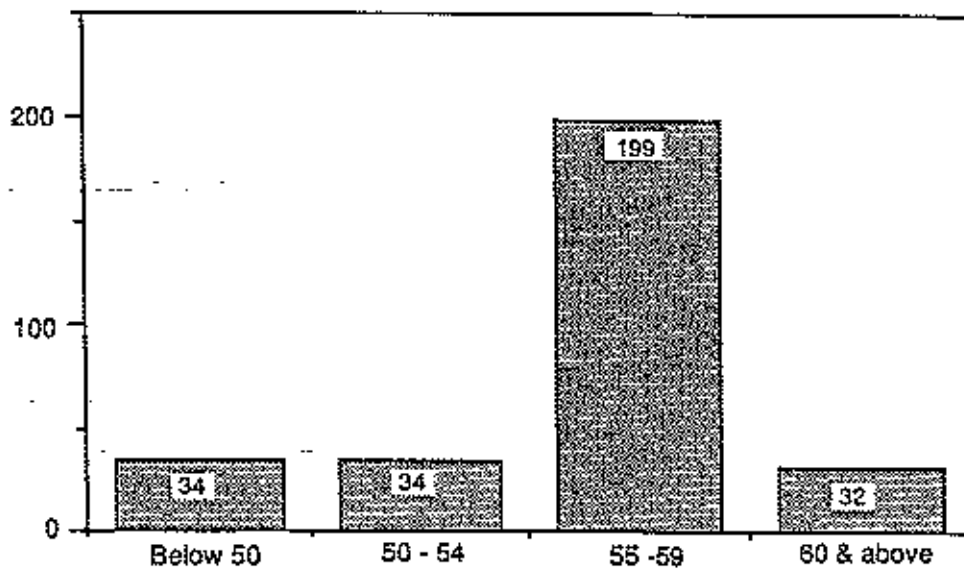
Number of applications : 303

Number of successful applications : 302

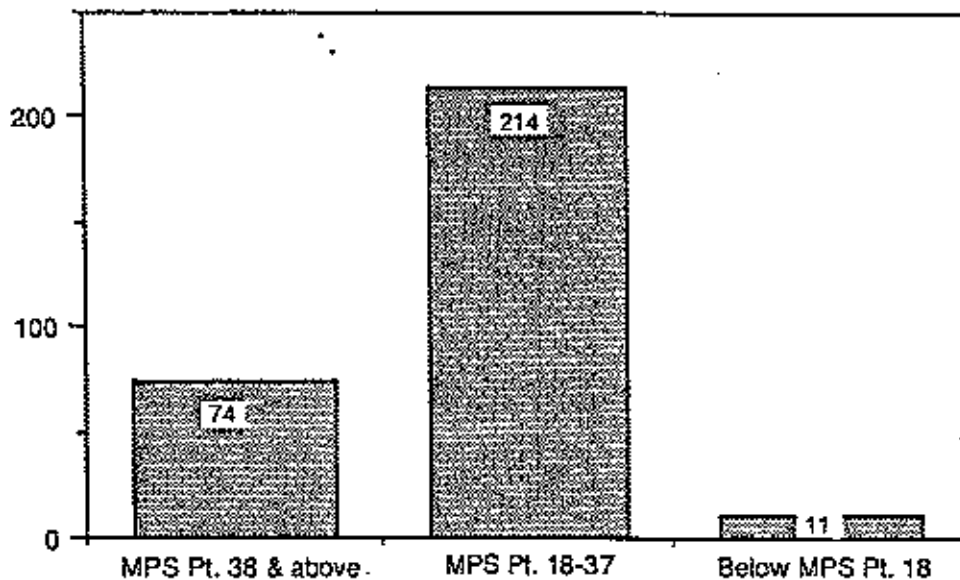
Particulars of successful applicants

Total number in 1988/89 : 299

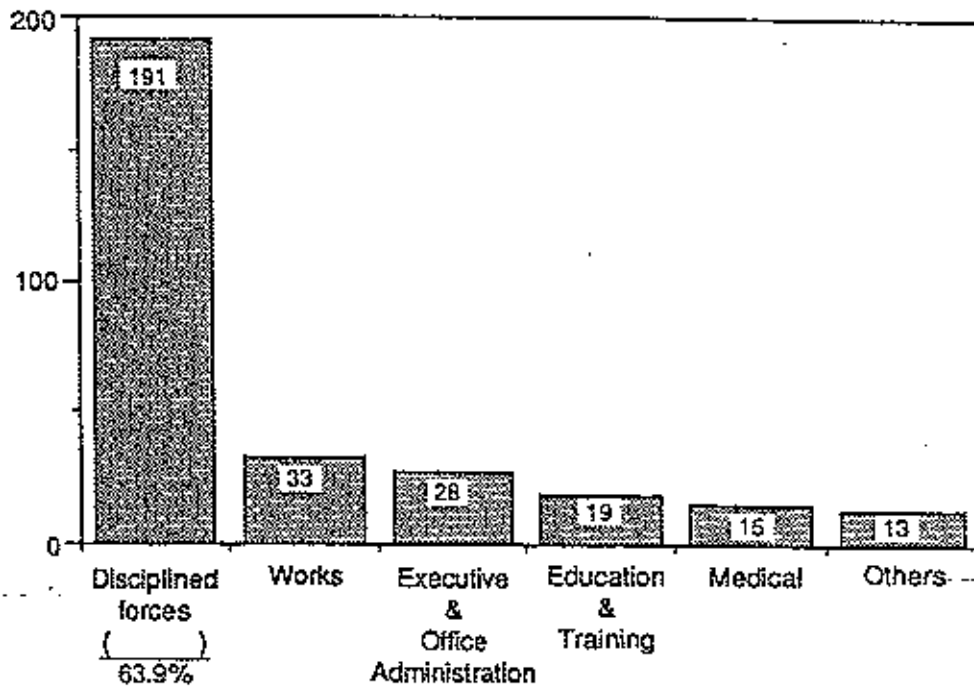
(a) Age Group



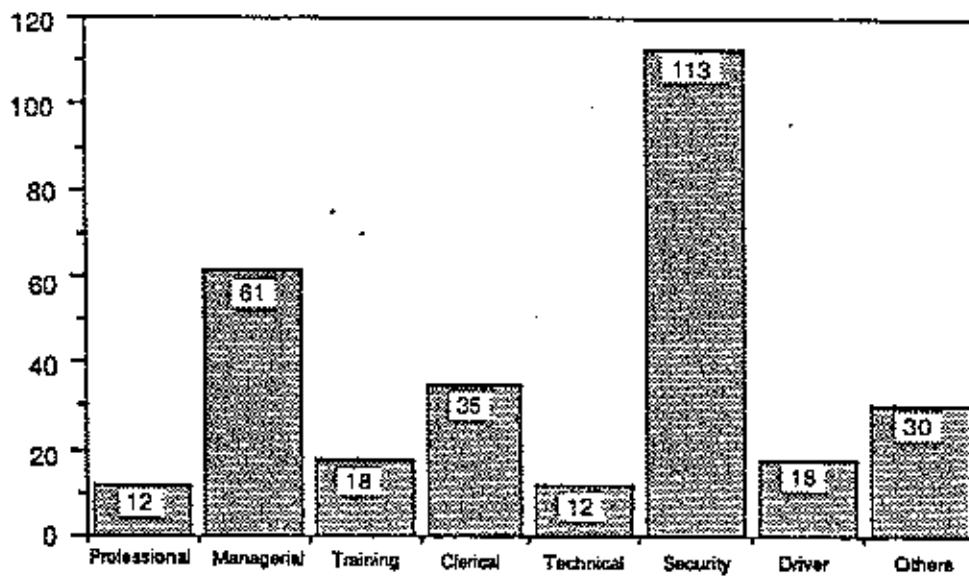
(b) Salary received at the time of retirement



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



(d) Nature of jobs taken up after retirement



(e) Nature of business of the companies

