

The Eleventh Report on the Work

of the

Advisory Committee on

Post-retirement Employment

(1 January 1999 -

31 December 1999)

INTRODUCTION

The Advisory Committee on Post-retirement Employment (Advisory Committee) was established in October 1987 to advise the Administration on civil service post-retirement employment policy and consider applications from directorate officers for post-retirement employment. In January 1997, the ambit of the Committee was extended to advise on applications for post-contract employment from agreement officers ranked at D3 and above. The terms of reference of the Advisory Committee are at Annex A. The purpose of this report is to inform the Chief Executive of the work of the Advisory Committee in 1999. 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 Chairman and Members of the Advisory Committee are appointed by the Chief Executive. The present composition is -

Chairman: The Hon Mr Justice Arthur Leong

Members: Mr Philip K H Wong, LL.D, JP
Mr Peter Thompson, LL.D, JP
Mrs Ng Yeoh Saw-kheng, JP
Mr W K Lam, JP, Secretary for the Civil Service
(ex-officio member up to 30 June 2000)
Mr Joseph W P Wong, GBS, JP, Secretary for the Civil Service
(ex-officio member since 1 August 2000)

3. Chief Executive Officer (Pensions) of the Civil Service Bureau serves as Secretary.

PRINCIPLES AND CRITERIA

4. Under the pensions legislation, retired officers are required to seek prior permission from the Chief Executive before they enter into business or take up employment in Hong Kong within a specified period after retirement if the principal part of their business or employment is carried out in Hong Kong. At present, retired officers at Director of Bureau rank or above are required to seek permission within three years after retirement. Other retirees are required to seek approval within a two-year period. Blanket approval is given for all staff remunerated on the Model Scale I Pay Scale.

5. The main objective of the policy is to ensure that former civil servants do not enter into any business or outside employment which may constitute a conflict of interest with their previous employment in the Civil Service or embarrass the Government. The policy contributes to public confidence in the integrity of the Civil Service.

6. With the advice of the Advisory Committee, a set of guidelines on taking up post-retirement employment is promulgated to all retiring officers. The key guiding principle is that there should be no impropriety in the post-retirement employment.

GUIDELINES AS APPLIED TO BOTH DIRECTORATE AND NON-DIRECTORATE OFFICERS

7. The applicant's previous involvement in policy formulation or decision and previous knowledge and experience will be taken into account to assess whether such involvement or information would benefit the prospective employer in an improper manner or enable the prospective employer to gain an unfair advantage over his competitors. Views are sought from the respective bureau secretary or head of department for each application on the question of potential conflict of interest.

8. The public perception of the appropriateness of the applicant's taking up the proposed business or employment and the question of whether the proposed employment will result in the officer having an undesirable public profile are also important considerations. Conditions, such as a period

of sanitisation during which the applicant would be barred from taking up the employment or restrictions on the scope of activities to be undertaken, may be imposed to minimise potential risk.

APPLICATIONS FROM DIRECTORATE OFFICERS CONSIDERED BY THE COMMITTEE

9. Applications for post-retirement employment outside the Civil Service from directorate officers are processed centrally by the Civil Service Bureau. The Advisory Committee notes that directorate officers are more likely to have been involved in policy formulation or have access to sensitive information whilst in service and their taking up of post-retirement employment outside the Civil Service would probably draw public attention to potential conflict of interest. It therefore advises the Administration on each and every case of application from directorate officers to ensure that the strictest standards of the guidelines on post-retirement employment are applied.

10. As a general guideline, retired senior civil servants are not normally allowed to undertake more than six post-retirement appointments at any one time. To ensure that possible conflicts of interest arising from a post-retirement employment overseas will not be overlooked, an additional guideline has also been set requiring all retired directorate officers to notify the approving authority of any paid employment undertaken anywhere during the specified period.

11. During the twelve years from October 1987 (when the Advisory Committee was first set up) to December 1999, a total of 477 applications from 289 retired directorate officers had been referred to the Advisory Committee for consideration. Out of the 477 cases processed, 5 were rejected, 79 approved with the imposition of sanitisation periods of up to 18 months and 32 were approved with restrictions set on the scope of activities to be undertaken by the retired officer. The others were approved and stipulation of conditions or restrictions is considered not necessary.

12. For the period from 1 January 1999 to 31 December 1999, a total of 44 applications from 27 retired directorate officers were referred to the Advisory Committee for consideration. Out of the 44 cases processed, 1

application was rejected, 4 were approved with the imposition of sanitisation periods of up to 18 months and 6 were approved with restrictions set on the scope of activities to be undertaken by the retired officer. The others were approved without conditions. A breakdown of the background of the applicants and the nature of the business or employment which they were engaged in is at Annexes B and C.

POST-RETIREMENT EMPLOYMENT OF 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. Their applications are dealt with in accordance with the same principles and criteria as set out in paragraphs 7-8 above.

14. From 1 January 1999 to 31 December 1999, a total of 280 applications from 269 non-directorate officers were approved. Out of the 280 applications processed, 2 were approved with conditions. The others were approved and stipulation of conditions or restrictions is considered not necessary. The majority of the applicants were in the age range of 55-59 (41%), and were in receipt of a salary at Master Pay Scale points 14-33 at the time of retirement (49%). A breakdown of the background of the applicants and the nature of the business or employment which they are engaged in are at Annexes D and E respectively.

POST-CONTRACT EMPLOYMENT

15. Starting from 6 January 1997, agreement officers on Directorate Payscale D3 or above who entered into new contracts or renew their contracts with the Government with effect from that date are required to seek the Government's agreement before taking up employment or appointment, or engaging in any business, trade or profession, the principal part of which is carried on in Hong Kong within one year immediately following the expiry of their terminal leave. These officers are required to apply for prior approval where the post-contract employment is in the same field as his civil service

employment and where there is a possible conflict of interest. Non-compliance with the requirement will be regarded as a breach of contract and may result in legal action against the officer.

16. In determining whether approval should be given, account will be taken of any direct relationship between the officer's areas of duty during his service in the Government and the duties he proposes to undertake in his subsequent outside employment, with particular regard to possible conflicts of interest.

17. Up to 31 December 1999, no application for post-contract employment has been received. All agreement officers who are subject to the requirement to seek permission for post-contract employment are still serving in the Government.

THE WAY AHEAD

18. With their experience and a good understanding of the public needs, retired civil servants are in a good position to continue their contribution to the community through active employment. 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 such employment, no unfair advantage is gained and no potential conflict of interest would be caused as a result of the applicants' former service in the Government, in terms of the information available to them, the relationship they have with their former colleagues during their government service or the connection they gained whilst in the Government.

19. The Advisory Committee will continue to advise the Administration on the policy on post-retirement employment and consider applications for post-retirement employment and post-contract employment in accordance with its terms of reference and make recommendations to the Chief Executive as appropriate.

Advisory Committee on Post-retirement Employment

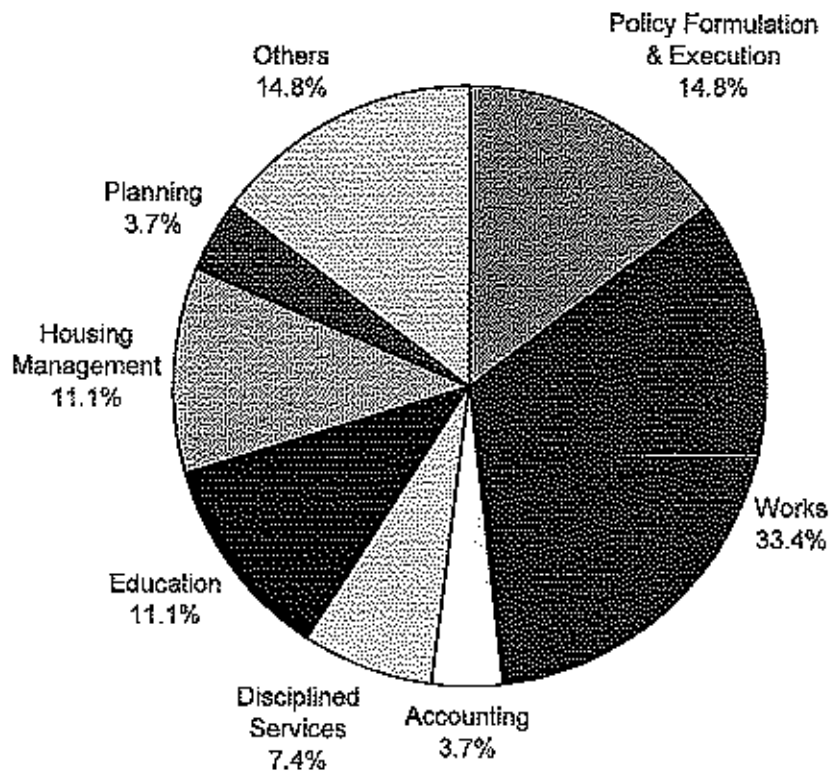
Terms of Reference

- (a) To advise the Chief Executive on the principles and the criteria to be adopted to deal with applications for post-retirement and post-agreement employment;
- (b) To consider and advise on all applications for post-retirement employment from directorate officers on pensionable terms;
- (c) To consider and advise on all applications for post-contract employment from agreement officers on Directorate Payscale Point 3 or above; and
- (d) 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 Applicants' Professions (1.1.1999 - 31.12.1999)

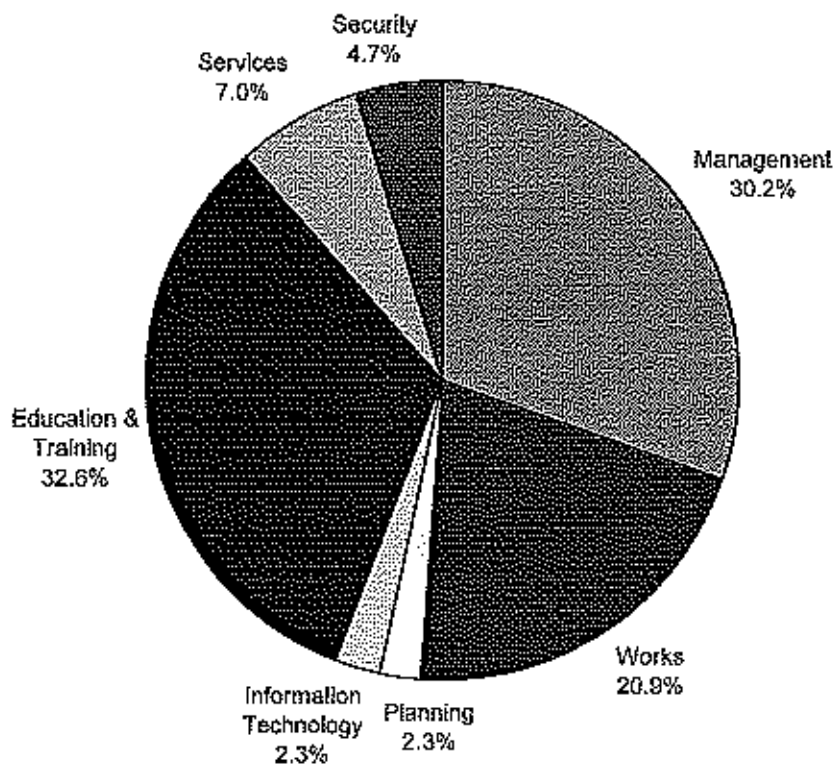
	Number of Officers	Percentage
A. Policy Formulation & Execution	4	14.8
B. Medical	-	-
C. Works	9	33.4
D. Legal	-	-
E. Accounting	1	3.7
F. Disciplined Services	2	7.4
G. Education	3	11.1
H. Housing Management	3	11.1
I. Planning	1	3.7
J. Others	4	14.8
	27	100.0



Post-Retirement Employment for Directorate Officers

Breakdown by the Nature of Business/Employment Engaged after Retirement (1.1.1999 - 31.12.1999)

	Number of Jobs	Percentage
A. Management	13	30.2
B. Works	9	20.9
C. Planning	1	2.3
D. Information Technology	1	2.3
E. Education & Training	14	32.6
F. Finance & Accounting	-	-
G. Services	3	7.0
H. Security	2	4.7
I. Medical	-	-
J. Others	-	-
	43	100.0



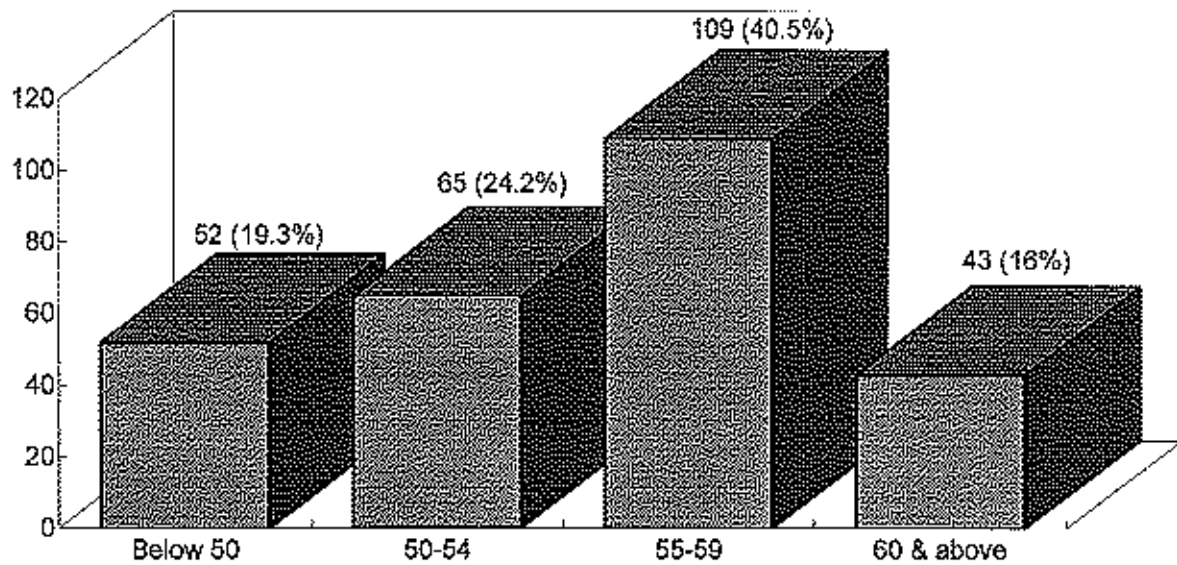
Post-Retirement Employment For Retired Non-directorate Officers (1.1.1999 - 31.12.1999)

Breakdown by Applicants' Background

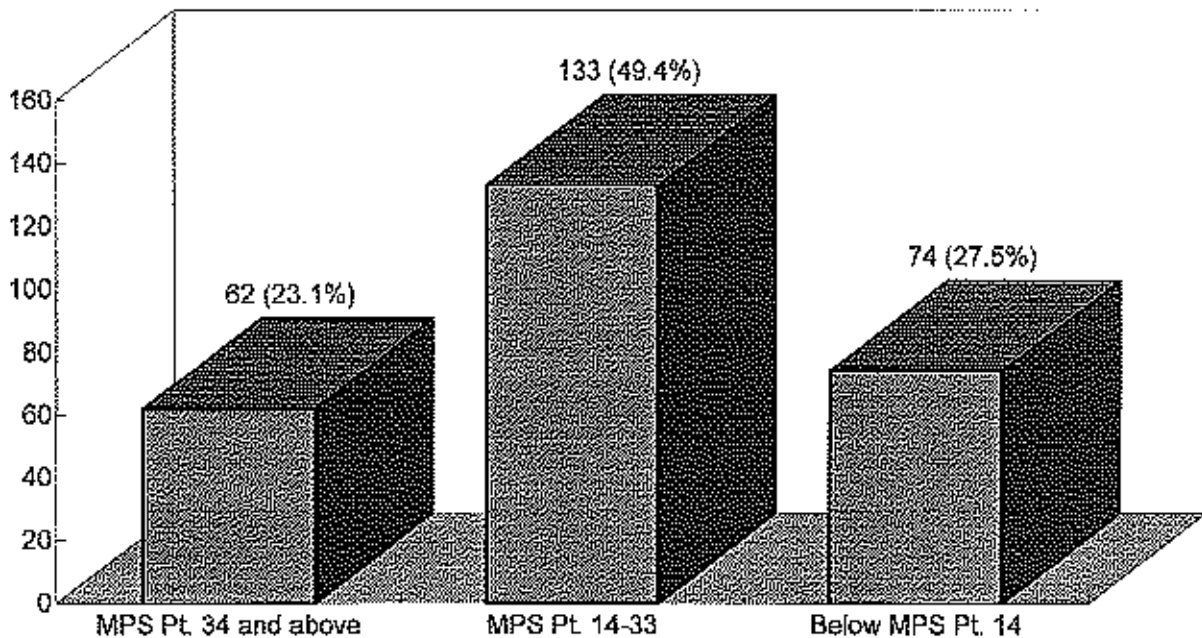
Number of applicants: 269

Number of applications approved: 280

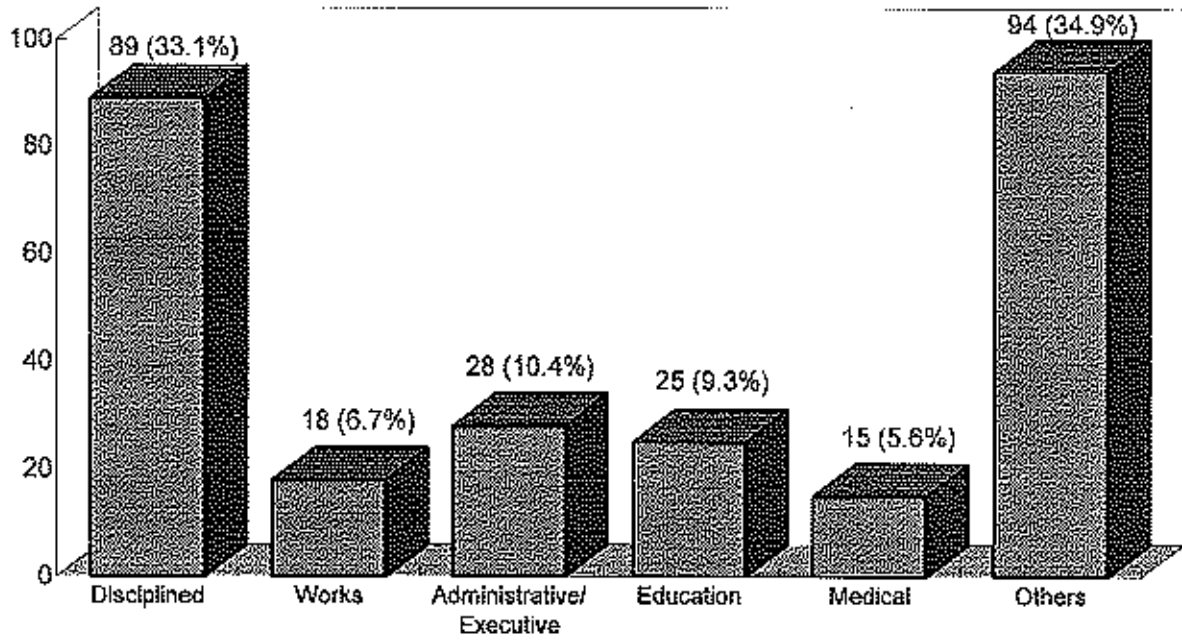
(a) Age



(b) Salary at the time of retirement



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



Post-Retirement Employment For Retired Non-directorate Officers (1.1.1999 - 31.12.1999)

Breakdown by the Nature of Business/Employment Engaged after Retirement

Number of applications approved: 280

