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**The Eighth Report on the Work**

**of the**

**Advisory Committee on**

**Post-retirement Employment**

**covering up to and including**

**31 March 1997**

## **INTRODUCTION**

The Advisory Committee on Post-retirement Employment (Advisory Committee) was appointed by the Governor in October 1987 to give advice on civil service post-retirement employment policy and consider applications from directorate officers. In January 1997, the ambit of the Committee was extended to advise on applications for post-contract employment from agreement officers who are on Directorate Payscale D3 and above or equivalent. 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 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 1997, 4 applications were rejected because they did not meet the principles and guidelines set by the Committee.

## **CASES CONSIDERED BY THE COMMITTEE**

9. From October 1987 to March 1997, a total of 320 applications from 202 retired directorate officers were referred to the Advisory Committee for consideration. 4 were rejected, 65 approved with the imposition of sanitisation periods of between 1 and 18 months, and the others approved without conditions.

10. Amongst these 202 applicants, 21 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 202 applicants and the nature of the business in which they are engaged is given at Annexes B and C.

## **POST-RETIREMENT EMPLOYMENT FOR NON-DIRECTORATE OFFICERS**

12. 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.

13. A statistical analysis of the applications approved from 1 January 1996 to 31 December 1996 together with particulars of the applicants is given at Annex D. A total of 553 applications from 490 non-directorate officers were recorded. Of the 490 successful applicants, the majority were in the age range of 55-59 (42%), and were in receipt of a salary of between Master Pay Scale points 14-33 at the time of retirement (62%).

14. It is interesting to note that 27% of these applicants were former disciplined staff, and despite their age, over 46% 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 medical 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.

## **POST-CONTRACT EMPLOYMENT**

15. Agreement officers on Directorate Payscale D3 or above, or equivalent who entered into new contracts or renew their contracts with the Government since 6 January 1997, require 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 need 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.

16. In considering applications for post-contract employment, the Advisory Committee takes into account any direct relationship between the officer's areas of duty as a civil servant and the duties he proposes to undertake with particular regard to possible conflicts of interest. This aims to protect confidential / commercially sensitive Government information, and prevent the officer from working on a project where he previously had direct dealings in the negotiation of such; and being involved in contracts of provision to Government or advising on deals with Government on policy or other subject areas where he had direct dealings in the past.

17. Up to 31 March 1997, no application for post-contract employment was received.

### **THE WAY AHEAD**

18. 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.

19. 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.

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

*(Report)*

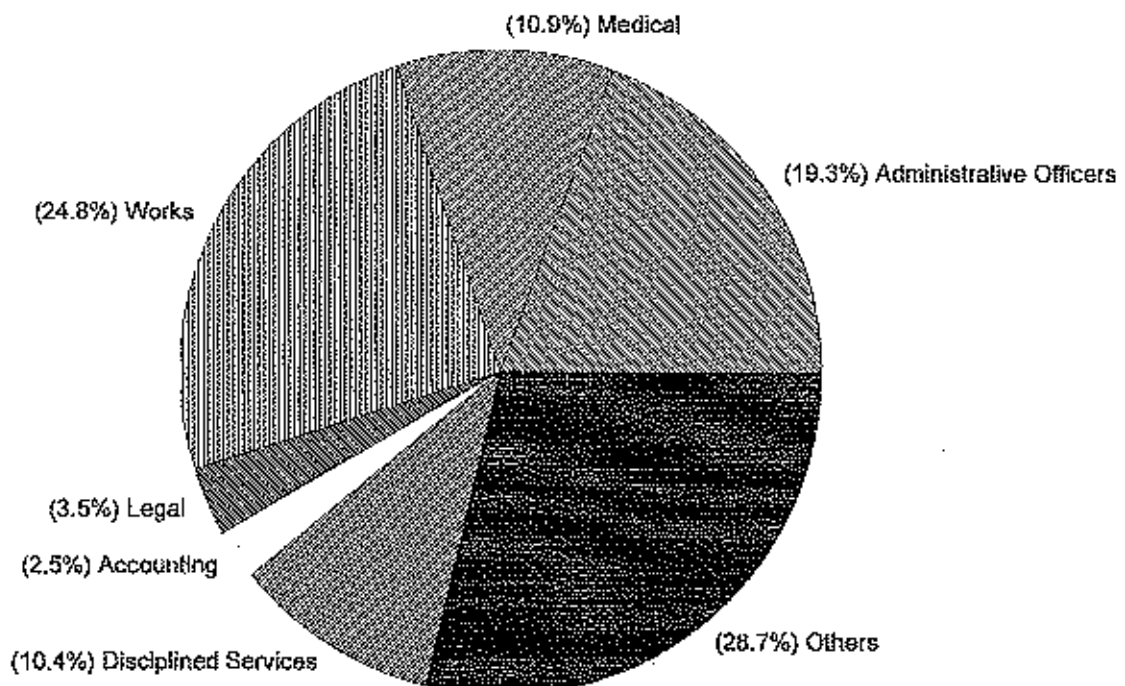
**Advisory Committee on Post-retirement Employment**

**Terms of Reference**

- (a) To advise the Governor on the principles and the criteria to be adopted to deal with applications for post-retirement and post-contract employment;
- (b) to consider and advise on all applications for post-retirement employment from directorate officers, Secretaries and above;
- (c) to consider and advise on all applications for post-contract employment from agreement officers on Directorate Payscale Point 3 or above or equivalent, Secretaries and 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 Professions**  
**(as at 31.3.97)**

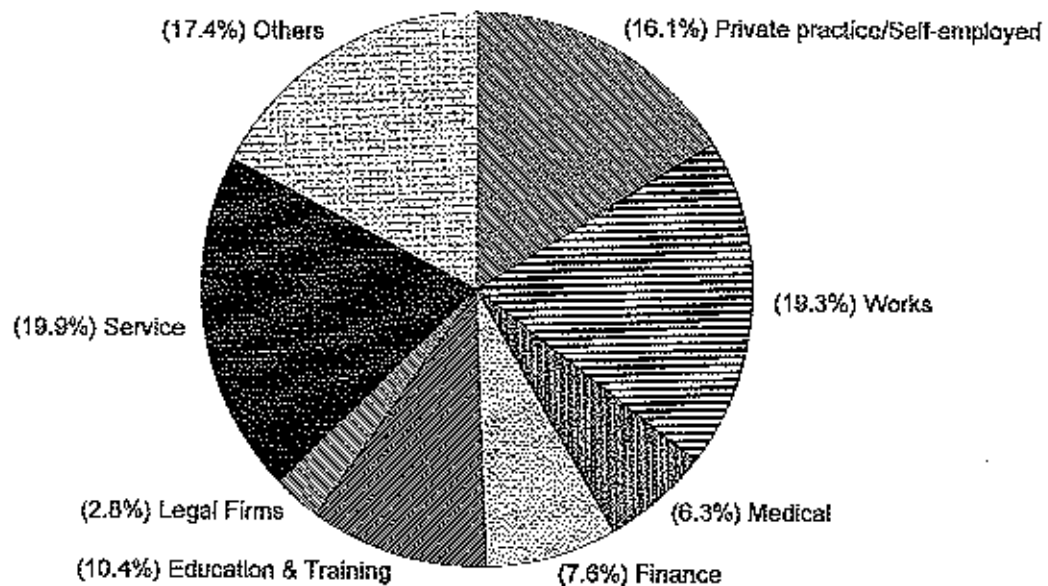
	Number of Officers	Percentage
A. Administrative Officers	39	19.3
B. Medical	22	10.9
C. Works	50	24.8
D. Legal	7	3.5
E. Accounting	5	2.5
F. Disciplined Services	21	10.4
G. Others	58	28.7
	202	100.0



## Post-Retirement Employment for Directorate Officers

Breakdown in the nature of business engaged after retirement (as at 31.3.97)

	Number of Jobs	Percentage
A. Private practice/Self-employed	51	16.1
B. Works	61	19.3
C. Medical	20	6.3
D. Finance	24	7.6
E. Education & Training	33	10.4
F. Legal Firms	9	2.8
G. Service	63	19.9
H. Others	55	17.4
	<hr/> 316	<hr/> 100.0



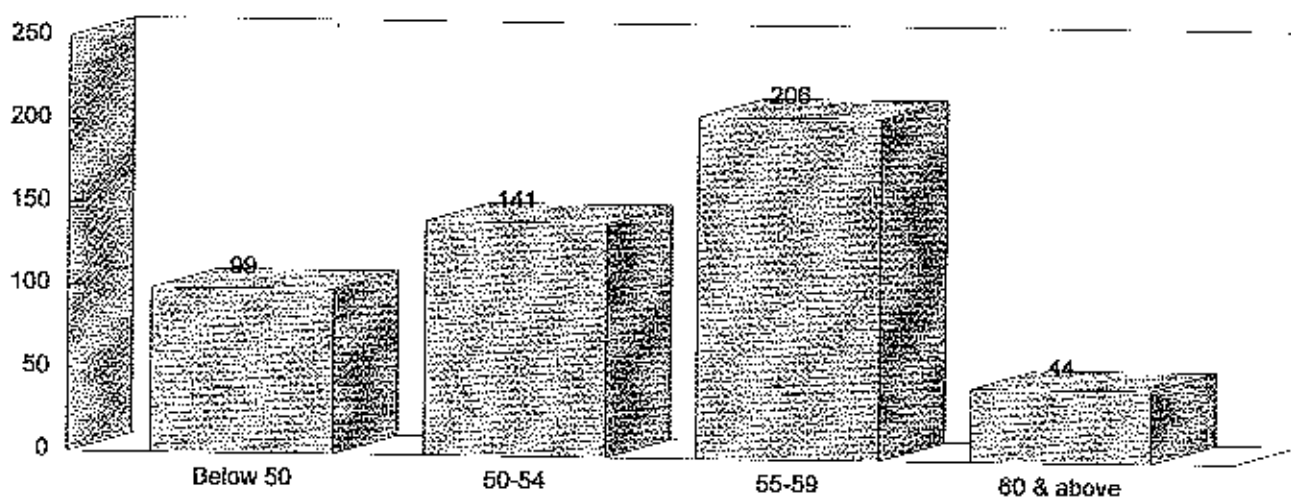


## Applications for Post-retirement Employment for retired non-directorate officers for the period (1.1.96 - 31.12.96)

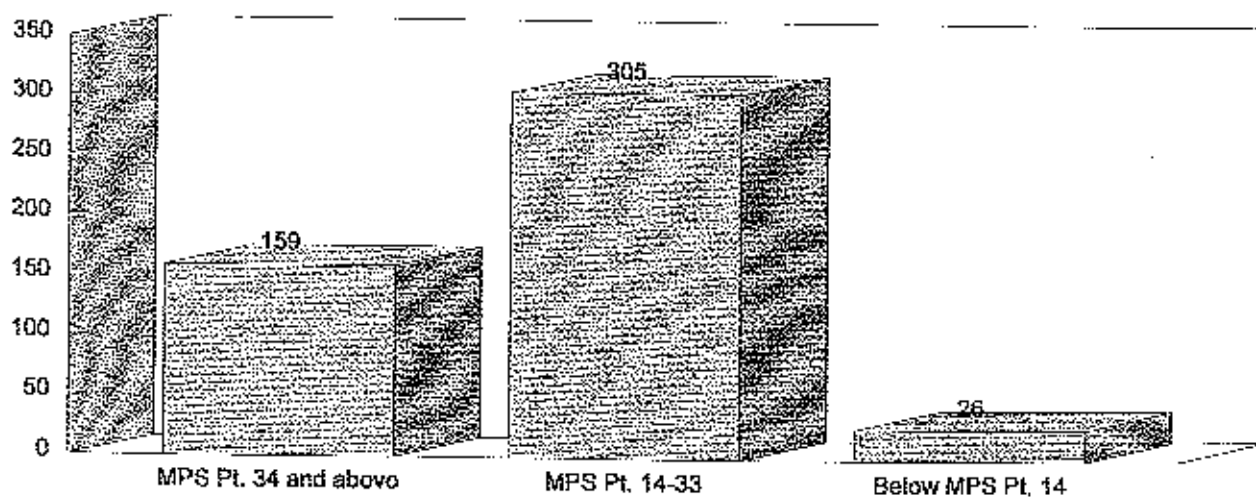
Number of applications            553  
 Number of successful applications :            552

Particulars of successful applicants  
 Total number :            490

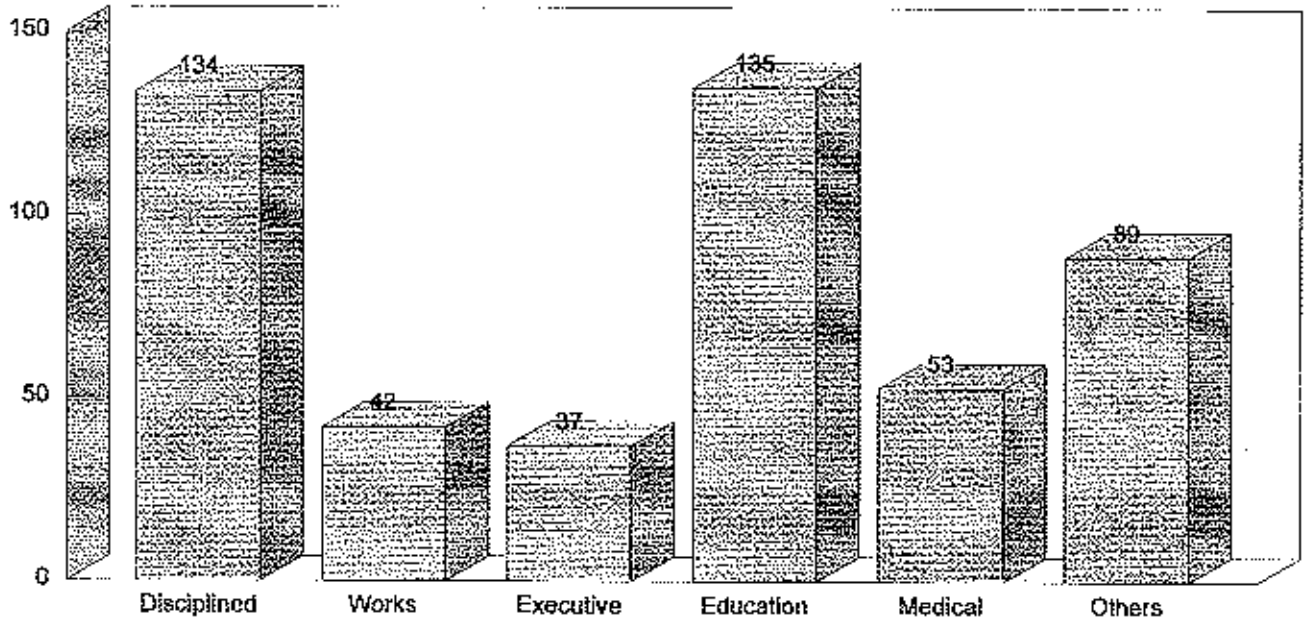
(a) Age Group



(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

