

**For discussion
on 16 February 2009**

LC Paper No. CB(1)747/08-09(04)

Legislative Council Panel on Public Service

Employment of Non-Civil Service Contract staff

Purpose

This paper provides Members with an overview on the employment of Non-Civil Service Contract (NCSC) staff.

NCSC Staff Scheme

Scope of the Scheme

2. The NCSC Staff Scheme, introduced in 1999, provides Heads of Bureaux, Departments and Offices (hereafter referred to as HoDs) with a flexible means to meet service needs which are time-limited, seasonal, or subject to market fluctuations; or which require staff on a part-time basis; or which require tapping the latest expertise in a given field in the market; or where the mode of delivery of the service is under review or likely to be changed. The Scheme allows HoDs to respond more promptly to changing operational and service needs.

Employment Package

3. NCSC staff are employed on fixed term contract basis. They have distinctive employment packages. HoDs are authorised to determine the employment package of their NCSC staff, provided the terms and conditions are no less favourable than those set out under the Employment Ordinance and no more favourable than those applicable to civil servants in comparable civil service ranks or with comparable levels of responsibilities. In addition, they are required to ensure that the pay for the non-skilled NCSC staff they employ must not be less than the average monthly wages for the relevant industry/occupation as published in the latest Quarterly Report of Wage and Payroll Statistics compiled by the Census and Statistics Department. Other

than these requirements, HoDs are advised to have regard to the situation of the employment market as well as management and operational considerations of their bureaux and departments (B/Ds) when determining the remuneration package for their NCSC staff.

4. NCSC staff are subject to a pay adjustment mechanism different from that applicable to civil servants. Given the nature of the NCSC Staff Scheme, HoDs are authorised to decide whether pay adjustments should be made for their NCSC staff and the level of adjustments. In doing so, they are advised to have regard to a host of considerations, including condition of the employment market, recruitment results, staff retention needs, cost of living and civil service pay adjustment, etc. Details of the pay adjustment in 2008 for NCSC staff engaged by the eight main NCSC user B/Ds are set out at **Annex I**.

Special Review on NCSC Staff

5. Civil Service Bureau (CSB), jointly with B/Ds, conducted a special review on the employment situation of NCSC staff in 2006. We presented the review results to Members at the December 2006 Panel meeting. Briefly, the review reaffirmed that there was a continued need for the Government to employ NCSC staff to complement the civil service workforce in providing timely and quality service to the public. The review also identified some 4 000 NCSC positions involving work that should more appropriately be performed by civil servants. The review also led to the introduction of additional measures by CSB to ensure that employment of NCSC staff adheres to the scope of the NCSC Staff Scheme. These include requiring higher-level consideration and approval of employment of NCSC staff in B/Ds.

Replacement of NCSC Positions by Civil Service Posts

Civil Service Recruitment Policy

6. The Administration's policy is to fill civil service vacancies through an open, fair and competitive recruitment process, under which qualified candidates are selected on the basis of merits. We therefore consider it inappropriate to provide any "through train arrangement" for NCSC staff whose

positions would be replaced by civil service posts. Also, such an arrangement would be unfair to other persons wishing to join the civil service but not currently working in the Government as NCSC staff, as they would be deprived of the opportunity to compete for these civil service openings.

7. We appreciate NCSC staff's aspiration to join the civil service. To ensure that the information relating to recruitment of civil servants is drawn to the attention of those serving NCSC staff who are interested to join the civil service, a mechanism has been put in place to inform serving NCSC staff of civil service openings. We consider that since NCSC staff have working experience in the Government, they should enjoy a competitive edge over other applicants for civil service jobs.

Latest Position

8. As at 31 December 2008, about 2 330 out of the 4 000-odd NCSC positions mentioned in paragraph 5 above have already been phased out upon the end-dates of the employment contracts of the concerned NCSC staff. The work involved is now being undertaken by civil servants. The remaining NCSC positions are expected to be phased out in the coming two financial years having regard to the end-dates of the existing employment contracts of the concerned NCSC staff and the lead-time for filling the replacement civil service posts.

Position of NCSC Staff as at 31 December 2008

9. Having regard to the scope of the NCSC Staff Scheme, the number of NCSC staff employed by B/Ds varies from time to time in light of the service and operational requirements. As at 31 December 2008, there were about 14 600 full-time¹ NCSC staff employed by B/Ds. Most of them were employed on contracts of less than two years, and received monthly pay in the range of \$8,000 to \$15,999. Please see the details set out in **Annex II**.

¹ "Full-time" means the employment is on a "continuous contract" under the definition of the Employment Ordinance (Cap.57). According to the Ordinance, an employee who works continuously for the same employer for four weeks or more, with at least 18 hours in each week, is regarded as working under a continuous contract.

Advice sought

10. Members are invited to note the information in this paper.

Civil Service Bureau
February 2009

**Pay Adjustment for NCSC Staff in 2008
in the eight main user bureaux/departments of the NCSC Staff Scheme**

Bureau/department	Rate of pay adjustment to NCSC Staff ⁽¹⁾	NCSC staff with adjustment	
		Number	% to total employed ⁽²⁾
Buildings Department	+5.2%	742	99%
Department of Health	+5.29% to +6.3%	1,044	99%
Education Bureau	+2.27%	1	0.1%
	+4% to +6.3%	824	78%
	+6.67% to +9.98%	9	1%
	+10% to +46.19%	57	5%
Electrical and Mechanical Services Department	+5.2%	1,396	95%
	+8.6% to +10.22%	51	3%
Food and Environmental Hygiene Department	+5.2% to +5.3%	812	99%
Leisure and Cultural Services Department	+5%	1,235 ⁽³⁾	100%
Post Office	+2% to +3.9%	128	5%
	+4% to +4.7%	1,104	42%
	+5.7% to +8.7%	1,041	39%
Student Financial Assistance Agency	+5.29% to +5.38%	584	100%

Note:

(1) The rates of pay adjustment are determined by the employing bureau or department taking into account a host of considerations, including condition of the employment market, recruitment results, staff retention needs, cost of living, and civil service pay adjustment, etc. The rates of pay adjustment to most of the NCSC staff are comparable or higher than those for the civil servants.

(2) This refers to the percentage measured against total NCSC staff employed by the bureau/department. The remaining NCSC staff did not receive any pay adjustment mainly because their salaries were already at or above market rates or they were engaged in very short-term projects lasting for a few months.

(3) Excluding 995 seasonal staff in the Leisure and Cultural Services Department who are employed on NCSC terms on short-term basis to meet seasonal needs or for training purposes. They are mostly employed for 9 months or less, and the level of pay offered is reviewed and determined having regard to the prevailing market situation before appointments are made.

Annex II

Employment of Non-Civil Service Contract (NCSC) Staff (Position as at 31.12.2008)

Contract Duration

Length of current contract	No. of NCSC Staff (and percentage to total)	
< 1 year	2 802*	(19.2%)
1 - < 2 years	9 602	(65.7%)
2 - 3 years	2 204	(15.1%)
Total	14 608	(100%)

* includes seasonal NCSC staff and those NCSC staff employed for less than the conditioned hours required of civil servants.

Salary Range

Monthly Salary	No. of NCSC Staff (and percentage to total)	
\$30,000 or above	1 217	(8.3%)
\$16,000 - \$29,999	2 176	(14.9%)
\$8,000 - \$15,999	9 011	(61.7%)
\$5,000 - \$7,999	1 483	(10.2%)
Others*	721	(4.9%)
Total	14 608	(100%)

* Including (1) trainees; and (2) staff paid on hourly rate according to the hours of work done. For staff in group (1), their monthly salary is below \$5,000. For staff in group (2), they are paid on an hourly rate and hence their monthly salary varies depending on the hours of work done.