

Legislative Council Panel on Public Service Employment Situation of Non-Civil Service Contract Staff

Purpose

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

Background

2. The NCSC Staff Scheme, introduced in 1999, aims at providing Permanent Secretaries and Heads of Departments (hereafter shortened as HoDs) with a flexible means of employment to respond more promptly to changing operational and service needs of Bureaux/Departments (B/Ds) which may be time-limited, seasonal, or subject to market fluctuations; or which require staff to work less than conditioned hours; or which require tapping the latest expertise in a given area in the market; or where the mode of delivery of the service is under review or likely to be changed. NCSC staff are not part of the permanent civil service establishment.

3. HoDs may determine the employment package of their NCSC staff having regard to the job nature, condition of the employment market, as well as their management and operational considerations, insofar as the terms and conditions of service for NCSC staff are overall speaking no less favourable than those provided for under the Employment Ordinance (Cap. 57) and no more favourable than those applicable to civil servants in comparable civil service ranks or with comparable levels of responsibilities where they exist.

4. The Administration last briefed the Legislative Council Panel on Public Service on the employment of NCSC staff on 16 February 2009. Upon the request of Members, we subsequently provided a further breakdown of full-time¹ NCSC staff engaged as at 31 December 2008 by

¹ "Full-time" means the employment is on a "continuous contract" under the definition of Employment Ordinance. According to the Employment 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.

the eight largest NCSC-user B/Ds² by reasons of employment (LC Paper No.CB(1) 2235/08-09(01)).

Replacement of NCSC Positions by Civil Service Posts

5. Civil Service Bureau, jointly with B/Ds, conducted a special review on the employment situation of NCSC staff in 2006. We informed Members in December 2006 that the review had identified some 4 000 NCSC positions whose work should more appropriately be performed by civil servants, and that the Administration would accordingly phase out these positions over a period of time. As at 30 June 2009, about 2 840 positions were phased out upon expiry of the employment contracts of the concerned NCSC staff, and the work involved has been undertaken by civil servants. The majority of the remaining 1 160 NCSC positions will be phased out in the coming year or so 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.

6. For the NCSC positions identified for phasing out, B/Ds have advised the concerned NCSC staff well in advance so that they can plan and make future arrangements in good time. B/Ds have also put in place arrangements to ensure that information relating to open recruitment to civil service vacancies is drawn to the attention of their serving NCSC staff. Where necessary, B/Ds have provided outgoing NCSC staff with appropriate employment assistance.

7. Since November 2006, HoDs have been provided with an upper limit on the number of NCSC staff they may employ by the Civil Service Bureau (CSB)³. A HoD may, if necessary, request CSB to increase the specified upper limit; and such requests would be considered on a case-by-case basis. In addition, B/Ds have been reminded to comply with the scope of the NCSC Staff Scheme when deciding whether or not to employ NCSC staff. They are also required to keep their operation under

² The eight largest NCSC-user B/Ds were, in descending order, Hongkong Post, Electrical and Mechanical Services Department, Leisure and Cultural Services Department, Education Bureau, Department of Health, Buildings Department, Food and Environmental Hygiene Department, and Student Financial Assistance Agency. They together employed some 64% (i.e. 9 364 out of a total of 14 608) of full-time NCSC staff as at 31 December 2008.

³ We have not set any ceiling for each of the five trading fund departments (i.e. the trading fund arm of the Electrical and Mechanical Services Department, Hongkong Post, Office of the Telecommunications Authority, Companies Registry and Land Registry) as they need greater flexibility to adjust their staffing levels and staff mix to cope with business fluctuation. We have also not set a NCSC staff ceiling for government schools in view of their need for the flexibility to hire the best mix of supporting staff that can match their operational needs at different times.

regular review, and seek to create civil service posts according to the established procedures where the work involved is of a permanent nature and should be carried out by civil servants.

Position of NCSC Staff as at 30 June 2009

8. 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 the light of changing service and operational requirements. As at 30 June 2009, there were 16 186 full-time NCSC staff employed by B/Ds. A breakdown of these full-time NCSC staff by B/Ds is at **Annex A**. The number of NCSC staff employed by B/Ds is typically higher during the summer season when more seasonal lifeguards and student helpers are employed to enhance support in the aquatic venues and public libraries respectively.

9. The majority (about 75%) of the 16 186 full-time NCSC staff were employed for less than five years as at 30 June 2009. Please see the details at **Annex B**. Most of them were employed on contracts of less than two years (about 87%), and received monthly pay in the range of \$8,000 to \$15,999 (about 64%). Please see the details as set out in **Annexes C and D** respectively. A further breakdown of the NCSC staff engaged by the eight largest NCSC-user B/Ds by reasons of employment is provided in **Annex E**. These eight entities together employed some 68% (i.e. 10 979 out of a total of 16 186) full-time NCSC staff as at 30 June 2009. A brief analysis of the situation in each of these B/Ds is provided in the ensuing paragraphs.

(I) Leisure and Cultural Services Department (LCSD)

10. LCSD employed 2 715 full-time NCSC staff. Around some 63% of NCSC staff were employed mainly to meet service needs which were time-limited or seasonal in nature, e.g. seasonal lifeguards to enhance support in the aquatic venues during the swimming season, and student helpers for training purpose during the summer vacation. Another some 32% were employed mainly to provide various services in public libraries and public museums where the mode of service delivery was under review or likely to be changed. With regard to the library services, the Department has commissioned the Efficiency Unit (EU) to review and recommend how the frontline and support services should be delivered. The study is nearing completion. With regard to museum services, the Home Affairs Bureau is leading a task force to follow up on the recommendations of the Committee on Museums, including the proposed change of governance of public museums and related staffing arrangements. The remaining some 5% were

employed mainly in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review. These positions will be gradually phased out having regard to the end-date of the existing employment contracts and the lead-time for filling the replacement civil service posts.

(II) *Hongkong Post (PO)*

11. PO employed a total of 2 223 full-time NCSC staff. About half worked less than the conditioned hours required of civil servants and they were mainly involved in the sorting, loading and unloading of mails. The remaining half were mainly engaged in providing operational, marketing, sales and over-the-counter services, the need for which was subject to unpredictable market changes from time to time. The employment of a mixed workforce (civil servants and NCSC staff) enables PO to adjust effectively and flexibly to fluctuations in business demands. As an illustration, mail volume increased notably by 13% in Q4 of 2007 when the economy flourished as compared with the same period in 2006. However, mail volume dropped significantly by 12% in Q4 of 2008 due to the slowdown in the global economy as compared with the same period a year ago.

(III) *Department of Health (DH)*

12. DH employed a total of 1 468 full-time NCSC staff. Around 80% were employed to meet ad hoc and time-limited service requirements, including additional health surveillance measures at immigration control points in view of the pandemic threat of the Human Swine Influenza and enhanced IT systems to support public health control. Another some 5% were employed mainly to provide various services which were under review, including processing the registration of proprietary Chinese medicines and Chinese medicines traders licence. The remaining 15% were employed mainly in work that should more appropriately be performed by civil servants as identified in the 2006 special review. These positions will be gradually phased out having regard to the end-date of the existing employment contracts and the lead-time for filling the replacement civil service posts.

(IV) *Electrical and Mechanical Services Department (EMSD)*

13. EMSD employed a total of 1 433 full-time NCSC staff. Around 86% were employed to provide ad hoc or time-limited consultancy, project management and maintenance services to various client government departments and public organisations. As these services are subject to

market demand, the Department needs to have a mixed workforce (civil servants and NCSC staff) to maintain flexibility in staff deployment and to make timely response to fluctuations in business volume. The remaining some 14% of NCSC staff were employed mainly as apprentices for training purpose on a time-limited basis, in collaboration with the Vocational Training Council.

(V) Education Bureau (EDB)

14. EDB employed a total of 1 150 full-time NCSC staff. Around 68% were employed by government schools under the school-based management initiative. Under this initiative, government schools, as with aided schools, need the flexibility to hire the best mix of supporting staff that dovetails with their operational needs at different times. Another some 25% of the NCSC staff were employed to provide support to various education reform initiatives, including research, project co-ordination, IT and administrative services. These initiatives were time-limited in nature, e.g. projects supported by various funds such as Language Fund, the various School-based Support Services Programmes, etc. The remaining some 7% were employed mainly to provide services where the long-term need or the mode of service delivery was under review, as well as in work where the positions will be gradually phased out and replaced by civil servants in due course.

(VI) Buildings Department (BD)

15. BD employed a total of 738 full-time NCSC staff, all of whom were employed in connection with the removal of unauthorized building works and improvement of the safety standards of existing buildings under a 10-year enforcement programme ending 2010-11.

(VII) Student Financial Assistance Agency (SFAA)

16. SFAA employed a total of 637 full-time NCSC staff. Some 63% were employed to provide services under review. At the invitation of SFAA, EU has completed a business processing re-engineering study, and recommended the development of a more efficient and effective work system and a new integrated financial assistance IT system. The recommendations, when implemented, will bring about manpower savings through optimising operational synergy. SFAA is now considering the implementation plan and securing resources for the new integrated IT system. Some 33% of NCSC staff were employed to meet service needs which were time-limited or seasonal in nature, e.g. clearing the backlog of default payments and processing the seasonal influx of applications under

various financial assistance schemes. The remaining some 4% were employed in work that should more appropriately be performed by civil servants as identified in the 2006 special review. These positions will be gradually phased out having regard to the end-date of the existing employment contracts and the lead-time for filling the replacement civil service posts.

(VIII) Food and Environmental Hygiene Department (FEHD)

17. FEHD employed a total of 615 full-time NCSC staff. Some 37% were employed mainly to undertake market management duties and cleansing work. The Department is examining the most effective mode of service delivery in these areas that could respond promptly to public demands on the one hand while maintaining a steady workforce on the other. Another some 25% of NCSC staff were employed mainly to meet service needs which were time-limited in nature, e.g. the aqua privies conversion programme. The remaining some 38% were employed in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review. These positions will be gradually phased out having regard to the end-date of the existing employment contracts and the lead-time for filling the replacement civil service posts.

Advice Sought

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

Civil Service Bureau
December 2009

Annex A

**Employment of Non-Civil Service Contract Staff
by Bureau/Department/Office
(Position as at 30.6.2009)**

Bureau/Department/Office	Number of NCSC Staff
Agriculture, Fisheries and Conservation Department	342
Auxiliary Medical Service	1
Architectural Services Department	33
Buildings Department	738
Customs and Excise Department	29
Census and Statistics Department	202
Civil Aviation Department	12
Commerce and Economic Development Bureau	33
Civil Engineering and Development Department	113
Chief Executive's Office	5
Constitutional and Mainland Affairs Bureau	13
Companies Registry	54
Chief Secretary and Financial Secretary's Office	325
Civil Service Bureau	2
Correctional Services Department	12
Development Bureau	20
Department of Health	1 468
Department of Justice	38
Drainage Services Department	82
Education Bureau	1 150
Electrical and Mechanical Services Department	1 433
Environment Bureau	8
Environmental Protection Department	140
Food and Environmental Hygiene Department	615
Food and Health Bureau	16
Fire Services Department	27
Financial Services and the Treasury Bureau	19
Government Flying Service	13
Government Laboratory	24
Government Logistics Department	59
Government Property Agency	7
Home Affairs Bureau	22
Home Affairs Department	417
Hong Kong Observatory	22
Hong Kong Police Force	158
Highways Department	68
Invest Hong Kong	58
Immigration Department	223
Intellectual Property Department	22

Bureau/Department/Office	Number of NCSC Staff
Inland Revenue Department	166
Information Services Department	20
Innovation and Technology Commission	31
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	1
Judiciary	143
Labour Department	196
Legal Aid Department	5
Lands Department	226
Leisure and Cultural Services Department	2 715
Land Registry	144
Labour and Welfare Bureau	25
Marine Department	15
Office of the Telecommunications Authority	94
Office of Government Chief Information Officer	14
Official Receiver's Office	43
Planning Department	23
Post Office	2 223
Registration and Electoral Office	53
Radio Television Hong Kong	328
Rating and Valuation Department	76
Security Bureau	20
Student Financial Assistance Agency	637
Social Welfare Department	418
Transport Department	212
Television and Entertainment Licensing Authority	40
Transport and Housing Bureau	5
Trade and Industry Department	83
Treasury	75
University Grants Committee Secretariat	24
Water Supplies Department	108
Total	16 186

**Employment of Non-Civil Service Contract (NCSC) Staff
(Position as at 30.6.2009)**

Length of Continuous Service*

Length of continuous service	No. of NCSC Staff (and percentage to total)	
Less than 3 years	9 608	(59.4%)
3 years to less than 5 years	2 483	(15.3%)
5 years or more	4 095	(25.3%)
Total	16 186	(100%)

* "Continuous service" , as used in this Annex and Annex E, includes service in the same NCSC position, as well as service in different NCSC positions in the same department but without a break in service.

**Employment of Non-Civil Service Contract (NCSC) Staff
(Position as at 30.6.2009)**

Contract Duration

Length of current contract	No. of NCSC Staff (and percentage to total)	
< 1 year	4 540	(28.0%)
1 - < 2 years	9 505	(58.7%)
2 - 3 years	2 141	(13.3%)
Total	16 186	(100%)

**Employment of Non-Civil Service Contract (NCSC) Staff
(Position as at 30.6.2009)**

Salary Range

Monthly Salary	No. of NCSC Staff (and percentage to total)	
\$30,000 or above	1 290	(8.0%)
\$16,000 - \$29,999	2 310	(14.3%)
\$8,000 - \$15,999	10 273	(63.5%)
\$5,000 - \$7,999	1 216	(7.5%)
Others*	1 097	(6.7%)
Total	16 186	(100%)

* Including (1) trainees and summer student helpers; 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 according to the number of hours actually worked.

Leisure and Cultural Services Department

Reasons of employment		No. of NCSC staff as at 30.6.2009 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited or seasonal in nature	1587	121	1708
(2)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	444	431	875
(3)	To tap the latest expertise in the market	14	14	28
(4)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note)	33	71	104
Total :		2078	637	2715

Note: The NCSC positions concerned will be phased out having regard to the end-date of the existing employment contracts and the lead-time for filling the replacement civil service posts.

Hongkong Post

Reasons of employment		No. of NCSC staff as at 30.6.2009 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that require staff to work less than the conditioned hours required of civil servants	561	449	1010
(2)	To meet service needs that are subject to market fluctuation	843	370	1213
Total :		1404	819	2223

Department of Health

Reasons of employment		No. of NCSC staff as at 30.6.2009 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited or seasonal in nature	1117	53	1170
(2)	To meet service needs that require staff to work less than the conditioned hours required of civil servants	13	-	13
(3)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	61	14	75
(4)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note)	112	98	210
Total :		1303	165	1468

Note: The NCSC positions concerned will be phased out having regard to the end-date of the existing employment contracts and the lead-time for filling the replacement civil service posts.

Electrical and Mechanical Services Department

Reasons of employment		No. of NCSC staff as at 30.6.2009 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited or seasonal in nature	195	4	199
(2)	To meet service needs that are subject to market fluctuation	677	553	1230
(3)	To tap the latest expertise in the market	3	1	4
Total :		875	558	1433

Education Bureau

Reasons of employment		No. of NCSC staff as at 30.6.2009 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited or seasonal in nature	253	39	292
(2)	To meet service needs that require staff to work less than the conditioned hours required of civil servants	2	4	6
(3)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	22	6	28
(4)	To tap the latest expertise in the market	6	1	7
(5)	To meet the unique operational needs in government schools under school-based management initiatives	634	151	785
(6)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note)	24	8	32
Total :		941	209	1150

Note: The NCSC positions concerned will be phased out having regard to the end-date of the existing employment contracts and the lead-time for filling the replacement civil service posts.

Buildings Department

Reasons of employment		No. of NCSC staff as at 30.6.2009 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited or seasonal in nature	574	164	738
Total :		574	164	738

Student Financial Assistance Agency

Reasons of employment		No. of NCSC staff as at 30.6.2009 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited or seasonal in nature	200	12	212
(2)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	309	89	398
(3)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note)	25	2	27
Total :		534	103	637

Note: The NCSC positions concerned will be phased out having regard to the end-date of the existing employment contracts and the lead-time for filling the replacement civil service posts.

Food and Environmental Hygiene Department

Reasons of employment		No. of NCSC staff as at 30.6.2009 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited or seasonal in nature	129	19	148
(2)	To meet service needs that require staff to work less than the conditioned hours required of civil servants	2	-	2
(3)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	79	151	230
(4)	To tap the latest expertise in the market	2	-	2
(5)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note)	177	56	233
Total :		389	226	615

Note: The NCSC positions concerned will be phased out having regard to the end-date of the existing employment contracts and the lead-time for filling the replacement civil service posts.