

**For discussion  
on 19 April 2004**

**Legislative Council Panel on Public Service**

**Employment of Non-Civil Service Contract Staff**

**PURPOSE**

This paper provides information on the current position on the employment of Non-Civil Service Contract (NCSC) staff.

**DETAILS**

**Policy**

2. The NCSC Staff Scheme was introduced in 1999 with the objective of providing Heads of Department (HoDs) with greater flexibility to deploy their resources and to better enable them to meet their changing service and operational needs. Under the scheme, HoDs are delegated with the authority to employ staff on fixed-term contracts outside the civil service to meet service needs which are short-term, part-time or under review. For example, the scheme is used by Hong Kong Post to engage NCSC staff as sorters to meet its seasonal demand for postal service and by Agriculture, Fisheries and Conservation Department to engage NCSC staff to undertake promotional and educational work to visitors in country parks. The scheme supplements the civil service appointment system but does not replace the making of civil service appointments.

3. We have issued detailed guidelines on the scope, the terms of employment, remuneration package, etc. to HoDs to follow in the employment of NCSC staff (see paras 4 to 5 below). In addition, the determination of the employment package to be offered, including pay, must be approved at the directorate level of the department concerned.

## **Terms and conditions**

4. HoDs have full discretion to decide on the appropriate employment package for their NCSC staff subject to the guiding principles that the terms and conditions of service for NCSC staff should be no less favourable than those provided for under the Employment Ordinance (EO) and no more favourable than those applicable to civil servants in comparable civil service ranks or comparable levels of responsibilities. NCSC staff are provided with benefits including rest days, statutory holidays, annual leave, maternity leave, paid sick leave, etc. as may be provided in line with the provisions of the EO.

5. In addition, HoDs are given the discretion to decide on the appropriate pay level in making new offers to NCSC staff and in renewing the contracts of serving NCSC staff having regard to the condition of the employment market; management and operational needs of the department; and the pay offered to civil servants of comparable ranks. However, the pay offered to NCSC staff should normally not exceed the mid-point salaries of comparable civil service ranks or ranks of comparable level of responsibilities. HoDs may also offer an end-of-contract gratuity which, together with Government's Mandatory Provident Fund contributions, should be not more than 15% and 10% of the total basic salary drawn during the contract period for skilled and non-skilled jobs respectively. Furthermore, HoDs should act in accordance with the relevant provisions in the EO in handling pay adjustments for NCSC staff.

## **Duration of contracts**

6. NCSC staff are employed on fixed-term contracts to meet service needs which are short-term, part-time or under review. The employment of an NCSC staff ends upon the expiry of his/her contract. The offer of any further contract beyond the current one is solely at the discretion of the HoD concerned. In deciding whether to offer a new contract, HoDs will consider various factors including the continued operational need for the work concerned; staff deployment plan of the department; the performance of the NCSC staff, etc. Where the contracts of NCSC staff are not renewed by HoDs, in most cases upon completion of time-limited projects for which these NCSC staff were employed or lapse of the relevant service needs, departments would follow the provisions in the EO and would offer severance payment or long-service payment to those NCSC staff who meet the criteria stipulated in the EO.

## Statistics on NCSC staff

7. Given the nature of the NCSC Scheme, it is our policy not to micro-manage departments in the employment of NCSC staff. Hence, we do not have detailed information relating to the employment situation of NCSC staff in individual departments. However, for the purpose of overall monitoring of the implementation of the NCSC Scheme, we collect half-yearly statistics from departments on the number of NCSC staff employed, contract duration and the range of salaries offered as at end June and end December each year.

8. As the need for and hence the number of part-time<sup>1</sup> NCSC staff employed fluctuates rather significantly in a year (e.g. part-time course tutors engaged by the Leisure and Cultural Services Department will only report duty when a course is organised), we consider it appropriate to focus on the employment situation in respect of full-time staff. In this regard, the total number of full-time NCSC staff employed by departments as at 31 December 2002 is 13 701. The number as at 31 December 2003 is 16 147, 4 132 of whom were employed under various job creation initiatives. The breakdown of the number of full-time NCSC staff employed by individual departments and the breakdown by salary range and contract duration are also provided at **Annexes A** and **B** respectively.

9. As a special exercise to gauge whether in line with the decisions to adjust the civil service pay, adjustments in the pay of NCSC staff had in parallel also been made, we conducted two ad-hoc surveys in September 2002 and 2003 respectively to see whether departments in practice had adjusted or intended to adjust the pay of their NCSC staff. Specifically, the objective of the survey in September 2002 was to find out whether departments have made any pay adjustment for their NCSC staff during the contract period having regard to the civil service pay reduction in 2002. The survey result indicates that among the 74 departments which were employing full-time NCSC staff as at 30 September 2002, five offered pay reduction to some of their full-time NCSC staff during the contract period. The rate of pay reduction was the same as that for civil service pay adjustment in 2002.

10. For the second survey in September 2003, the objective was to study the pay adjustment for NCSC staff after it was decided to reduce the pay of civil servants in 2004 and 2005. The survey results indicate that of the 70 departments which employed full-time NCSC staff as at 1 September 2003, only 49 indicated at the

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<sup>1</sup> Employment which is not defined as "continuous contract" under the definition of the Employment Ordinance is classified as part-time staff.

survey time that they had reduced or planned to reduce the pay of their full-time NCSC staff. The reduction rate in the majority of the cases where pay reduction were effected did not exceed 6%.

**ADVICE SOUGHT**

11. Members are invited to note the above information regarding the employment of NCSC staff.

Civil Service Bureau

April 2004

**Number of full-time Non-Civil Service Contract Staff (*Note 1*)**

<b>Bureau/Department/Office</b>	<b>No. of full-time staff as at 31 December 2002</b> <i>(Note 2)</i>	<b>No. of full-time staff as at 31 December 2003</b>  (No. of staff employed under job creation initiatives)
Agriculture, Fisheries and Conservation Department	252	1 412 (1 141)
Architectural Services Department	36	29
Audit Commission	6	5
Auxiliary Medical Service	1	1
Buildings Department	486	551 (402)
Census and Statistics Department	109	85
Chief Executive's Office	3	3
Chief Secretary and Financial Secretary's Office	171	202
Civil Aviation Department	20	19
Civil Engineering Department	161	164
Civil Service Bureau ( <i>Note 3</i> )	2	3
Civil Service Training and Development Institute	17	12
Commerce, Industry and Technology Bureau	4	4
Companies Registry	98	73
Correctional Services Department	28	17
Customs and Excise Department	72	50
Department of Health	1 031	1 013 (529)
Department of Justice	96	83 (25)
Drainage Services Department	255	214
Economic Development and Labour Bureau	13	15
Education and Manpower Bureau ( <i>Note 4</i> )	82	1 135
Education Department ( <i>Note 4</i> )	1 068	-
Electrical and Mechanical Services Department	896	875
Environmental Protection Department	222	162 (134)

<b>Bureau/Department/Office</b>	<b>No. of full-time staff as at 31 December 2002</b> <i>(Note 2)</i>	<b>No. of full-time staff as at 31 December 2003</b>  (No. of staff employed under job creation initiatives)
Environment, Transport and Works Bureau	13	12 (4)
Financial Services and the Treasury Bureau	4	3
Fire Services Department	112	53
Food and Environmental Hygiene Department	541	752 (243)
Government Flying Service	8	8
Government Laboratory	36	50
Government Land Transport Agency <i>(Note 5)</i>	6	-
Government Property Agency	9	6
Government Logistics Department <i>(Note 5)</i>	-	71
Government Supplies Department <i>(Note 5)</i>	62	-
Health, Welfare and Food Bureau	19	28 (5)
Highways Department	204	172
Home Affairs Bureau	22	21
Home Affairs Department	479	407 (131)
Hong Kong Observatory	22	30
Hong Kong Police Force	206	209
Housing, Planning and Lands Bureau	1	1
Immigration Department	219	290
Information Technology Services Department	62	49
Information Services Department	25	27 (5)
Inland Revenue Department	104	146
Innovation and Technology Commission	20	25 (5)
Intellectual Property Department	29	29 (4)
Invest Hong Kong	32	46
Judiciary	162	95
Labour Department	198	240
Land Registry	58	58
Lands Department	144	134
Legal Aid Department	27	16
Leisure and Cultural Services Department	1 808	2 592 (878)

<b>Bureau/Department/Office</b>	<b>No. of full-time staff as at 31 December 2002</b> <i>(Note 2)</i>	<b>No. of full-time staff as at 31 December 2003</b>  (No. of staff employed under job creation initiatives)
Marine Department	75	59 (4)
Office of the Commissioner of Insurance	2	4
Office of the Telecommunications Authority	94	74
Official Languages Agency ( <i>Note 3</i> )	10	-
Official Receiver's Office	57	33 (14)
Planning Department	22	15 (2)
Post Office	1 553	1 624
Printing Department ( <i>Note 5</i> )	19	-
Radio Television Hong Kong	203	205
Rating and Valuation Department	71	82
Registration and Electoral Office	58	230
Security Bureau	14	19
Social Welfare Department	760	1 080 (56)
Student Financial Assistance Agency	259	299 (53)
Television and Entertainment Licensing Authority	53	55
Territory Development Department	6	5
Trade and Industry Department	59	68 (44)
Transport Department	184	160
Treasury	38	42
University Grants Committee Secretariat	11	11
Water Supplies Department	392	385 (49)
<b>Total :</b>	<b>13 701</b>	<b>16 147 (4 132)</b>

Note 1 - Number of staff employed reflects the position as at the survey date.

Note 2 - We do not have the information on the number of staff employed under job creation initiatives as at 31 December 2002.

Note 3 - Official Languages Agency merged with Civil Service Bureau on 1 July 2003.

Note 4- Education Department merged with Education and Manpower Bureau on 1 January 2003.

Note 5- Government Land Transport Agency, Government Supplies Department and Printing Department were re-organised to form a new department, Government Logistics Department, on 1 July 2003.



**Employment of Non-Civil Service Contract Staff****Salary range**

<i>Monthly salary</i>	<i>As at 31 December 2002</i>		<i>As at 31 December 2003</i>	
	<i>No. of full-time NCSC staff</i>	<i>% of total full-time NCSC staff</i>	<i>No. of full-time NCSC staff</i>	<i>% of total full-time NCSC staff</i>
Below \$16,000	10 936	79.8%	13 681	84.7%
\$16,000 - \$49,999	2 632	19.2%	2 342	14.5%
\$50,000 or above	133	1.0%	124	0.8%
<b>Total</b>	<b>13 701</b>	<b>100%</b>	<b>16 147</b>	<b>100%</b>

**Contract duration**

<i>Length of current contract</i>	<i>As at 31 December 2002</i>		<i>As at 31 December 2003</i>	
	<i>No. of full-time NCSC staff</i>	<i>% of total full-time NCSC staff</i>	<i>No. of full-time NCSC staff</i>	<i>% of total full-time NCSC staff</i>
Less than 1 year	4 588	33.5%	7 300	45.2%
1 year but less than 2 years	5 962	43.5%	7 368	45.6%
2 years to 3 years	3 151	23.0%	1 479	9.2%
<b>Total</b>	<b>13 701</b>	<b>100%</b>	<b>16 147</b>	<b>100%</b>