

L/M to MP/350/165/400/001 Pt3	2810 2746
CB1/PL/PS	2530 5827

30 June 2005

Clerk to Panel,
(Attn: Ms Rosalind Ma)
Legislative Council,
Legislative Council Building,
8 Jackson Road, Central,
Hong Kong

Dear Ms Ma,

**Panel on Public Service
Meeting on 18 April 2005**

I refer to your letter of 19 April 2005. The Administration's response to the follow-up actions items 5(a) to (e) relating to employment of Non-Civil Service Contract (NCSC) staff as listed in the action check-list attached to your letter is set out in the following paragraphs.

Item 5(a): Motion on Employment of NCSC staff

The Administration's response to the motion passed at the Panel meeting on 18 April 2005 is at Annex.

Item 5(b): Recent arrangements of the Hospital Authority (HA) for offering appointment on a long-term basis to its contract staff

We understand from HA that the latter has not offered long-term appointment to its temporary staff. We further understand that the recent arrangement adopted by HA is to employ the formerly temporary staff employed to provide temporary relief on an ad hoc basis or for specific short term one-off assignment of less than 6 months as contract staff. The duration specified in the new contracts ranges from one year to three years.

Items 5(c) and (d): Provision of detailed information on NCSC posts in bureaux/departments

Given the nature of the NCSC Scheme and in order to maintain flexibility of the Scheme, it is our policy not to micro-manage departments in the employment of NCSC staff. Hence, the Civil Service Bureau does not centrally gather information relating to the detailed employment situation of NCSC staff in individual departments. For overall monitoring of the NCSC Scheme, we gather general information such as the number of NCSC staff employed, the range of salaries, contract gratuities, contract duration etc. as at end June and end December each year. The basis of the biannual surveys is on NCSC "staff" but not NCSC "posts". Hence we do not have the detailed information on each NCSC "post" as requested by Members.

Item 5(e): Breakdown on Salary of NCSC staff

As regards the breakdown of the number and percentage of NCSC staff with monthly salary below \$8,000, i.e. item 5(e) of the list of follow up action, as at 31.12.2004, there were 4 423 NCSC staff who were in the pay range of \$5,000 to less than \$8,000 per month, and 951 NCSC staff whose pay were less than \$5,000 a month. Of those whose pay were less than \$5,000 a month, 294 were trainees under the youth job creation programmes, 10 were part-time general clerks, IT technicians and cooks who worked around 20 hours per week, and 647 were part-time Sorters, Sorting Office Assistants and Contract Workers employed by the Hongkong Post and paid on a hourly rate for about 18 to 36 hours a week.

Yours sincerely,

(Mrs Sharon Yip)
for Secretary for the Civil Service

**Panel on Public Service
Follow up to meeting on 18 April 2005**

**The Administration’s Response to the Motion on
Employment of Non-Civil Service Contract (NCSC) Staff**

Purpose

At the meeting of the Panel on Public Service held on 18 April 2005, Members passed the following motion :

“That this Panel urges the Government to immediately study the inclusion of the posts filled by non-civil service contract staff over a period of time in the permanent establishment by converting them to posts in respect of which appointment is offered on a long term basis, and to present the outcome of the study before July.”

This note sets out the Administration’s response to the motion.

Objective of the NCSC Scheme

2. The NCSC Scheme, introduced in 1999, aims to provide Heads of Department (HoDs) with a flexible means to employ staff on fixed term contracts of up to three years outside the civil service establishment to meet service needs that are short term, part-time or under review. 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 ranks or comparable levels of responsibilities. The remuneration offered to NCSC staff is an **all-inclusive** pay package which HoDs have the authority to determine as appropriate having regard to the employment market, management and operational considerations of the department, and subject to the pay offered not exceeding the mid-point salaries of comparable civil service ranks or ranks of comparable level of responsibilities.

Duration of NCSC employments in keeping with departmental requirements

3. As mentioned in paragraph 2 above, the coverage of the scheme includes catering for “short-term service needs” of departments, which refers to service needs that do not require keeping staff on a long-term basis. The duration of short-term service needs may range from a few weeks, as in the employment of enumerators for the population by-census; to a few years, as in the employment of temporary staff for clearing backlog cases in unauthorized building works and data

processors/programme analysts for implementation of large-scale IT projects. Although some of these projects span over several years, they are time-limited and do not justify the retention of staff on a long term basis as the number of staff as well as the types of expertise required will change at different stages of the projects. Hence, while some NCSC staff may have been employed for a period longer than the generally perceived notion of “short term” contracts, it is not appropriate to consider including such “posts” into the permanent establishment.

4. Apart from meeting service needs that do not require keeping staff on a long term basis, the NCSC Scheme provides trading fund departments such as the Hongkong Post and the Electrical and Mechanical Services Department with the much needed flexibility in adjusting staffing levels and staff mix to cope with the business fluctuations, which is essential to their financial viability. The Scheme also offers departments such as the Radio Television Hong Kong, Invest Hong Kong and Office of the Telecommunications Authority, which need to constantly bring in the latest expertise in the market to meet the special and rapidly changing business and operational needs in their respective fields, with a flexible and efficient means to employ suitable staff for the appropriate duration and to adjust their staffing requirements in line with the business needs. The types and duration of NCSC employment in these departments vary depending on the changing operational needs. It would therefore be necessary for these departments to continue to employ NCSC staff to meet their operational needs.

Distinction between civil service and NCSC appointments

5. Civil service and NCSC appointments are two distinct types of employment. The purposes and circumstances of employment are entirely different. Civil service appointment is meant to provide a stable workforce which is required on a permanent basis whereas NCSC appointment is meant to provide HoDs with the flexibility to employ manpower to meet service needs which are short-term, part-time or under review. It is therefore not appropriate to automatically transfer NCSC staff who have worked in departments for a certain period of time to the civil service appointment. However, if there are civil service vacancies that need to be filled through open recruitment, NCSC staff may apply for the posts together with other outside applicants and following a selection process, if selected, be appointed on civil service terms.

Management and Control

6. Given the nature of the NCSC Scheme, and in order to maintain flexibility of the scheme, our policy is not to micro-manage departments in the employment of NCSC staff. However, we have issued detailed guidelines on the scope, terms of employment, remuneration, recruitment procedures and so on for HoDs to follow in the employment of NCSC staff. We have reminded bureaux/departments to take proactive steps to ensure proper usage of the NCSC

Scheme. For Bureau Secretaries/Heads of Grades, they are requested to co-ordinate re-deployment of common grade officers in departments under their respective policy schedule. In addition, the employment of NCSC staff must be approved by a directorate officer with delegated authority from HoDs and monitored by a directorate officer not below the Directorate pay scale of D2 equivalent in accordance with the detailed guidelines on the scope, terms of employment, remuneration package, recruitment procedures etc. on the Scheme. Where there is a genuine case for permanent staffing of civil servants, we will grant exemption for general recruitment freeze and allow open recruitment of specific grades of officers. Since 2004, we have operated a central clearing mechanism to redeploy surplus clerical and secretarial staff to various bureaux and departments to take up time-limited projects, which would otherwise be performed by new NCSC staff.

Proposed enhancement measures to the NCSC Scheme

7. We appreciate Members' concerns on the NCSC employment situation in departments and consider that there is scope to further strengthen the administrative arrangements so as to enhance good management practices for the employment of NCSC staff. These proposed arrangements include:

- (a) Fixing the contract period according to the service need and avoid offering short contracts (e.g. half year or less) where the need justifies a longer term employment. Departments should offer contracts in accordance with the operational needs. Under our current guidelines, HoDs may offer contracts up to three years in duration.
- (b) Providing adequate notice to NCSC staff in case of non-renewal. Although it is clearly specified in the employment offer that the NCSC employment is for the current contract only and there is no guarantee for further employment beyond the current contract, we would encourage departments to endeavour to give 3 months' notice for non-renewal of contracts.
- (c) Providing relevant training to NCSC staff. Apart from job-related training which are provided to NCSC staff to help them discharge their duties more effectively and efficiently, we would encourage HoDs to provide orientation programmes to NCSC staff to help them "blend" in with their departments thus fostering a more harmonious working relationship.

We will pursue the above arrangements with HoDs.

Conclusion

8. The NCSC Scheme provides HoDs with added flexibility to employ staff outside the civil service establishment to meet service needs which are short term, part-time or under review. Since its introduction in 1999, we have from time to time reviewed the scheme in the light of experience and feedback received. We have also made improvements to facilitate its proper operation and usage. We will remain vigilant on the utilization of the scheme and continue to introduce appropriate measures to ensure the optimal use of human resources in the civil service and good employment practice for NCSC staff.

Civil Service Bureau

June 2005