

For discussion
on 20 March 2006

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

Purpose

This paper reports on the employment of Non-Civil Service Contract (NCSC) staff as at 31 December 2005.

NCSC Staff Scheme

2. The NCSC Staff Scheme, introduced in 1999, aims to provide Heads of Bureaux, Departments and Offices (hereafter shortened as HoDs) with a flexible means to employ staff on fixed term contracts outside the civil service establishment to meet service needs which are short-term or part-time, or subject to market fluctuations, or where the mode of delivery of the service is under review. It allows them to respond more promptly to changing operational and service needs in the first instance. We have issued detailed guidelines on the scope, terms of employment, remuneration package and recruitment procedures, etc. for the employment of NCSC staff. Within these guidelines, HoDs have full discretion to decide on the appropriate employment packages for their NCSC staff.

3. Thus far, HoDs have employed NCSC staff for the main purposes set out below:

- (a) to meet service needs that are short-term or time-limited or seasonal in nature, e.g. staff employed by Buildings Department for clearance of unauthorized building works, staff employed by Leisure and Cultural Services Department during swimming seasons, and staff employed by Inland Revenue Department to cope with the bulk issue of annual tax returns;

- (b) to meet service needs that require staff to work less than the conditioned hours required of civil servants, e.g. staff employed by the Hongkong Post for sorting, loading and unloading mail;
- (c) to meet service needs that are under review or likely to be changed, e.g. staff employed by Land Registry for the phased introduction of a central registration system and a new integrated registration information system;
- (d) to meet service needs that are subject to market fluctuations, e.g. staff employed by trading funds departments (such as the Hongkong Post and the Electrical and Mechanical Services Department) to cope with fluctuating business needs; and
- (e) to meet service needs of those departments (such as Invest Hong Kong, Radio Television Hong Kong and Office of the Telecommunications Authority) which need to tap the latest expertise in the market to meet their special and changing operational needs.

Position of NCSC Staff as at 31 December 2005

4. For the purpose of overall monitoring of the implementation of the NCSC Scheme, we collect general statistics from HoDs on the employment of NCSC staff as at 30 June and 31 December each year. As at 31 December 2005, there were 15 687 full-time NCSC staff employed in 68 bureaux/departments/offices. The figure is comparable to the position as at end June 2005. The breakdown of NCSC staff by department is at **Annex 1**.

5. As at 31 December 2005, some 85% of the NCSC staff were on contracts of less than two years, same as the position as at 30 June 2005. The breakdown of the number of NCSC staff by contract duration is set out in **Annex 2**.

6. As at 31 December 2005, about half (49.7%) of the NCSC staff received a monthly pay of \$8,000 to \$16,000. Of the 770 NCSC staff paid at \$5,000 or less a month, 213 were Trainees/Youth Ambassadors under the

youth job creation programmes. The remaining 557 were mainly sorters, sorting office assistants and staff employed by the Hongkong Post who were paid on an hourly rate and who worked between 18-36 hours a week. Their monthly pay varied according to the number of hours actually worked. Their monthly pay would be in the range of \$6,000 to \$9,000 if they worked for 44 hours per week. The breakdown of the number of NCSC staff by monthly salary range is at **Annex 3**.

7. As at 31 December 2005, some 85% of NCSC staff had been employed for less than five years. Of the 2 300 NCSC staff who have been employed for more than five years, some of them had already worked as temporary staff before introduction of the NCSC Scheme in 1999, and the others had been employed for purposes described in paragraph 3 (a) to (d) above. The breakdown of the number of NCSC staff by length of continuous service is at **Annex 4**.

Assessment and Next Step

8. Based on experience since 1999, the NCSC Scheme has achieved the aims as set out in paragraph 2 above. We consider there is a continued need for the Scheme. We also note the concerns expressed from time to time on various aspects of the Scheme, such as the short duration of the contracts offered, the need to provide adequate notice on non-renewals, etc. We have accordingly issued further advice to HoDs to strengthen the management arrangements, including the need for HoDs to avoid offering short contracts (say three to six months) where the need justifies employment for a longer period, and to provide as far as possible three months' notice for non-renewal of contracts.

9. We have also advised HoDs that they may seek exemption from the civil service general recruitment freeze if they consider certain services must be undertaken by civil servants instead of NCSC staff because the operational needs are of a long-term nature and alternative forms of service delivery would not be appropriate. Upon the granting of exemption, they may conduct open recruitment exercises. Existing NCSC staff may take part in these exercises together with outside applicants, and any selected NCSC staff will be appointed on civil service terms. In recent months, exceptional approval to conduct open recruitment has been given to

the Food and Environmental Hygiene Department to fill civil service posts in the Pest Control Officer and Pest Control Assistant grades; to the Department of Health to fill posts in the Medical and Health Officer and Pharmacist grades, and to the Intellectual Property Department to fill posts in the Solicitor grade.

10. In addition to the above measures, we will conduct a special review of the NCSC staff situation on a department-by-department basis to better understand individual department's overall manpower situation. Where it is established that civil servants instead of NCSC staff should be employed to meet specific service needs, we intend to devise feasible measures with the concerned HoDs while ensuring the size of the overall civil service establishment would remain under control. In view of the number of departments involved, we anticipate the review will take some six months' time. We will report back to the Panel later this year on the results of our review.

Advice Sought

11. Members are invited to note the contents of this paper.

**Employment of Non-Civil Service Contract (NCSC) Staff
by Bureau/Department/Office
(Position as at 31.12.2005)**

| Bureau/Department/Office | No. of NCSC Staff (and percentage to total) |
|--|--|
| 1 Agriculture, Fisheries and Conservation Department | 505 (3.2%) |
| 2 Architectural Services Department | 21 (0.1%) |
| 3 Audit Commission | 6 (0.0%) |
| 4 Auxiliary Medical Service | 1 (0.0%) |
| 5 Buildings Department | 800 (5.1%) |
| 6 Census and Statistics Department | 143 (0.9%) |
| 7 Chief Executive's Office | 4 (0.0%) |
| 8 Chief Secretary and Financial Secretary's Office | 221 (1.4%) |
| 9 Civil Aviation Department | 17 (0.1%) |
| 10 Civil Engineering and Development Department | 178 (1.1%) |
| 11 Civil Service Bureau | 11 (0.1%) |
| 12 Commerce, Industry and Technology Bureau | 8 (0.1%) |
| 13 Companies Registry | 28 (0.2%) |
| 14 Constitutional Affairs Bureau | 2 (0.0%) |
| 15 Correctional Services Department | 12 (0.1%) |
| 16 Customs and Excise Department | 82 (0.5%) |
| 17 Department of Health | 1 060 (6.8%) |
| 18 Department of Justice | 63 (0.4%) |
| 19 Drainage Services Department | 208 (1.3%) |
| 20 Economic Development and Labour Bureau | 18 (0.1%) |
| 21 Education and Manpower Bureau | 1 339 (8.5%) |
| 22 Electrical and Mechanical Services Department | 1 036 (6.6%) |
| 23 Environment, Transport and Works Bureau | 12 (0.1%) |
| 24 Environmental Protection Department | 145 (0.9%) |
| 25 Financial Services and the Treasury Bureau | 10 (0.1%) |
| 26 Fire Services Department | 44 (0.3%) |
| 27 Food and Environmental Hygiene Department | 1 006 (6.4%) |
| 28 Government Flying Service | 8 (0.1%) |
| 29 Government Laboratory | 68 (0.4%) |
| 30 Government Logistics Department | 73 (0.5%) |
| 31 Government Property Agency | 7 (0.0%) |
| 32 Health, Welfare and Food Bureau | 29 (0.2%) |
| 33 Highways Department | 221 (1.4%) |

| Bureau/Department/Office | No. of NCSC Staff (and percentage to total) | |
|---|--|-----------------|
| 34 Home Affairs Bureau | 47 | (0.3%) |
| 35 Home Affairs Department | 352 | (2.2%) |
| 36 Hong Kong Observatory | 15 | (0.1%) |
| 37 Hong Kong Police Force | 178 | (1.1%) |
| 38 Housing, Planning and Lands Bureau | 5 | (0.0%) |
| 39 Immigration Department | 177 | (1.1%) |
| 40 Information Services Department | 36 | (0.2%) |
| 41 Inland Revenue Department | 168 | (1.1%) |
| 42 Innovation and Technology Commission | 27 | (0.2%) |
| 43 Intellectual Property Department | 32 | (0.2%) |
| 44 Invest Hong Kong | 51 | (0.3%) |
| 45 Judiciary | 139 | (0.9%) |
| 46 Labour Department | 224 | (1.4%) |
| 47 Land Registry | 110 | (0.7%) |
| 48 Lands Department | 249 | (1.6%) |
| 49 Legal Aid Department | 13 | (0.1%) |
| 50 Leisure and Cultural Services Department | 1 995 | (12.7%) |
| 51 Marine Department | 39 | (0.2%) |
| 52 Office of Government Chief Information Officer | 30 | (0.2%) |
| 53 Office of the Telecommunications Authority | 72 | (0.5%) |
| 54 Official Receiver's Office | 28 | (0.2%) |
| 55 Planning Department | 28 | (0.2%) |
| 56 Post Office | 1 952 | (12.4%) |
| 57 Radio Television Hong Kong | 222 | (1.4%) |
| 58 Rating and Valuation Department | 94 | (0.6%) |
| 59 Registration and Electoral Office | 55 | (0.4%) |
| 60 Security Bureau | 22 | (0.1%) |
| 61 Social Welfare Department | 936 | (6.0%) |
| 62 Student Financial Assistance Agency | 393 | (2.5%) |
| 63 Television and Entertainment Licensing Authority | 45 | (0.3%) |
| 64 Trade and Industry Department | 54 | (0.3%) |
| 65 Transport Department | 173 | (1.1%) |
| 66 Treasury | 77 | (0.5%) |
| 67 University Grants Committee Secretariat | 15 | (0.1%) |
| 68 Water Supplies Department | 248 | (1.6%) |
| Total | 15 687 | (100.0%) |

**Employment of Non-Civil Service Contract (NCSC) Staff
(Position as at 31.12.2005)**

Contract Duration

| Length of current contract | No. of NCSC Staff (and percentage to total) | |
|-----------------------------------|--|---------------|
| < 1 year | 3 851 | (24.5%) |
| 1 - < 2 years | 9 628 | (61.4%) |
| 2 - ≤ 3 years | 2 208 | (14.1%) |
| Total | 15 687 | (100%) |

**Employment of Non-Civil Service Contract (NCSC) Staff
(Position as at 31.12.2005)**

Salary Range

| Monthly Salary | No. of NCSC Staff (and percentage to total) | |
|---------------------|--|---------------|
| \$30,000 or above | 1 038 | (6.6%) |
| \$16,000 - \$29,999 | 1 685 | (10.8%) |
| \$8,000 - \$15,999 | 7 801 | (49.7%) |
| \$5,000 - \$7,999 | 4 393 | (28.0%) |
| Others* | 770 | (4.9%) |
| Total | 15 687 | (100%) |

- * (1) Trainees/Youth Ambassadors under youth job creation programmes; 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.

**Employment of Non-Civil Service Contract (NCSC) Staff
(Position as at 31.12.2005)**

Length of Service

| Length of continuous service | No. of NCSC Staff (and percentage to total) | |
|-------------------------------------|--|---------------|
| Less than 3 years | 9 324 | (59.4%) |
| 3 years to less than 5 years | 4 045 | (25.8%) |
| 5 years or more | 2 318 | (14.8%) |
| Total | 15 687 | (100%) |