

For information

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

Purpose

This paper provides supplementary information requested by Members concerning the employment of Non-Civil Service Contract (NCSC) staff by the Government.

Background

2. At the Legislative Council Public Service Panel meeting held on 16 February 2009, Members considered a paper submitted by the Administration on the employment position of NCSC staff as at 31 December 2008. During the discussion, Members asked for a further breakdown of these NCSC staff by reasons of employment.

3. The NCSC Staff Scheme, introduced in 1999, allows Bureaux/Departments (B/Ds) to employ non-civil service staff under one or several of the following reasons -

- (a) to meet service needs that are time-limited, short-term or seasonal in nature;
- (b) to meet service needs that require staff to work less than the conditioned hours required of civil servants;
- (c) to meet service needs where the mode of service delivery is under review or likely to be changed;
- (d) to meet service needs that are subject to market fluctuation;
- (e) to tap latest expertise in the market to meet special and changing operational needs; and
- (f) to meet operational needs in government schools under the school-based management initiative.

4. There is no stipulation on how long an NCSC staff may be employed on a continuous basis, provided his employment meets one or several of the reasons stated above. For example, where a service is to be implemented for a fixed period of time (e.g. a 10-year programme to remove illegal building structures), NCSC staff may be employed for the requisite period of time. Where the mode of delivery of a service is under review, it is not unusual for the concerned NCSC staff to be employed for a number of years, having regard to the complexity of the review, the need to consult all the relevant stakeholders and the time required to implement the review recommendations. Separately, there have also been instances where NCSC staff, employed for one reason, are re-employed for another reason, without any break in service.

Reasons of employment

5. The reasons of employing NCSC staff by the eight largest NCSC-user B/Ds are set out in **Annexes (1) to (8)**. These eight entities together employed some 64% (i.e. 9 364 out of a total of 14 608) full-time¹ NCSC staff as at 31 December 2008. A brief analysis of the situation in each of these B/Ds is provided in the ensuing paragraphs.

(I) *Hongkong Post (PO)*

6. PO employed a total of 2 386 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. For instance, 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

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 global economy as compared with the same period a year ago.

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

7. EMSD employed a total of 1 501 full-time NCSC staff. Around 85% 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 15% of NCSC staff were employed mainly as apprentices for training purpose on a time-limited basis, in collaboration with the Vocational Training Council.

(III) *Leisure and Cultural Services Department (LCSD)*

8. LCSD employed 1 304 full-time NCSC staff. Around 65% 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. Another some 15% of NCSC staff were employed mainly to meet service needs which were time-limited in nature, e.g. general support services for ad hoc projects or short-term service needs, and youth trainees under the youth job creation programme. The remaining some 20% 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.

(IV) Education Bureau (EDB)

9. EDB employed a total of 1 135 full-time NCSC staff. Around 70% 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 5% were employed mainly to provide services where the long-term need or the mode of service delivery was under review.

(V) Department of Health (DH)

10. DH employed a total of 1 069 full-time NCSC staff. Around 65% were employed to meet ad hoc and time-limited service requirements, including additional health surveillance measures at immigration control points and enhanced IT systems to support public health control. Another some 10% 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 25% 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.

(VI) Buildings Department (BD)

11. BD employed a total of 741 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 2011-12.

(VII) Food and Environmental Hygiene Department (FEHD)

12. FEHD employed a total of 668 full-time NCSC staff. Some 30% were employed mainly to undertake market management duties and cleansing work. The mode of delivery of both types of services is under review. FEHD launched a pilot scheme to outsource the management of public markets in 2004. With the experience gathered from the pilot scheme, the outsourcing arrangement has been extended by phases to a total of eleven districts. The Department plans to outsource the management of all public markets in the long run. It also plans to outsource its cleansing service in the long term. In determining the pace of outsourcing, the Department will take into account its operational and service needs, staff deployment plan and the overall economic situation etc. Another some 25% of NCSC staff were employed mainly to meet service needs which were short-term or time-limited in nature, e.g. the aqua privies conversion programme. The remaining some 45% 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) Student Financial Assistance Agency (SFAA)

13. SFAA employed a total of 560 full-time NCSC staff. Some 70% were employed to provide services under review. At the invitation of SFAA, EU has completed a business process 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 engaging an external consultant to undertake a feasibility study and related system analysis and design. Some 25% 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 5% 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

14. Members are invited to note the contents of this Paper.

Civil Service Bureau
July 2009

Hongkong Post

Reasons of employment		No. of NCSC staff as at 31.12.2008 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	624	488	1112
(2)	To meet service needs that are subject to market fluctuation	914	360	1274
Total :		1538	848	2386

Electrical and Mechanical Services Department

Reasons of employment		No. of NCSC staff as at 31.12.2008 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited, short-term or seasonal in nature	195	3	198
(2)	To meet service needs that are subject to market fluctuation	670	629	1299
(3)	To tap the latest expertise in the market	3	1	4
Total :		868	633	1501

Leisure and Cultural Services Department

Reasons of employment		No. of NCSC staff as at 31.12.2008 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited, short-term or seasonal in nature	98	76	174
(2)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	394	447	841
(3)	To tap the latest expertise in the market	11	13	24
(4)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note)	37	228	265
Total :		540	764	1304

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.

Education Bureau

Reasons of employment		No. of NCSC staff as at 31.12.2008 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited, short-term or seasonal in nature	248	27	275
(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	42	5	47
(4)	To tap the latest expertise in the market	4	1	5
(5)	To meet the unique operational needs in government schools under school-based management initiatives	652	116	768
(6)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note)	25	9	34
Total :		973	162	1135

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.

Department of Health

Reasons of employment		No. of NCSC staff as at 31.12.2008 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited, short-term or seasonal in nature	677	33	710
(2)	To meet service needs that require staff to work less than the conditioned hours required of civil servants	12	-	12
(3)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	71	13	84
(4)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note)	146	117	263
Total :		906	163	1069

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 31.12.2008 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited, short-term or seasonal in nature	602	139	741
Total :		602	139	741

Food and Environmental Hygiene Department

Reasons of employment		No. of NCSC staff as at 31.12.2008 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited, short-term or seasonal in nature	145	4	149
(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	72	138	210
(4)	To tap the latest expertise in the market	1	2	3
(5)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note)	254	50	304
Total :		474	194	668

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.

Student Financial Assistance Agency

Reasons of employment		No. of NCSC staff as at 31.12.2008 with length of continuous service		Total
		Less than five years	Five years or more	
(1)	To meet service needs that are time-limited, short-term or seasonal in nature	135	14	149
(2)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	310	72	382
(3)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note)	27	2	29
Total :		472	88	560

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.