

For discussion
on 15 November 2010

Legislative Council Panel on Public Service

Employment Situation of Non-Civil Service Contract Staff

Purpose

This paper updates Members 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 particular area; or where the mode of service delivery is under review or likely to be changed. The terms of employment of NCSC staff are separate and different from those of civil servants. HoDs may determine the employment package of their NCSC staff having regard to the work involved, the labour market and other relevant considerations, provided the terms offered are overall speaking no less favourable than those prescribed 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.

Replacement of NCSC Positions by Civil Service Posts

3. The Civil Service Bureau (CSB), jointly with B/Ds, conducted a special review on the employment situation of NCSC staff in 2006. We advised Members in December 2006 that the review had identified some 4 000 NCSC positions which would gradually be replaced by civil service posts as the work involved should more appropriately be performed by civil servants. As at 30 June 2010, about 3 390 positions have been phased out

upon expiry of the employment contracts of the concerned NCSC staff and the recruitment of the replacement civil servants.

4. Since the 2006 review, B/Ds have identified another 780 NCSC positions which involved work that should more appropriately be carried out by civil servants. So far, about 460 positions have been phased out and replaced by civil service posts. B/Ds will keep their employment of NCSC staff under regular review and, where appropriate, replace NCSC positions with civil service posts.

5. As a general practice, when B/Ds identify specific NCSC positions for phasing out, the concerned staff are advised well in advance so that they may plan and make future arrangements in good time. B/Ds also provide employment assistance to outgoing NCSC staff where necessary. We welcome interested NCSC staff to apply for civil service jobs. Towards this end, B/Ds have 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.

6. The Government's recruitment policy is to select the most suitable persons for the specified civil service vacancies through an open, fair and competitive process. For this reason, it is not appropriate to appoint NCSC staff automatically to the civil service. Since relevant working experience is one of the factors taken into account in the recruitment of civil servants, we consider NCSC staff who meet the basic entry requirements of specific civil service ranks should generally enjoy a competitive edge over other applicants because of their working experience in the Government. To ensure the prudent use of public funds, offers of appointment to the civil service are made to the successful applicants at the entry pay of the concerned ranks. Under our existing policy, incremental credit for relevant working experience may only be granted where there is recruitment difficulty and where there is a specific need to recruit persons with relevant working experience.

Position of NCSC Staff as at 30 June 2010

7. The number of NCSC staff employed by B/Ds varies from time to time having regard to their changing service and operational requirements. As at 30 June 2010, there were 15 867 full-time¹ NCSC staff employed by

¹ "Full-time" means the employment is on a "continuous contract" as defined by the Employment Ordinance, namely an employee who works continuously for the same employer for four weeks or more, with at least 18 hours in each week.

B/Ds. A breakdown of the employment situation by B/Ds is at **Annex A**. The number is typically higher during the summer season when more NCSC staff are employed to enhance support at aquatic venues and public libraries. As shown in **Annex B**, the majority (about 74%) of them were employed for less than five years as at 30 June 2010. As shown in **Annex C**, most (about 86%) were employed on contracts of less than two years. As shown in **Annex D**, the majority (about 62%) received monthly pay in the range of \$8,000 to \$15,999. A breakdown of the reasons for employing NCSC staff by the eight largest NCSC-user B/Ds as well as the ratio of civil servants, full-time NCSC staff and agency workers² in these B/Ds are provided in **Annex E**. These eight B/Ds together employed some 65% (or 10 351) full-time NCSC staff as at 30 June 2010. 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)

8. LCSD employed 2 753 full-time NCSC staff. Around 64% were employed mainly to meet service needs which were time-limited or seasonal in nature. Another 31% were employed mainly to provide various services in public museums and public libraries where the mode of service delivery was, at the time the employment contracts were entered into, under review or likely to be changed. Since then (in February 2010), the Administration has decided that the mode of delivery of public museum services should remain unchanged, i.e. continue to be provided by LCSD. Accordingly, the Department is gradually phasing out the relevant NCSC positions upon the recruitment of the replacement civil servants and the expiry of the employment contracts of concerned NCSC staff. The review on the mode of delivery of public library services is nearing completion, and the Department will consult the staff side on the recommended way forward. The remaining 5% NCSC staff were employed mainly in work that required the tapping of expertise in the market from time to time or in work that should more appropriately be performed by civil servants as identified in the 2006 special review. The positions occupied by the latter will be gradually replaced by civil service posts.

² Agency workers generally refer to manpower supplied by employment agencies under a service contract and work under the direct supervision of the procuring B/Ds. As agency workers are mainly used to meet service needs which are urgent or unforeseen or which entail irregular work pattern, they may not necessarily engaged by the procuring B/Ds on a full-time basis. For easy comparison, the ratio in Annex E assumes agency workers were engaged on a full-time basis.

(II) *Hongkong Post (PO)*

9. PO employed 2 138 full-time NCSC staff. About 46% worked less than the conditioned hours required of civil servants and undertook sorting and loading/unloading of mails. The remaining 54% were mainly engaged to undertake operational, marketing, sales and over-the-counter work, which fluctuates according to changes in market demand from time to time. As an illustration, mail volume increased by about 7% in Q3 of 2008 (over the same period in 2007) and dropped by about 11% in Q3 of 2009 (over the same period in 2008) due to the changes in the global and local economies.

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

10. EMSD employed 1 646 full-time NCSC staff. Around 88% were employed to deliver services under the Department's trading fund arm (e.g. ad hoc or time-limited consultancy work, project management, maintenance, etc.) which fluctuated according to changes in market demand. The remaining 12% were employed mainly as apprentices for training purpose on a time-limited basis, in collaboration with the Vocational Training Council.

(IV) *Education Bureau (EDB)*

11. EDB employed 1 120 full-time NCSC staff. Around 71% 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 appropriate mix of supporting staff to dovetail with their operational needs at different times. Another 24% NCSC staff were employed to support various time-limited education reform initiatives (e.g. language support projects, implementation of the new academic structure for senior secondary education, etc.). The remaining 5% were employed mainly to provide services where the long-term need or the mode of service delivery was under review, or to undertake work should more appropriately be performed by civil servants as identified in the 2006 special review. The positions occupied by the latter will be gradually replaced by civil service posts.

(V) *Department of Health (DH)*

12. DH employed 944 full-time NCSC staff. Around 73% were employed to meet ad hoc and time-limited service requirements (e.g. health

surveillance measures at immigration control points, various healthcare projects, etc.). Another 12% were employed mainly to deliver services which were under review, including registration and enforcement work related to proprietary Chinese medicines and Chinese medicines traders. 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 replaced by civil service posts.

(VI) *Student Financial Assistance Agency (SFAA)*

13. SFAA employed 649 full-time NCSC staff. Some 58% were employed to undertake work which would undergo fundamental process re-engineering upon the implementation of a new integrated information technology system, the funding of which was approved by the Finance Committee of the Legislative Council in April 2010. The system will be installed in phases with the first phase scheduled for 2013-14. SFAA will review and determine the manpower requirement and preferred complement of staff under the new integrated information technology system. Another 39% NCSC staff were employed to cope with time-limited or seasonal peaks of work (e.g. the seasonal influx of applications under various financial assistance schemes, clearance of the backlog of default payments, etc.). The remaining 3% were employed in work which should more appropriately be performed by civil servants as identified in the 2006 special review. These positions will be gradually replaced by civil service posts.

(VII) *Buildings Department (BD)*

14. BD employed 583 full-time NCSC staff. Some 91% were employed to meet time-limited service needs, and the majority was engaged for the removal of unauthorised building works and improvement of the safety standards of existing buildings under a ten-year enforcement programme ending in March 2011. The remaining 9% NCSC staff were mainly employed to handle water seepage complaints where the mode of delivery of service was under review.

(VIII) *Food and Environmental Hygiene Department (FEHD)*

15. FEHD employed 518 full-time NCSC staff. Some 56% were employed mainly to undertake cleansing and market management duties and to handle water seepage complaints. The mode of delivery of these services was, at the time the employment contracts were entered into with the relevant NCSC staff, under review or likely to be changed. Since then, the Department has determined that the cleansing duties should be delivered

through a mixed mode, i.e. outsourcing supplemented by a core team of civil servants. Thus the related NCSC positions will be replaced by civil servants upon the expiry of the employment contracts of the concerned NCSC staff and the recruitment of the replacement civil servants. Some 19% NCSC staff were employed mainly to meet short-term or time-limited service needs (e.g. the aqua privies conversion programme, the food labelling-related projects, etc.). The remaining 25% were mainly employed in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review. These positions will be gradually replaced by civil service posts.

Advice Sought

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

Civil Service Bureau
November 2010

Annex A**Employment of Full-time NCSC Staff
by Bureau/Department/Office
(Position as at 30.6.2010)**

Bureau/Department/Office	Number of NCSC Staff
Agriculture, Fisheries and Conservation Department	323
Architectural Services Department	56
Buildings Department	583
Census and Statistics Department	392
Chief Executive's Office	6
Chief Secretary and Financial Secretary's Office (including the Efficiency Unit)	312
Civil Aviation Department	16
Civil Engineering and Development Department	108
Civil Service Bureau	1
Commerce and Economic Development Bureau	32
Companies Registry	68
Constitutional and Mainland Affairs Bureau	15
Correctional Services Department	9
Customs and Excise Department	27
Department of Health	944
Department of Justice	40
Development Bureau	33
Drainage Services Department	78
Education Bureau	1 120
Electrical and Mechanical Services Department	1 646
Environment Bureau	7
Environmental Protection Department	133
Financial Services and the Treasury Bureau	37
Fire Services Department	32
Food and Environmental Hygiene Department	518
Food and Health Bureau	16
Government Flying Service	9
Government Laboratory	25
Government Logistics Department	44
Government Property Agency	7
Highways Department	47
Home Affairs Bureau	32
Home Affairs Department	494
Hong Kong Observatory	20
Hong Kong Police Force	136
Hongkong Post	2 138
Immigration Department	174
Information Services Department	19

Bureau/Department/Office	Number of NCSC Staff
Inland Revenue Department	170
Innovation and Technology Commission	42
Intellectual Property Department	18
Invest Hong Kong	56
Judiciary	149
Labour and Welfare Bureau	23
Labour Department	186
Land Registry	143
Lands Department	242
Legal Aid Department	5
Leisure and Cultural Services Department	2 753
Marine Department	12
Office of the Government Chief Information Officer	17
Office of the Telecommunications Authority	92
Official Receiver's Office	50
Planning Department	27
Radio Television Hong Kong	341
Rating and Valuation Department	77
Registration and Electoral Office	256
Security Bureau	21
Social Welfare Department	352
Student Financial Assistance Agency	649
Television and Entertainment Licensing Authority	38
Trade and Industry Department	102
Transport and Housing Bureau	5
Transport Department	180
Treasury	44
University Grants Committee Secretariat	21
Water Supplies Department	99
Total	15 867

**Employment of Full-time NCSC Staff
(Position as at 30.6.2010)**

Length of Continuous Service*

Length of continuous service	No. of NCSC Staff (and percentage to total)	
Less than 3 years	8 947	(56.4%)
3 years to less than 5 years	2 829	(17.8%)
5 years or more	4 091	(25.8%)
Total	15 867	(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 Full-time NCSC Staff
(Position as at 30.6.2010)**

Contract Duration

Length of current contract	No. of NCSC Staff (and percentage to total)	
< 1 year	4 153	(26.2%)
1 - < 2 years	9 545	(60.1%)
2 - ≤ 3 years	2 169	(13.7%)
Total	15 867	(100%)

**Employment of Full-time NCSC Staff
(Position as at 30.6.2010)**

Salary Range

Monthly Salary	No. of NCSC Staff (and percentage to total)	
\$30,000 or above	1 229	(7.7%)
\$16,000 - \$29,999	2 311	(14.6%)
\$8,000 - \$15,999	9 821	(61.9%)
\$5,000 - \$7,999	1 368	(8.6%)
Others*	1 138	(7.2%)
Total	15 867	(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 they have actually worked.

Leisure and Cultural Services Department

Reasons of employment		No. of Full-time NCSC staff as at 30.6.2010 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	1661	105	1766
(2)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	437	422	859
(3)	To tap the latest expertise in the market	19	14	33
(4)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note 1)	24	71	95
Total :		2141	612	2753
Ratio of civil servants to full-time NCSC staff to agency workers ^(Note 2) : 100 : 35 : 4				

Notes:

- (1) 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.
- (2) The position of civil servants and NCSC staff was as at 30.6.2010 whereas that of agency workers was as at 30.9.2010. For easy comparison, agency workers were assumed to be engaged by the B/D on a full-time basis.

Hongkong Post

Reasons of employment		No. of Full-time NCSC staff as at 30.6.2010 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	511	470	981
(2)	To meet service needs that are subject to market fluctuation	721	436	1157
Total :		1232	906	2138
Ratio of civil servants to full-time NCSC staff to agency workers ^(Note) : 100 : 41:0				

Note: The position of civil servants and NCSC staff was as at 30.6.2010 whereas that of agency workers was as at 30.9.2010. For easy comparison, agency workers were assumed to be engaged by the B/D on a full-time basis.

Electrical and Mechanical Services Department

Reasons of employment		No. of Full-time NCSC staff as at 30.6.2010 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	186	3	189
(2)	To meet service needs that are subject to market fluctuation	879	574	1453
(3)	To tap the latest expertise in the market	3	1	4
Total :		1068	578	1646
Ratio of civil servants to full-time NCSC staff to agency workers ^(Note) : 100 : 43 : 2				

Note: The position of civil servants and NCSC staff was as at 30.6.2010 whereas that of agency workers was as at 30.9.2010. For easy comparison, agency workers were assumed to be engaged by the B/D on a full-time basis.

Education Bureau

Reasons of employment		No. of Full-time NCSC staff as at 30.6.2010 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	234	36	270
(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	23	3	26
(4)	To tap the latest expertise in the market	10	2	12
(5)	To meet the unique operational needs in government schools under school-based management initiatives	661	137	798
(6)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note 1)	8	0	8
Total :		938	182	1120
Ratio of civil servants to full-time NCSC staff to agency workers ^(Note 2) : 100 : 20 :5				

Notes:

- (1) 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.
- (2) The position of civil servants and NCSC staff was as at 30.6.2010 whereas that of agency workers was as at 30.9.2010. For easy comparison, agency workers were assumed to be engaged by the B/D on a full-time basis.

Department of Health

Reasons of employment		No. of Full-time NCSC staff as at 30.6.2010 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	653	40	693
(2)	To meet service needs that require staff to work less than the conditioned hours required of civil servants	9	1	10
(3)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	83	26	109
(4)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note 1)	41	91	132
Total :		786	158	944
Ratio of civil servants to full-time NCSC staff to agency workers ^(Note 2) : 100 : 17 : 6				

Notes:

- (1) 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.
- (2) The position of civil servants and NCSC staff was as at 30.6.2010 whereas that of agency workers was as at 30.9.2010. For easy comparison, agency workers were assumed to be engaged by the B/D on a full-time basis.

Student Financial Assistance Agency

Reasons of employment		No. of Full-time NCSC staff as at 30.6.2010 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	237	14	251
(2)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	276	99	375
(3)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note 1)	19	4	23
Total :		532	117	649
Ratio of civil servants to full-time NCSC staff to agency workers ^(Note 2) : 100 : 218 : 12				

Notes:

- (1) 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.
- (2) The position of civil servants and NCSC staff was as at 30.6.2010 whereas that of agency workers was as at 30.9.2010. For easy comparison, agency workers were assumed to be engaged by the B/D on a full-time basis.

Buildings Department

Reasons of employment		No. of Full-time NCSC staff as at 30.6.2010 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	387	143	530
(2)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	44	9	53
Total :		431	152	583
Ratio of civil servants to full-time NCSC staff to agency workers ^(Note) : 100 : 59 : 20				

Note: The position of civil servants and NCSC staff was as at 30.6.2010 whereas that of agency workers was as at 30.9.2010. For easy comparison, agency workers were assumed to be engaged by the B/D on a full-time basis.

Food and Environmental Hygiene Department

Reasons of employment		No. of Full-time NCSC staff as at 30.6.2010 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	75	16	91
(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	138	153	291
(4)	To tap the latest expertise in the market	3	-	3
(5)	NCSC staff engaged in work that should more appropriately be performed by civil servants as identified in the 2006 Special Review ^(Note 1)	104	27	131
Total :		322	196	518
Ratio of civil servants to full-time NCSC staff to agency workers ^(Note 2) : 100 : 5 : 1				

Notes:

- (1) 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.
- (2) The position of civil servants and NCSC staff was as at 30.6.2010 whereas that of agency workers was as at 30.9.2010. For easy comparison, agency workers were assumed to be engaged by the B/D on a full-time basis.