

## **Legislative Council Panel on Public Service**

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

#### **Purpose**

This paper briefs Members on the Non-Civil Service Contract (NCSC) Staff Scheme and provides an update on the employment of NCSC staff as at end June 2012.

#### **Non-Civil Service Contract Staff Scheme**

##### ***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/Offices (hereafter shortened as B/Ds) –

- (a) which may be time-limited, seasonal, or subject to market fluctuations; or
- (b) which require staff to work less than the conditioned hours; or
- (c) which require tapping the latest expertise in a particular area; or
- (d) where the mode of service delivery is under review or likely to be changed.

It is not appropriate to create civil service posts to cover these specific service needs as they are not of a permanent nature and in some cases, there are no comparable civil service grades performing the required tasks.

##### ***Guiding Principles***

3. Civil service and NCSC appointments are two distinct types of employment. The purposes and circumstances of employment are entirely different and so are the terms of employment. HoDs have full discretion to determine 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 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.

4. Remuneration offered to NCSC staff is an all-inclusive pay package which HoDs have the authority to determine having regard to the work nature, the employment market, and other relevant considerations, subject to the pay offered not exceeding the mid-point salaries of comparable civil service ranks or ranks of comparable level of responsibilities.

### ***Management and Control***

5. Given the nature of the NCSC Staff Scheme, and in order to maintain flexibility of the Scheme, it is our policy not to micro manage B/Ds in the employment of NCSC staff. However, the Civil Service Bureau (CSB) has issued guidelines on the scope, terms of employment, remuneration package, recruitment procedures etc. for HoDs to follow in the employment of NCSC staff. For the purpose of overall monitoring of the implementation of the Scheme, we collect statistics from departments on the number of NCSC staff employed, contract duration and the range of salaries offered from time to time.

6. At the departmental level, the employment of NCSC staff must be approved by a directorate officer with delegated authority from HoDs and there should be a directorate officer not below the Directorate pay scale of D2 equivalent to control and monitor the implementation of the Scheme. It is incumbent upon HoDs to ensure that the use of NCSC staff fits the ambit of the Scheme and to review from time to time whether the service needs should better be met by other means.

### **Replacement of NCSC Positions by Civil Service Posts**

7. CSB, in conjunction with B/Ds, conducted a special review on the employment situation of NCSC staff in 2006. The number of full-time<sup>1</sup> NCSC staff employed by B/Ds was 16 488 as at 31 March 2006 when the review was conducted. 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 2012, about

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<sup>1</sup> "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.

3 850 such positions have been phased out upon expiry of the employment contracts of the concerned NCSC staff and the recruitment of replacement civil servants.

8. Between March 2006 and June 2012, B/Ds have also identified some 1 800 NCSC positions which involved work with permanent service needs that should more appropriately be carried out by civil servants. As at 30 June 2012, 1 230 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, seek to replace NCSC positions with civil service posts.

9. 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 seek alternative employment in good time. B/Ds also offer 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. Since relevant working experience is one of the factors taken into account in the recruitment of civil servants, 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.

### **Position of NCSC Staff as at 30 June 2012**

10. 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 2012, there were 14 535 full-time NCSC staff employed by 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, or during peak seasons of work for certain departments such as those for processing tax assessment and returns, applications for student financial assistance, etc.

11. As shown in **Annex B**, the majority (some 67%) of the NCSC staff were employed for less than five years as at 30 June 2012. Most (about 90%) were employed on contracts of less than two years (please see **Annex C**). As set out in **Annex D**, about 65% received monthly pay between \$8,000 to \$15,999 and another 17% were remunerated between \$16,000 and \$29,999 while 10% received monthly pay of \$30,000 or over. A breakdown of the reasons for employing NCSC staff by the eight largest

NCSC staff-user B/Ds is provided in **Annex E**. These eight B/Ds together employed some 65% (or 9 490) full-time NCSC staff as at 30 June 2012. A brief analysis of the situation in each of these B/Ds is provided in the ensuing paragraphs.

**(I) *Hongkong Post (PO)***

12. PO employed 2 073 full-time NCSC staff. Half of them, who carried out sorting and loading/unloading of mails, worked less than the conditioned hours required of civil servant. The remaining half were mainly engaged to undertake operational, marketing, sales and over-the-counter work, which fluctuated according to changes in market demand from time to time. There is a practical need for PO to engage an NCSC workforce in order to cope with seasonal as well as monthly and daily fluctuations in mail traffic under the prevailing volatile and price-sensitive market conditions, whereby changes in the mail volume are difficult to predict and are beyond its control. As an illustration, mail volume increased by about 14.9% in Q3 of 2012 over the same period in 2011. The monthly traffic for local mail upsurged by 48.3% in August over July 2012. As for the weekly traffic, outward air mail dropped by 26.5% in the week of 23 July 2012 as compared to the preceding week, and increased by 62.8% in the following week of 30 July 2012.

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

13. LCSD employed 1 981 full-time NCSC staff. Around 64% were employed mainly to meet service needs which were time-limited or seasonal in nature, such as seasonal lifeguards and filtration plant room operators for aquatic venues. The remaining were employed mainly to provide various services where the mode of service delivery was, at the time when the employment contracts were entered into, under review or likely to be changed. These include the management of public museums and public libraries. In February 2010, the Administration decided that the mode of delivery of public museum services should remain unchanged, i.e. continue to be provided by LCSD. For public libraries, after staff consultation, LCSD decided in 2011 to adopt a mixed mode, i.e. deploying civil servants of both Clerical and Cultural Services Assistant grades in delivering frontline and support services in public libraries, augmented by more automation and self-service as well as engagement of part-time non-civil service staff at peak hours. Accordingly, the Department is gradually phasing out the relevant NCSC positions upon the recruitment of replacement civil servants and the expiry of the employment contracts of concerned NCSC staff. As at 30 June 2012, about 170 NCSC positions in the public museums and the public libraries have been phased out.

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

14. EMSD employed 1 579 full-time NCSC staff. Around 84% 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 16% were employed mainly as apprentices for training purpose on a time-limited basis, in collaboration with the Vocational Training Council.

**(IV) *Education Bureau (EDB)***

15. EDB employed 1 234 full-time NCSC staff. Around 72% 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, school construction and improvement projects, etc.). The remaining 4% were employed mainly to provide services where the long-term need or the mode of service delivery was under review, or where there is a need to tap market expertise (e.g. planning, implementation and evaluation of the Basic Competency Assessment Project).

**(V) *Department of Health (DH)***

16. DH employed 861 full-time NCSC staff. Around 84% were employed mainly to deliver services which were under review, including health surveillance measures at immigration control points and registration and enforcement work related to proprietary Chinese medicines and Chinese medicines traders. Around 14% were employed to meet ad hoc and time-limited service requirements (e.g. Health Care Voucher Scheme, development of the Communicable Disease Information System and various healthcare projects). The remaining 2% 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) *Registration and Electoral Office (REO)***

17. 791 full-time NCSC staff were employed by REO. They were

employed mainly to meet the time-limited service needs relating to the 2012 Legislative Council elections held on 9 September 2012 (e.g. voter registration, reviewing election forms, identification of polling stations, processing of nomination matters, handling of complaints, etc.). With the completion of the 2012 Legislative Council election, some 550 NCSC staff are expected to be phased out by the end of 2012.

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

18. SFAA employed 533 full-time NCSC staff. Some 60% 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 May 2010. The system will be installed in phases with the first phase scheduled for completion in 2013-14. SFAA will review and determine the manpower requirement and preferred complement of staff with the new integrated information technology system. Another 40% NCSC staff were employed to cope with time-limited or seasonal peaks of work (e.g. the seasonal influx of applications under various student financial assistance schemes, clearance of the backlog of default payments, etc.).

***(VIII) Buildings Department***

19. BD employed 438 full-time NCSC staff. Some 89% were employed to meet time-limited service needs, and the majority was engaged for supporting the implementation of various building safety initiatives and Operation Building Bright project, the service need of which has been extended to 2015. The remaining 11% NCSC staff were mainly employed to handle water seepage complaints where the mode of delivery of service was under review.

**Views Sought**

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

**Annex A****Employment of Full-time NCSC Staff  
by Bureau/Department/Office  
(Position as at 30.6.2012)**

<b>Bureau/Department/Office</b>	<b>Number of NCSC Staff</b>
Agriculture, Fisheries and Conservation Department	302
Architectural Services Department	36
Buildings Department	438
Census and Statistics Department	207
Chief Executive's Office	7
Chief Secretary and Financial Secretary's Office (including the Efficiency Unit)	377
Civil Aviation Department	23
Civil Engineering and Development Department	75
Civil Service Bureau	1
Commerce and Economic Development Bureau	34
Companies Registry	68
Constitutional and Mainland Affairs Bureau	11
Correctional Services Department	7
Customs and Excise Department	17
Department of Health	861
Department of Justice	55
Development Bureau	39
Drainage Services Department	74
Education Bureau	1 234
Electrical and Mechanical Services Department	1 579
Environment Bureau	6
Environmental Protection Department	109
Financial Services and the Treasury Bureau	58
Fire Services Department	61
Food and Environmental Hygiene Department	323
Food and Health Bureau	17
Government Flying Service	12
Government Laboratory	30
Government Logistics Department	44
Government Property Agency	8
Highways Department	28
Home Affairs Bureau	56
Home Affairs Department	402
Hong Kong Observatory	24
Hong Kong Police Force	115
Hongkong Post	2 073
Immigration Department	83
Information Services Department	16

<b>Bureau/Department/Office</b>	<b>Number of NCSC Staff</b>
Inland Revenue Department	168
Innovation and Technology Commission	54
Intellectual Property Department	12
Invest Hong Kong	58
Judiciary	113
Labour and Welfare Bureau	25
Labour Department	225
Land Registry	118
Lands Department	216
Legal Aid Department	6
Leisure and Cultural Services Department	1 981
Marine Department	19
Office of the Communications Authority	129
Office of the Government Chief Information Officer	18
Official Receiver's Office	49
Planning Department	21
Radio Television Hong Kong	357
Rating and Valuation Department	68
Registration and Electoral Office	791
Security Bureau	19
Social Welfare Department	231
Student Financial Assistance Agency	533
Trade and Industry Department	86
Transport and Housing Bureau	5
Transport Department	136
Treasury	47
University Grants Committee Secretariat	20
Water Supplies Department	120
<b>Total</b>	<b>14 535</b>



**Employment of Full-time NCSC Staff  
(Position as at 30.6.2012)**

**Length of Continuous Service\***

<b>Length of continuous service</b>	<b>No. of NCSC Staff (and percentage to total)</b>	
Less than 3 years	7 565	(52.1%)
3 years to less than 5 years	2 229	(15.3%)
5 years or more	4 741	(32.6%)
<b>Total</b>	<b>14 535</b>	<b>(100%)</b>

\* "Continuous service", as used in this Annex, included 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 30.6.2012)**

**Contract Duration**

<b>Length of current contract</b>	<b>No. of NCSC Staff (and percentage to total)</b>	
< 1 year	3 867	(26.6%)
1 - < 2 years	9 185	(63.2%)
2 - ≤ 3 years	1 483	(10.2%)
<b>Total</b>	<b>14 535</b>	<b>(100%)</b>

**Employment of Full-time NCSC Staff  
(Position as at 30.6.2012)**

**Salary Range**

<b>Monthly Salary</b>	<b>No. of NCSC Staff (and percentage to total)</b>	
\$30,000 or above	1 390	(9.6%)
\$16,000 - \$29,999	2 419	(16.6%)
\$8,000 - \$15,999	9 405	(64.7%)
\$5,000 - \$7,999	1 087	(7.5%)
Others*	234	(1.6%)
<b>Total</b>	<b>14 535</b>	<b>(100%)</b>

- \* They were paid on an hourly rate and hence their monthly salary varied according to the number of hours actually worked. Majority of them worked in Hongkong Post.

**Annex E (1)**

**Hongkong Post**

<b>Reasons of employment</b>		<b>No. of Full-time NCSC staff as at 30.6.2012</b>
(1)	To meet service needs that require staff to work less than the conditioned hours required of civil servants	1 035
(2)	To meet service needs that are subject to market fluctuation	1 038
Total :		2 073

**Leisure and Cultural Services Department**

<b>Reasons of employment</b>		<b>No. of Full-time NCSC staff as at 30.6.2012</b>
(1)	To meet service needs that are time-limited or seasonal in nature	1 264
(2)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	682
(3)	To tap the latest expertise in the market	30
(4)	To undertake work that should more appropriately be performed by civil servants as identified in the 2006 Special Review <sup>(Note)</sup>	5
Total :		1 981

**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.

**Annex E (3)**

**Electrical and Mechanical Services Department**

<b>Reasons of employment</b>		<b>No. of Full-time NCSC staff as at 30.6.2012</b>
(1)	To meet service needs that are time-limited or seasonal in nature	249
(2)	To meet service needs that are subject to market fluctuation	1 326
(3)	To tap the latest expertise in the market	4
Total :		1 579

**Education Bureau**

<b>Reasons of employment</b>		<b>No. of Full-time NCSC staff as at 30.6.2012</b>
(1)	To meet service needs that are time-limited or seasonal in nature	292
(2)	To meet service needs that require staff to work less than the conditioned hours required of civil servants	6
(3)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	31
(4)	To meet the unique operational needs in government schools under school-based management initiatives	886
(5)	To tap the latest expertise in the market	19
Total :		1 234

**Department of Health**

<b>Reasons of employment</b>		<b>No. of Full-time NCSC staff as at 30.6.2012</b>
(1)	To meet service needs that are time-limited or seasonal in nature	121
(2)	To meet service needs that require staff to work less than the conditioned hours required of civil servants	9
(3)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	724
(4)	To undertake work that should more appropriately be performed by civil servants as identified in the 2006 Special Review <sup>(Note)</sup>	7
Total :		861

**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.



**Registration and Electoral Office**

<b>Reasons of employment</b>		<b>No. of Full-time NCSC staff as at 30.6.2012</b>
(1)	To meet service needs that are time-limited or seasonal in nature	791
Total :		791

**Student Financial Assistance Agency**

<b>Reasons of employment</b>		<b>No. of Full-time NCSC staff as at 30.6.2012</b>
(1)	To meet service needs that are time-limited or seasonal in nature	210
(3)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	323
Total :		533

**Buildings Department**

<b>Reasons of employment</b>		<b>No. of Full-time NCSC staff as at 30.6.2012</b>
(1)	To meet service needs that are time-limited or seasonal in nature	390
(2)	To meet service needs where the mode of delivery of the service is under review or likely to be changed	48
Total :		438