

**For discussion
on 17 December 2007**

LC Paper No. CB(1)377/07-08(03)

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.

Pay adjustment for NCSC staff

2. During the discussion on the 2007-08 civil service pay adjustment at the June 2007 meeting, Members asked the Administration to provide details on the pay adjustments for NCSC staff since 1999.

3. NCSC staff are not part of the permanent civil service establishment. They have their distinctive employment packages and pay adjustment mechanisms which are different from those for the civil service. Given the nature of the NCSC Staff Scheme, Heads of Bureaux, Departments and Offices (hereafter referred to HoDs) are authorized by the Civil Service Bureau (CSB) to determine the employment package for their NCSC staff that is most suited to their operation needs subject to two broad guiding principles, namely the terms and conditions of service for NCSC staff should be no less favourable than those provided for under the Employment Ordinance, and no more favourable than those applicable to civil servants in comparable civil service ranks or comparable levels of responsibilities. The pay for NCSC staff should not exceed the mid-point salaries of comparable civil service ranks or civil servants undertaking comparable levels of responsibilities.

4. HoDs are also authorised to determine whether pay adjustments should be implemented for their NCSC staff, and if so, the level of adjustments. In making their determinations, HoDs are required to have regard to a host of considerations, including condition of the employment market, recruitment results and staff retention needs, cost of living, civil service pay adjustment, etc;

and to comply with the two guiding principles mentioned above. Thus while the rate of civil service pay adjustment is a relevant consideration, it should not be the only consideration. We consider the current mechanism provides HoDs with the necessary flexibility to set, and where appropriate adjust, the pay of their NCSC staff.

5. The detailed management of NCSC staff rests with HoDs and we do not require bureaux/departments (B/Ds) to submit returns on the pay adjustments for their NCSC staff. In view of Members' request (referred to in paragraph 2 above), we have obtained the relevant information from the eight main user B/Ds of the NCSC Staff Scheme, namely the Leisure and Cultural Services Department (LCSD), Hongkong Post (HKPO), Education Bureau (EDB), Electrical and Mechanical Services Department (EMSD), Department of Health (DH), Food and Environmental Hygiene Department (FEHD), Buildings Department (BD) and Social Welfare Department (SWD). The information obtained is collated in the tables at **Annexes (1) to (8)**. Together, they employed about 63% of all NCSC staff as at 1 November 2007.

6. The information demonstrates the effective operation of the pay adjustment mechanism for NCSC staff. For instance, in 2005, notwithstanding a pay reduction for the civil service, DH, FEHD, SWD etc. increased the pay for some of their NCSC staff. In 2006, notwithstanding a pay freeze for the civil service, LCSD, HKPO, the then EMB and SWD etc. increased the pay for some of their NCSC staff. In 2007, seven out of the eight major user departments (namely LCSD, HKPO, EDB, DH, EMSD, FEHD and BD) have increased the pay for the majority of their NCSC staff. The remaining department, SWD, is conducting reviews on the pay of most of its NCSC staff and will decide whether or not to adjust their pay in early 2008.

Progress of Replacement of NCSC Positions by Civil Service Posts

7. CSB, jointly with B/Ds, conducted a special review on the employment situation of NCSC staff last year, and reported the outcome of the review at the Panel meeting in December 2006. The review identified some 4 000 NCSC positions that involved work that should more appropriately be performed by civil servants. B/Ds concerned are taking action to replace these positions by civil service posts in phases. As at 31 October 2007, about 930 out of these

4 000 odd positions have already been phased out and their work undertaken by civil servants. The phasing out of the remaining NCSC positions will have regard to the end-dates of the existing employment contracts of the relevant NCSC staff and the lead-time for filling the replacement civil service posts.

Deletion and retention of NCSC positions in 2007-08

8. As reported at the Panel meeting in December 2006, the number of full-time¹ NCSC staff employed by B/Ds was 16 488 as at 31 March 2006. The number stood at some 16 960 as at 1 November 2007. As NCSC staff are engaged to meet service needs which are time-limited or do not require keeping staff on a permanent basis, retention or otherwise of NCSC positions is contingent upon changing service and operational requirements. Accordingly, the number of NCSC staff employed by B/Ds fluctuates from time to time.

Advice sought

9. Members are invited to note the above information concerning engagement of NCSC staff.

Civil Service Bureau
December 2007

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.

Pay Adjustment to NCSC Staff

Leisure and Cultural Services Department

Year in which pay adjustment took effect	Rate of civil service pay adjustment (%)	Rate of pay adjustment to serving NCSC Staff (%)	NCSC staff affected by pay adjustment	
			Number ¹	% to total ² employed
1999	0%	The Department was established on 1 January 2000 upon re-organisation of the municipal services.		
2000	0%	There was no pay adjustment to serving NCSC staff.		
2001	+2.38% to +4.99%	+2.38% to +4.99%	about 1,500	100%
2002	-1.58% to -4.42%	-1.58% to -4.42%	about 1,700	100%
2003	0%	There was no pay adjustment to serving NCSC staff.		
2004	-3.01% to -3.13%	-3.01% to -3.13%	1,400 ³	82%
2005	-3.1% to -3.23%	-3.1% to -3.23%	1,387 ³	81%
		+1.5% to +19%	329	19%
2006	0%	+2% to +3%	1,733	96%
2007	+4.62% to +4.96%	+4%	1,597	98%
		+1.1% to +30.8%	25	1.5%

Notes :

1. Excluding seasonal lifeguards, youth trainees and summer student helpers, who are employed on NCSC terms on short-term basis to meet seasonal needs or for training purposes. They are mostly employed for 9 months or less, and the level of pay offered is reviewed and determined having regard to the prevailing market situations before appointments are made.
2. This refers to the percentage measured against total serving NCSC staff employed by the Department. The remaining serving NCSC staff did not receive any pay adjustment.
3. NCSC staff employed after 1 August 2003 were not subject to the pay reduction in 2004 and 2005 in view of the reduced entry pay in 2003.

Pay Adjustment to NCSC Staff

Hongkong Post

Year in which pay adjustment took effect	Rate of civil service pay adjustment (%)	Rate of pay adjustment to serving NCSC Staff (%)	NCSC staff affected by pay adjustment	
			Number	% to total ¹ employed
1999	0%	There was no pay adjustment to serving NCSC staff.		
2000	0%	There was no pay adjustment to serving NCSC staff.		
2001	+2.38% to +4.99%	+2.38% to +4.99%	1,396	100%
2002	-1.58% to -4.42%	-1.58% to -4.42%	1,596	100%
2003	0%	There was no pay adjustment to serving NCSC staff.		
2004	-3.01% to -3.13%	-3%	1,264	78%
2005	-3.1% to -3.23%	+1.5% to +2.44%	572	33%
2006	0%	+2.57% to +12.5%	1,343	64%
2007	+4.62% to +4.96%	+3.29% to +3.3%	1,707	72%

Note :

1. This refers to the percentage measured against total serving NCSC staff employed by the Department. The remaining serving NCSC staff did not receive any pay adjustment.

Pay Adjustment to NCSC Staff

Education Bureau

Year in which pay adjustment took effect	Rate of civil service pay adjustment (%)	Rate of pay adjustment to serving NCSC Staff (%)	NCSC staff affected by pay adjustment	
			Number ¹	% to total ² employed
1999	0%	There was no pay adjustment to serving NCSC staff.		
2000	0%	There was no pay adjustment to serving NCSC staff.		
2001	+2.38% to +4.99%	There was no pay adjustment to serving NCSC staff.		
2002	-1.58% to -4.42%	-1.54% to -1.63%	670	100%
2003	0%	There was no pay adjustment to serving NCSC staff.		
2004	-3.01% to -3.13%	-2.69% to -2.74%	665	100%
2005	-3.1% to -3.23%	-2.8% to -2.87%	695	100%
2006	0%	+2.93% to +2.96%	301	33%
2007	+4.62% to +4.96%	+4%	754	100%

Notes :

1. The number covers NCSC staff remunerated on pre-determined pay packages only. Pre-determined pay packages are offered to NCSC staff whose job nature is largely comparable to civil service grades. NCSC positions remunerated on pre-determined pay packages include Administrative Assistant, Education Research/Resources Assistant, Teaching Assistant, Accounting Clerk, General Clerk, Computer Technician, Skilled Worker, Semi-skilled Worker and General Worker. These are NCSC positions commonly employed in many divisions in the Bureau and the pay adjustment is centrally determined by the headquarters. Most of the remaining NCSC staff who are not covered by the pre-determined pay packages are involved in work requiring unique expertise and skills, and are engaged on a project basis by different divisions. Their pay is very much contingent upon the market demand and employment situation of the concerned expertise, and is reviewed upon contract renewal.
2. This refers to the percentage measured against total serving NCSC staff employed by the Bureau on pre-determined pay packages. The remaining NCSC staff on pre-determined packages did not receive any pay adjustment.

Pay Adjustment to NCSC Staff

Electrical & Mechanical Services Department

Year in which pay adjustment took effect	Rate of civil service pay adjustment (%)	Rate of pay adjustment to serving NCSC Staff (%)	NCSC staff affected by pay adjustment	
			Number	% to total ¹ employed
1999	0%	There was no pay adjustment to serving NCSC staff.		
2000	0%	There was no pay adjustment to serving NCSC staff.		
2001	+2.38% to +4.99%	+2.38% to +4.99%	339	100%
2002	-1.58% to -4.42%	-1.58% to -4.42%	799	94%
2003	0%	There was no pay adjustment to serving NCSC staff.		
2004	-3.01% to -3.13%	-3%	812	93%
2005	-3.1% to -3.23%	-3%	785	92%
		+7.7% to +26.7%	24	3%
		-2.6%	1	0.12%
2006	0%	+3.31% to +20.51%	38	4%
		-5.41%	1	0.1%
2007	+4.62% to +4.96%	+4.5%	1,321	100%

Notes :

1. This refers to the percentage measured against total serving NCSC staff employed by the Department. The remaining serving NCSC staff did not receive any pay adjustment.

Pay Adjustment to NCSC Staff

Department of Health

Year in which pay adjustment took effect	Rate of civil service pay adjustment (%)	Rate of pay adjustment to serving NCSC Staff (%)	NCSC staff affected by pay adjustment	
			Number	% to total ¹ employed
1999	0%	There was no pay adjustment to serving NCSC staff.		
2000	0%	There was no pay adjustment to serving NCSC staff.		
2001	+2.38% to +4.99%	+2.38% to +4.99%	530	100%
2002	-1.58% to -4.42%	-1.58% to -4.42%	928	100%
2003	0%	-10%	546	80%
2004	-3.01% to -3.13%	-3%	93	9%
		+7.94% to +20%	429	42%
2005	-3.1% to -3.23%	-3%	108	11%
		+2.17% to + 25.9%	452	53%
2006	0%	+0.65% to +16.67%	5	0.4%
2007	+4.62% to +4.96%	+4.29% to + 11.11%	1,236	98%

Note :

1. This refers to the percentage measured against total serving NCSC staff employed by the Department. The remaining serving NCSC staff did not receive any pay adjustment.

Pay Adjustment to NCSC Staff

Food and Environmental Hygiene Department

Year in which pay adjustment took effect	Rate of civil service pay adjustment (%)	Rate of pay adjustment to serving NCSC Staff (%)	NCSC staff affected by pay adjustment	
			Number	% to total ¹ employed
1999	0%	The Department was established on 1 January 2000 upon re-organisation of the municipal services.		
2000	0%	-0.65% to -20.43%	284	94%
		+11.84%	2	0.66%
2001	+2.38% to +4.99%	+2.38% to +9.66%	361	100%
2002	-1.58% to -4.42%	-1.58% to -1.64%	258	47%
2003	0%	There was no pay adjustment to serving NCSC staff.		
2004	-3.01% to -3.13%	-3% to -11.99%	374	50%
2005	-3.1% to -3.23%	-2.8% to -3%	208	22%
		+3.2% to +13.5%	255	27%
2006	0%	+10.7%	79	8%
2007	+4.62% to +4.96%	+4.5% to +9%	928	100%

Note :

1. This refers to the percentage measured against total serving NCSC staff employed by the Department. The remaining serving NCSC staff did not receive any pay adjustment.

Pay Adjustment to NCSC Staff

Buildings Department

Year in which pay adjustment took effect	Rate of civil service pay adjustment (%)	Rate of pay adjustment to serving NCSC Staff (%)	NCSC staff affected by pay adjustment	
			Number	% to total ¹ employed
1999	0%	There was no pay adjustment to serving NCSC staff.		
2000	0%	There was no pay adjustment to serving NCSC staff.		
2001	+2.38% to +4.99%	There was no pay adjustment to serving NCSC staff.		
2002	-1.58% to -4.42%	There was no pay adjustment to serving NCSC staff.		
2003	0%	There was no pay adjustment to serving NCSC staff.		
2004	-3.01% to -3.13%	-2.73% to -3%	474	86%
		+10.77%	77	14%
2005	-3.1% to -3.23%	-2.73% to -2.99%	699	88%
2006	0%	There was no pay adjustment to serving NCSC staff.		
2007	+4.62% to +4.96%	+4.5%	860	100%

Note :

1. This refers to the percentage measured against total serving NCSC staff employed by the Department. The remaining serving NCSC staff did not receive any pay adjustment.

Pay Adjustment to NCSC Staff

Social Welfare Department

Year in which pay adjustment took effect	Rate of civil service pay adjustment (%)	Rate of pay adjustment to serving NCSC Staff (%)	NCSC staff affected by pay adjustment	
			Number	% to total ¹ employed
1999	0%	There was no pay adjustment to serving NCSC staff.		
2000	0%	There was no pay adjustment to serving NCSC staff.		
2001	+2.38% to +4.99%	+2.38% to +4.99%	460	100%
2002	-1.58% to -4.42%	There was no pay adjustment to serving NCSC staff.		
2003	0%	There was no pay adjustment to serving NCSC staff.		
2004	-3.01% to -3.13%	There was no pay adjustment to serving NCSC staff.		
2005	-3.1% to -3.23%	+5%	292	34%
2006	0%	+6.4% to +11%	402	43%
2007	+4.62% to +4.96%	+3% to +25%	20	3%
		The pay for other NCSC staff is under review. The review will be completed in early 2008.		

Note :

1. This refers to the percentage measured against total serving full-time NCSC staff employed by the Department. Except for 2007, the remaining NCSC staff did not receive any pay adjustment.