

**立法會**  
**Legislative Council**

LC Paper No. CB(4)193/18-19(05)

Ref: CB4/PL/PS

**Panel on Public Service**

**Meeting on 19 November 2018**

**Updated background brief on  
employment situation of non-civil service contract staff**

**Purpose**

This paper provides background information on the employment situation of non-civil service contract ("NCSC") staff and summarizes the major views and concerns expressed by members when the subject was discussed by the Panel on Public Service ("the Panel").

**The NCSC Staff Scheme**

Scope of the Scheme

2. The NCSC Staff Scheme, introduced in 1999, aims at providing Permanent Secretaries and Heads of Departments ("HoDs") with a flexible means of employment to respond more promptly to changing operational and service needs of Bureaux/Departments/Offices ("B/Ds"):

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

3. The terms of employment of NCSC staff are separate and different from those of civil servants. HoDs have full discretion to determine the appropriate employment package for their NCSC staff having regard to the state of the

employment market, recruitment results, cost of living and other relevant considerations, provided that the terms and conditions of service offered are overall speaking no less favourable than those prescribed under the Employment Ordinance ("EO") (Cap. 57) and no more favourable than those applicable to civil servants in comparable civil service ranks or with comparable levels of responsibilities.

#### Replacement of NCSC positions by civil service posts

4. Since 2006 when the number of full-time NCSC staff peaked at around 18 500, B/Ds have reviewed the employment situation of their NCSC staff from time to time to ascertain the need to replace those NCSC positions with established long-term service needs by civil service posts. As at 30 June 2017, about 7 930 (93%) out of 8 520 full-time NCSC positions which were identified as involving work with long-term service needs had already been replaced by civil servants. The remaining some 600 NCSC positions will be phased out as and when the corresponding civil service posts are created and filled. For the 6 700 new posts created in 2018-2019, 278 of them are for replacing NCSC positions for which the long term service need has been established.<sup>1</sup>

#### Statistics on the employment of NCSC staff

5. According to the Administration, there were 10 380 full-time NCSC staff employed by B/Ds as at 30 June 2017, a decrease of 1 543 as compared with the figure a year before.

6. Statistics on the employment situation of full-time NCSC staff by B/Ds from 2006 to 2017, employment of full-time and part-time NCSC staff in B/Ds as at 30 June 2017, a breakdown of full-time NCSC staff employed by B/Ds by years of continuous service, as well as those with continuous service of five years or more in the same position as at 30 June 2017 are in Appendices I to IV respectively.

### **Discussions of the Panel**

7. The major concerns and views expressed by Panel members and the Administration's responses are summarized in the ensuing paragraphs.

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<sup>1</sup> See Examination of Estimates of Expenditure 2018-19 by the Finance Committee - Reply Serial No. CSB006 for details.

### Replacement of NCSC positions by civil service posts

8. Members generally expressed concern over the slow progress of replacing NCSC positions by civil service posts, in particular in replacing those with established long-term service needs. At the Panel meeting on 15 January 2018, some members pointed out despite the net reduction of NCSC staff by 1 543 from 2016 to 2017, some 2 900 new NCSC staff still joined the Government during the same period. As the Administration was still engaging a large number of new NCSC staff, members urged the Administration to expedite the replacement of NCSC positions by civil service posts and the employment of NCSC staff who had worked in B/Ds for a long period of time.

9. The Administration advised that the number of NCSC staff had been on a continuous downward trend in the past decade. The total number of NCSC staff had dropped by around 44% from 18 537 in June 2006 to 10 380 in June 2017. In 2018-2019, 278 civil service posts were approved for replacing NCSC positions for which long-term service need had been established. However, there was still a continued need for some B/Ds to engage a certain number of NCSC staff to meet specific operational and service needs that could not be catered for by civil servants.

### Employment of NCSC staff by certain B/Ds

10. In response to members' enquiries about the Administration's plans to reduce the number of NCSC staff in the three departments, namely, the Hongkong Post ("HKP"), the Leisure and Cultural Services Department ("LCSD") and the Education Bureau ("EDB"), which had the largest number of NCSC staff, the Administration explained that:

- (a) for HKP, due to the particular work pattern in mail processing, seasonal and daily fluctuations in mail traffic against the need to meet performance pledges, as well as uncertainty in the longer term changes in the posting behaviours of mailers, there was a practical need for HKP to engage a mix of civil servants and NCSC staff in order to maintain flexibility in manpower deployment. NCSC staff in HKP typically took up specified tasks rather than the full range of duties normally assigned to civil service posts. About half of the NCSC staff in HKP were engaged to meet service needs that required them to work less than the conditioned hours required of civil servants;
- (b) around 67% of the NCSC staff were employed by LCSD mainly to meet service needs which were time-limited or seasonal in nature. For some grades such as lifeguards, there might be recruitment problems to meet service needs that were seasonal in nature

because the number of lifeguards required during the summer season far exceeded that during winter. The remaining NCSC staff were mainly employed to provide 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, such as public libraries and public museums; and

- (c) in 2017, out of the 1 201 NCSC staff in EDB, 984 of them (82%) were employed by government schools to provide services under time-limited funds/grants, such as the Capacity Enhancement Grant and the Composite Information Technology Grant, and under the Funding Flexibility Scheme to hire the right mix of supporting staff to meet their operational needs for clerical and janitor services.

11. On members' concern that there was no plan to replace NCSC positions at the Efficiency Unit to man the 1823 hotline by civil service posts, the Administration explained that NCSC staff were employed because there was no comparable civil service rank in the Government performing this type of work and it was not appropriate to create a new civil service rank with no potential for development solely for manning the hotline. Moreover, NCSC staff employed to man the 1823 hotline generally did not intend to stay in the job on a long-term basis.

#### Recruiting NCSC staff as civil servants

12. Members raised questions as to whether preferential consideration could be given to NCSC staff applying for civil service posts, say, by implementing a marking scheme. To ensure the fairness of the selection process in an open recruitment, the Administration could make known to the public the marking scheme for giving preferential consideration to NCSC staff applying for civil service posts.

13. The Administration pointed out that to give preferential consideration to NCSC staff would be at variance with the Government's policy to select the most suitable persons to fill civil service vacancies through an open, fair and competitive process. Since relevant working experience was one of the factors considered in the recruitment of civil servants, NCSC staff who met the basic entry requirements should generally enjoy a competitive edge over other applicants because of their working experience in the Government. As an illustration, the Administration advised at the Panel meeting on 21 November 2016 that the average success rate of serving NCSC staff and other applicants was around 16% around 2% respectively.

14. The Administration also advised that when B/Ds identified specific NCSC positions for phasing out, the concerned staff were advised well in

advance. B/Ds would offer employment assistance to outgoing NCSC staff where necessary. Interested NCSC staff were also encouraged to apply for civil service jobs.

15. Members also expressed concern about the layoff of NCSC staff who had worked for more than five years by some B/Ds due to the completion of time-limited projects or outsourcing of their work to contractors. They urged the Administration to employ these NCSC staff as civil servants. The Administration responded that, for those who had worked in some B/Ds for a long period of time, they might not find the entry salary of civil servants attractive considering their cumulative pay rise over the years.

#### Terms and conditions of service for NCSC staff

16. Members expressed concern that NCSC staff received less favourable terms and conditions of service than their civil service counterparts doing the same job. They requested the Administration to improve the remuneration packages for NCSC staff and consider relaxing the existing rule that the salaries of NCSC staff should not exceed the salary mid-point of comparable civil service ranks. Some members were also worried that the Administration had merely focused on cutting costs without caring about job security and prospect of NCSC staff or service quality.

17. The Administration stressed that cost reduction was not a main determinant of whether NCSC staff should be engaged, and it was not appropriate to compare the terms and conditions of employment of NCSC staff with those of civil servants. For example, some people might prefer working on contract term with gratuity payment. Apart from complying with EO and the guiding principles for employing NCSC staff, B/Ds were also required to ensure the competitiveness of the terms and conditions of service of the NCSC positions so as to be able to recruit and retain NCSC staff of suitable calibre.

18. At the Panel meeting on 15 January 2018, some members requested that the Administration should consider renewing the employment contracts of some NCSC staff even they had reached 60 years of age. They also urged the Administration, as the employer of NCSC staff, to take the lead in abolishing the offsetting arrangement whereby the employer's contributions to the Mandatory Provident Fund schemes of NCSC staff were used for offsetting the end-of-contract gratuities. There was also suggestion that the Administration should provide medical benefits, such as medical insurance, for NCSC staff comparable to those of civil servants.

19. The Administration said that it had not set any retirement age for NCSC staff, but B/Ds were given the discretion to decide on the retirement age of some NCSC positions having regard to requirements of the positions concerned, such

as physical fitness, operational need, etc. The Administration also said that although there was no legal requirement under EO for an employer to offer gratuities to their employees, about 70% of full-time NCSC staff had been offered end-of-contract gratuities by B/Ds. As regards the provision of medical benefits for NCSC staff, as the remuneration offered to NCSC staff was an all-inclusive pay package, medical benefits would not be separately provided for them.

### **Latest position**

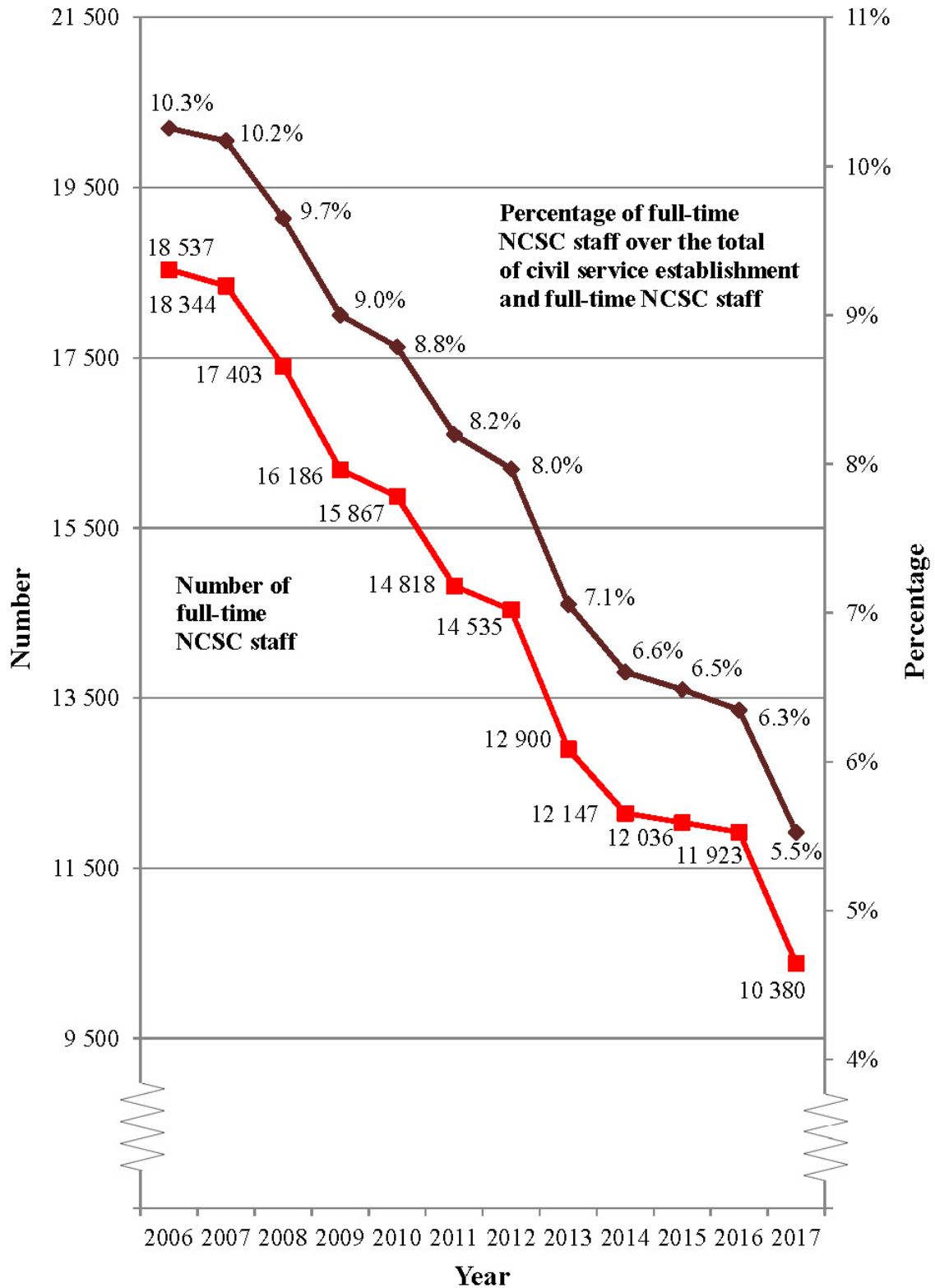
20. The Administration will update the Panel on the employment situation of NCSC staff at the Panel meeting on 19 November 2018.

### **Relevant papers**

21. A list of relevant papers is in **Appendix V**.

Council Business Division 4  
Legislative Council Secretariat  
12 November 2018

**Employment Situation of NCSC Staff from 2006 to 2017  
(Position as at 30 June)**



Source: Annex A of LC Paper No. CB(4)455/17-18(02)

## Appendix II

### Employment of full-time and part-time Non-Civil Service Contract ("NCSC") staff in Bureaux / Departments / Offices (as at 30 June 2017)

Bureau / Department / Office	No. of full-time <sup>Note 1</sup> NCSC staff	No. of part-time <sup>Note 2</sup> NCSC staff
Agriculture, Fisheries and Conservation Department	202	111
Architectural Services Department	39	19
Buildings Department	147	-
Census and Statistics Department	160	-
Chief Executive's Office	7	-
Chief Secretary and Financial Secretary's Offices	35	3
Civil Aviation Department	14	49
Civil Engineering and Development Department	62	-
Civil Service Bureau	1	6
Commerce and Economic Development Bureau	34	7
Companies Registry	87	-
Constitutional and Mainland Affairs Bureau	1	-
Correctional Services Department	6	13
Customs and Excise Department	7	-
Department of Health	435	253
Department of Justice	61	2
Development Bureau	50	-
Drainage Services Department	90	-
Education Bureau	1 201	74
Efficiency Unit	461	54
Electrical and Mechanical Services Department	710	-
Environment Bureau	3	-
Environmental Protection Department	77	119



<b>Bureau / Department / Office</b>	<b>No. of full-time<sup>Note 1</sup> NCSC staff</b>	<b>No. of part-time<sup>Note 2</sup> NCSC staff</b>
Financial Services and the Treasury Bureau	4	1
Fire Services Department	16	222
Food and Environmental Hygiene Department	200	-
Food and Health Bureau	11	-
Government Flying Service	9	4
Government Laboratory	12	1
Government Logistics Department	33	-
Government Property Agency	3	-
Highways Department	61	-
Home Affairs Bureau	53	1
Home Affairs Department	443	375
Hong Kong Observatory	19	-
Hong Kong Police Force	47	7
Hongkong Post	1 818	-
Immigration Department	37	-
Information Services Department	26	1
Inland Revenue Department	194	8
Innovation and Technology Commission	40	1
Intellectual Property Department	11	5
Invest Hong Kong	60	-
Judiciary	83	6
Labour and Welfare Bureau	24	1
Labour Department	88	4
Land Registry	94	-
Lands Department	178	-
Legal Aid Department	3	-
Leisure and Cultural Services Department	1 293	5 407

<b>Bureau / Department / Office</b>	<b>No. of full-time<sup>Note 1</sup> NCSC staff</b>	<b>No. of part-time<sup>Note 2</sup> NCSC staff</b>
Marine Department	12	17
Office of the Communications Authority	127	-
Office of the Government Chief Information Officer	10	-
Official Receiver's Office	38	-
Planning Department	40	-
Radio Television Hong Kong	210	453
Rating and Valuation Department	30	-
Registration and Electoral Office	360	-
Security Bureau	34	-
Social Welfare Department	82	172
Trade and Industry Department	57	-
Transport and Housing Bureau	7	-
Transport Department	62	40
Treasury	10	-
University Grants Committee Secretariat	18	-
Water Supplies Department	71	-
Working Family and Student Financial Assistance Agency	462	-
<b>Total</b>	<b>10 380</b>	<b>7 436</b>

Note 1: "Full-time" employment means employment under a "continuous contract" as defined by the Employment Ordinance ("EO"). According to the Ordinance, an employee is regarded as being employed under a continuous contract if he or she works continuously for the same employer for four weeks or more, with at least 18 hours in each week.

Note 2: "Part-time" employment means employment whereby the number of working hours of the NCSC staff is less than those under a "continuous contract" as defined by EO. The number of part-time NCSC staff set out at the above table refers to those with employment contractual relations with the user Bureaux / Departments / Offices as at 30 June 2017 and only some of them were called upon to perform duty on that date.

(Source: Annex A to Examination of Estimates of Expenditure 2018-19 by the Finance Committee - Reply Serial No. CSB019.)

### Appendix III

#### Breakdown of full-time Non-Civil Service Contract ("NCSC") staff by years of continuous service <sup>Note</sup> (position as at 30 June 2017)

Bureau / Department / Office	No. of NCSC staff				Total
	with less than three years of continuous service	with three years to less than five years of continuous service	with five years to less than ten years of continuous service	with ten years or more of continuous service	
Agriculture, Fisheries and Conservation Department	136	33	17	16	<b>202</b>
Architectural Services Department	36	3	-	-	<b>39</b>
Buildings Department	55	25	38	29	<b>147</b>
Census and Statistics Department	147	13	-	-	<b>160</b>
Chief Executive's Office	4	1	-	2	<b>7</b>
Chief Secretary and Financial Secretary's Offices	16	11	8	-	<b>35</b>
Civil Aviation Department	8	-	6	-	<b>14</b>
Civil Engineering and Development Department	44	3	9	6	<b>62</b>
Civil Service Bureau	1	-	-	-	<b>1</b>
Commerce and Economic Development Bureau	13	6	14	1	<b>34</b>
Companies Registry	69	14	3	1	<b>87</b>
Constitutional and Mainland Affairs Bureau	-	1	-	-	<b>1</b>
Correctional Services Department	6	-	-	-	<b>6</b>
Customs and Excise Department	4	3	-	-	<b>7</b>

<b>Bureau / Department / Office</b>	<b>No. of NCSC staff</b>				<b>Total</b>
	<b>with less than three years of continuous service</b>	<b>with three years to less than five years of continuous service</b>	<b>with five years to less than ten years of continuous service</b>	<b>with ten years or more of continuous service</b>	
Department of Health	66	19	189	161	<b>435</b>
Department of Justice	43	12	6	-	<b>61</b>
Development Bureau	28	9	13	-	<b>50</b>
Drainage Services Department	63	11	11	5	<b>90</b>
Education Bureau	864	132	131	74	<b>1 201</b>
Efficiency Unit	255	70	81	55	<b>461</b>
Electrical and Mechanical Services Department	42	143	267	258	<b>710</b>
Environment Bureau	1	1	1	-	<b>3</b>
Environmental Protection Department	49	21	7	-	<b>77</b>
Financial Services and the Treasury Bureau	4	-	-	-	<b>4</b>
Fire Services Department	9	1	-	6	<b>16</b>
Food and Environmental Hygiene Department	135	18	24	23	<b>200</b>
Food and Health Bureau	5	4	2	-	<b>11</b>
Government Flying Service	5	-	3	1	<b>9</b>
Government Laboratory	4	-	5	3	<b>12</b>
Government Logistics Department	13	9	4	7	<b>33</b>
Government Property Agency	3	-	-	-	<b>3</b>
Highways Department	45	12	2	2	<b>61</b>
Home Affairs Bureau	37	8	6	2	<b>53</b>

<b>Bureau / Department / Office</b>	<b>No. of NCSC staff</b>				<b>Total</b>
	<b>with less than three years of continuous service</b>	<b>with three years to less than five years of continuous service</b>	<b>with five years to less than ten years of continuous service</b>	<b>with ten years or more of continuous service</b>	
Home Affairs Department	313	55	66	9	<b>443</b>
Hong Kong Observatory	14	4	1	-	<b>19</b>
Hong Kong Police Force	25	18	3	1	<b>47</b>
Hongkong Post	510	207	351	750	<b>1 818</b>
Immigration Department	11	-	10	16	<b>37</b>
Information Services Department	13	5	3	5	<b>26</b>
Inland Revenue Department	174	6	5	9	<b>194</b>
Innovation and Technology Commission	25	2	6	7	<b>40</b>
Intellectual Property Department	6	2	1	2	<b>11</b>
Invest Hong Kong	12	5	10	33	<b>60</b>
Judiciary	50	3	19	11	<b>83</b>
Labour and Welfare Bureau	12	7	5	-	<b>24</b>
Labour Department	15	17	26	30	<b>88</b>
Land Registry	31	10	25	28	<b>94</b>
Lands Department	133	41	4	-	<b>178</b>
Legal Aid Department	2	1	-	-	<b>3</b>
Leisure and Cultural Services Department	910	58	107	218	<b>1 293</b>
Marine Department	10	1	1	-	<b>12</b>
Office of the Communications Authority	57	17	31	22	<b>127</b>

Bureau / Department / Office	No. of NCSC staff				Total
	with less than three years of continuous service	with three years to less than five years of continuous service	with five years to less than ten years of continuous service	with ten years or more of continuous service	
Office of the Government Chief Information Officer	4	4	1	1	<b>10</b>
Official Receiver's Office	28	3	4	3	<b>38</b>
Planning Department	27	7	5	1	<b>40</b>
Radio Television Hong Kong	105	42	28	35	<b>210</b>
Rating and Valuation Department	20	1	6	3	<b>30</b>
Registration and Electoral Office	322	22	6	10	<b>360</b>
Security Bureau	26	2	6	-	<b>34</b>
Social Welfare Department	49	11	15	7	<b>82</b>
Trade and Industry Department	14	17	23	3	<b>57</b>
Transport and Housing Bureau	7	-	-	-	<b>7</b>
Transport Department	37	8	13	4	<b>62</b>
Treasury	5	2	3	-	<b>10</b>
University Grants Committee Secretariat	8	3	6	1	<b>18</b>
Water Supplies Department	9	16	17	29	<b>71</b>
Working Family and Student Financial Assistance Agency	329	4	63	66	<b>462</b>
<b>Total</b>	<b>5 523</b>	<b>1 184</b>	<b>1 717</b>	<b>1 956</b>	<b>10 380</b>

Note : "Continuous service" refers to employment in the same NCSC position, as well as employment in different NCSC positions of the same department without a break in service.

(Source: Annex B to Examination of Estimates of Expenditure 2018-19 by the Finance Committee - Reply Serial No. CSB019.)

## Appendix IV

### Breakdown of full-time non-civil service contract (NCSC) staff with continuous service of five years or more in the same position (position as at 30 June 2017)

Bureau / Department / Office	No. of full-time NCSC staff in the same position	
	with five years to less than ten years of continuous service	with ten years or more of continuous service
Agriculture, Fisheries and Conservation Department	17	15
Buildings Department	35	22
Chief Executive's Office	-	2
Chief Secretary and Financial Secretary's Offices	7	-
Civil Aviation Department	6	-
Civil Engineering and Development Department	9	6
Commerce and Economic Development Bureau	14	1
Companies Registry	3	1
Department of Health	177	156
Department of Justice	6	-
Development Bureau	11	-
Drainage Services Department	10	3
Education Bureau	90	34
Efficiency Unit	40	11
Electrical and Mechanical Services Department	124	34
Environment Bureau	1	-
Environmental Protection Department	4	-
Fire Services Department	-	6
Food and Environmental Hygiene Department	21	22
Food and Health Bureau	2	-

<b>Bureau / Department / Office</b>	<b>No. of full-time NCSC staff in the same position</b>	
	<b>with five years to less than ten years of continuous service</b>	<b>with ten years or more of continuous service</b>
Government Flying Service	3	-
Government Laboratory	5	3
Government Logistics Department	4	7
Highways Department	2	2
Home Affairs Bureau	6	1
Home Affairs Department	60	7
Hong Kong Police Force	3	1
Hongkong Post	321	684
Immigration Department	5	-
Information Services Department	3	4
Inland Revenue Department	2	-
Innovation and Technology Commission	6	4
Intellectual Property Department	1	-
Invest Hong Kong	9	27
Judiciary	1	1
Labour and Welfare Bureau	5	-
Labour Department	20	6
Land Registry	25	28
Lands Department	4	-
Leisure and Cultural Services Department	78	96
Office of the Communications Authority	22	13
Office of the Government Chief Information Officer	1	1
Official Receiver's Office	4	3
Planning Department	5	1



<b>Bureau / Department / Office</b>	<b>No. of full-time NCSC staff in the same position</b>	
	<b>with five years to less than ten years of continuous service</b>	<b>with ten years or more of continuous service</b>
Radio Television Hong Kong	21	28
Rating and Valuation Department	3	3
Registration and Electoral Office	6	10
Security Bureau	3	-
Social Welfare Department	15	7
Trade and Industry Department	21	2
Transport Department	8	2
Treasury	2	-
University Grants Committee Secretariat	6	1
Water Supplies Department	16	26
Working Family and Student Financial Assistance Agency	48	41
<b>Total</b>	<b>1 321</b>	<b>1 322</b>

*(Source: Annex C to Examination of Estimates of Expenditure 2018-19 by the Finance Committee - Reply Serial No. CSB019.)*

**Employment situation of non-civil service contract staff**

**List of relevant papers**

Date	Meeting/Event	References
27 January 2016	Council meeting	Written question raised by Ir Dr Hon LO Wai-kwok
22 March 2017		Written question raised by Hon KWOK Wai-keung
16 December 2013	Panel on Public Service	<p>Administration's paper</p> <p>Updated background brief prepared by the Legislative Council Secretariat</p> <p>Minutes</p> <p>Administration's follow-up response to issues raised at the Panel meeting</p> <p>Administration's response to the letter from Hon TANG Ka-piu and Hon KWOK Wai-keung dated 18 December 2013</p>
15 December 2014		<p>Administration's paper</p> <p>Updated background brief prepared by the Legislative Council Secretariat</p> <p>Minutes</p> <p>Administration's follow-up response to issues raised at the Panel meeting</p>

Date	Meeting/Event	References
16 November 2015	Panel on Public Service	Administration's paper  Updated background brief prepared by the Legislative Council Secretariat  Minutes  Administration's follow-up response to issues raised at the Panel meeting
21 November 2016		Administration's paper  Updated background brief prepared by the Legislative Council Secretariat  Minutes  Administration's follow-up response to issues raised at the Panel meeting
15 January 2018		Administration's paper  Updated background brief prepared by the Legislative Council Secretariat  Minutes  Administration's follow-up response to issues raised at the Panel meeting